

Summary of Previously  
Identified Matters  
Project Binder

larger

C=complete/closed

Impact on Fiscal '23 - Open = 0

CWN

Summary of Previously Identified Matters

Matter #	Capitalization of Fixed Assets	Financial Reporting	Other	Potential Impact on Financial Statements	Material (Y/N)	Preliminary Audit Committee Observations
DRAFT V1 3/24/23						
AC Meeting Agenda Items						
o Meeting Date: 2/7/2023						
Item D.4. - Possible Follow-up action on Correspondence						
1			x			Management to provide list of specific compensating controls.
2						Assertion of "no internal controls over financial reporting" is not correct. Management responses dated 12/14/22 and 2/7/23 are adequate. No ACFR changes deemed necessary.
3						Observations and potential corrections to ACFR for June 30, 2022 (Dobler)
4	C	x				Lack of FULL disclosure in Note 18 of the ACFR FOR FISCAL YEAR ENDING JUNE 30, 2022 and false approval of contracts to avoid requirements under NRS and Board Policies (Dobler)
5	C	x				Unauthorized change in reporting from fiscal 2021 to 2022 for the Community Services venues (Dobler)
6	C		x			Item E.3A - Report - Facilities (Weddings and Events) - Multiple errors or lack of complete information - Board Packet 12-14-2022 (Dobler)
7	C					Follow-up on my memo on January 9, 2023 - Investment Earnings 2022 fiscal year ACFR (Dobler)
8	B	Gov & Gov.				Violation of GASB #34 - Improper Reporting of Internal Services Fund as part of Proprietary Funds 1) Statement of Net Position (Exhibit B), 2) Statement of Revenues Expenses and Changes in Net Position (Exhibit C) and 3) Statement of Cash Flows (Exhibit D). Page 24 to 27 of the June 30, 2022 Annual Comprehensive Financial Report. (Dobler)
o Meeting Date: 4/13/22						
8						D.3 Effluent Pipeline (Dobler)
9						D.4 Golf Courses (Dobler)

Handwritten arrow pointing down

Duplicate at 26. Use here. Ignore #26.

Handwritten notes: 182k, 800k - 22 - continue, force back in.

As per change was not vetted at AC Board.

Int income overvalued (as)

"s/b outside" success w/ auditors

Paul - will F/V.

Pile of Meeting material - add to this list.

9:00 -> 90 mins

Summary of Previously Identified Matters

Matter #	Capitalization of Fixed Assets	Financial Reporting	Other	Potential Impact on Financial Statements	Material (Y/N)	Preliminary Audit Committee Observations
DRAFT V1 3/24/23						
10	C	X			N	These matters were carefully reviewed and discussed between the AC in place at the time and management, particularly the notion of Restricted Funds. The AC approved the 2022 ACFR as revised and no further attention is warranted with respect to the topics raised in this matters memo.
11	0	X		\$ 169,230		As of March 23, 2023, management is further investigating this matter to determine the NBV at June 30, 2022, and any remaining amount which may have been inappropriately capitalized.
12	C <sub>x</sub>	X		\$105,433 (net)	N	Amount may not be material at June 30, 2022. Moreover, restatement of 2021 ACFR is moot given transition back to Enterprise Fund accounting for Community Services for Fiscal 2022.
13	C					Memo claims violation of NRS policy; reviewed with State Dept of Taxation which had no issues - in fact, DOT feedback informed BOT action. That said, past practice has been modified to avoid this practice. This appears to be a management matter, not having any material impact on any recent ACFR.
o Meeting Date: 6/1/22						
14	C			Water - \$306,670 Sewer - \$238,563	Y	Capital and Construction in Process were reviewed by the District's Independent Auditor as part of the financial audit for FYE 6/30/21; a number of items were expensed, as a result of this review. Items remaining in capital or CIP were not expensed with concurrence from the auditors and are not material as of June 30, 2022.
15	C <sub>x</sub>			\$ 174,332	N	See response to Matter #14 above. Moreover, management applied judgment as to the appropriate accounting for the reminding items not
See #12 & 14		X				Same Memo as D.5 from 4/13/22 Mtg.
16	C	X				See Responses to AC dated 6/16/22 and BOT dated 6/29/22. Management has concluded, and Moss Adams and our auditor have not taken exception, that Facility Fees are non-exchange transaction and have been presented appropriately in prior ACFRs.
o Meeting Date: 6/16/22						
17	C	X		Undetermined	N	Amounts are minor do do not warrant further investigation.
18	C - E/B	X		Undetermined	N	No clear assertion as to any amounts in appropriately capitalized was noted in this matter. Assertion noted in this matter that an MW exists in this area is incorrect.
o Meeting Date: 9/28/22						
19	0			\$ 167,118	N	No specific misstatement was asserted in this matter. Several speculative amounts were noted, but inadequate evidence was provided to support any accounting corrections. NBV of the amounts is to be confirmed by management as minor at June 30, 2022. The assertion that "there is obviously no internal control over what costs should be charged what project" is not factually supported.
Correspondence from Mr. Cliff Dobler						
See #19		X			N	See Response to AC 6/16/22 and BOT 6/29/22
20		X	X	Undermined	Y	See Response to AC dated 6/16/22 and to BOT dated 6/29/22. Management is further investigating the matter and will report back to the AC during the last week of March 2023. Ongoing assessment will include a materiality evaluation of the NBV for any inappropriately capitalized items.
Correspondence re FY2021/22 ACFR						
o Dobler Correspondence:						
See #2		X			N	See #2 above.
See #3		X			N	See #3 above

*Focus on disclosure in '23.*

*900 #808 NBV - need to discuss #*

*No ACFR implications.*

*Pumps capital.*

*Account.*

*Paul study*

*Paul to study*

*Change for source.*

*likely small repair costs. do not pursue.*

*Exchange like " - list in NA. Pays 19025 - be consistent*

*PN to EN*

SS / in allocation  
10' 22' Study

Summary of Previously Identified Matters

Matter #	Date	Description	Capitalization of Fixed Assets	Financial Reporting	Other	Potential Impact on Financial Statements	Material (Y/N)	Preliminary Audit Committee Observations
See #4	1/21/23	Unauthorized Change in Reporting		X			N	See #4 above.
See #6	1/30/23	Investment Earnings		X			N	See discussion of Investment Earnings presentation management response provided to AC at 6/1/22 mtg.
See #7	1/30/23	Internal Service Funds					N	See #7 above.
<b>Additional Memorandums identified by Mr. Dobler:</b>								
<b>AC Meeting agenda items:</b>								
o Meeting Date: 6/9/21								
21		E.4.a Funding Public Parks from the General Fund (memo 4/4/21)			X			Memorandums "deferred to future meeting." This is a management item, not a financial reporting matter. In process for FY23/24, per Board direction 1/25/23, 2/22/23
22		E.4.b Cash Position of Utility Fund (memo 5/9/21)		X				Acknowledged fund balance below Board reserve policy; no NRS violation re restricted funds. This is a management item, not a financial reporting matter.
23		E.4.d Close-out of MOU with Incline Tahoe Foundation						See my notes
24		E.4.g Review, discuss and recommend that 89 parcels acquired from Washeo County be updated (public purpose restriction, assets of CS fund) - memo 6/1/21			X			This appears to only be a financial reporting matter to the extent that any of these parcels were on the balance sheet in the ACFR, but that IVGID did not have proper title to the parcels. Legal to undertake review of this matter.
o Meeting Date: 11/19/20								
25		D.7.c Air Pressure Release Valve		X				Amounts noted are minor for further evaluation. The new Capitalization Policy will provide clarity around the accounting for such items beginning in Fiscal 2023.
<b>Correspondence from Mr. Cliff Dobler</b>								
26		Date: June 30, 2020 - Effluent Pipeline Costs FY2019 and FY2020		X				Some of the amounts profiled in the matter may clearly qualify for capitalization (such as the IVGID engineering staff). Capital and Construction in Process were reviewed by the District's Independent Auditor as part of the financial audit for FYE 6/30/21; a majority of the items reviewed were expensed. At June 30, 2022, any remains amounts that were inappropriately capitalized is very likely not material for further evaluation.
27		Date: November 23, 2020 - Meters and Equipment Costs Charged to Effluent Pipeline		X				#27 - Author of this memo to explain concern to the AC on March 27, 2023. Amounts noted appear to be immaterial for further evaluation.
28		Date: February 14, 2022 - Rebuttal to February 9, 2022 statements made by Paul Navaio, Director of Finance regarding accounting and reporting operating expenses in Capital Project Funds						Possible misclassification of certain expenses. Management to further evaluate these facts and circumstances and report back to the AC in late March 2023 for its further consideration and possible action.

C  
↓

C

C

C

O - Josh - title?  
L

Open - part of pipeline. Adjust / life. Repairs also

Delete - see #8.

Mixer - C

Open - part.

'21 ACFR

Charged off in 21 - but not as PPA.

21 - as PPA.

#234

Beach fund - material  
or If "major fund" then → materiality criteria.

2020 ACFR  
Navaio approved by AC.

SS  
3/30

governance - not an accounting issue.

530k?

Cliff to explain; PN to f/v.

**To:** IVGID Board of Trustees, Acting GM Mike Bandelin, Acting DoF Bobby Magee, Vito Brandle (At-Large Audit Committee Member) & Cliff Dobler (Attachment only)

**From:** Chris Nolet – IVGID Audit Committee Chair & CPA (Retired)

**Subject:** Project to Review Outstanding Accounting and Financial Reporting Matters. Follow-Up from Audit Committee Meeting of February 7, 2023. (Refer to Memo from Paul Navazio dated March 30, 2023, included in the Project Binder).

**Date:** January 23, 2024

## **Background**

The Audit Committee (“AC”) that was in place at the time and reviewed the audited CAFR for the year ended June 30, 2021, did **NOT** approve the CAFR for filing with the State of Nevada, as they could not satisfy themselves that the financial statements and related footnotes therein were presented fairly, in all material respects. The IVGID Board of Trustees at the time overrode the AC and approved the CAFR, which was subsequently filed with the State of Nevada. It should also be noted that the 2020 and 2021 CAFR, and the 2022 ACFR, were all restated for material prior year(s) errors.

As noted in Paul Navazio’s (“Navazio”) memo (referred to above), and the almost 30 supporting memos, there were several unresolved matters that were not adequately addressed by District Staff in the 2020 and 2021 CAFR, nor in the 2022 ACFR. Further, other concerns were raised by community members that possibly impacted the 2020 and 2021 CAFR, as well as the 2022 ACFR. The AC noted in its final report on Fiscal 2021 that four material weaknesses in internal controls over financial reporting were identified for that year, but no major remediation steps were known to have been taken by Staff during Fiscal 2022 or Fiscal 2023, nor were any apparent material scope modifications made during the course of the Fiscal 2022 audit to compensate for the MWs. The District’s independent auditor also noted three Significant Deficiencies in connection with the Fiscal 2022 audit, but it is not clear how those observations are being dealt with during the 2023 ACFR audit.

Considering the problems noted above, I proposed to the Board and Trustees and the Director of Finance (“DoF”) in March of 2023 that a comprehensive “look back” project be undertaken to investigate and resolve (in whatever ways appropriate) **ALL** of the open matters before the Fiscal 2023 audit of the ACFR was completed. The project was approved, and I assembled a team of Navazio, Cliff Dobler (the source of most of the assertions of incomplete/incorrect accounting or reporting), Mick Homan (At-Large AC Member) and me.

We met several times as a working group from mid-March through early June. The project was “paused” as the extended BoT golf analysis and Fiscal ‘23/’24 budgeting process

consumed the DoF's time for the whole of June. While we had made very good progress in closing out a majority of the matters (19 of 28), we all agreed that Staff would do more work to better understand the possible impact of the remaining open items on various fiscal years financial statements. Upon Paul Navazio's sudden resignation, he committed to finish this work, as evidenced in an email from him dated June 17 (copy attached). However, to the best of my knowledge and that of District Staff, he did not do so.

This Project has sat largely untouched since June 2023. While it has been discussed at several AC meetings, and with District Staff, no work has been done for many reasons, the most likely of which is the massive Staff/Contractor effort being required to remediate the incomplete bank reconciliations, other supporting ledgers, and the unaudited interim financial statements for the twelve months of Fiscal 2023, none of which according to Staff were closed properly, notwithstanding having the majority of those months (11) posted on the IVGID website.

**Recommendation**

I have been told that the District does not currently have the resources to look for the remaining necessary records supporting completion this Project, which Navazio represented he had left in good order upon his departure. That said, I believe that the most complete set of Project records was maintained by me, rather than by Dobler or Homan. I have transferred to the Acting DoF **ALL** my records related to this project. The hard copy files are hand marked with various notes taken during the meetings between March and June 2023. I believe that the District has clean, soft copies of all these files, some of which are likely more updated than the versions in the Project Binder.

I believe the matters raised in this Project, and several related questions posed to the District by Dobler later in 2023, should be studied and resolved. Without this work being completed, and 1) recognizing that the AC did not approve the 2021 CAFR, 2) that it is not clear how the 2022 or 2023 Independent financial statement audits were tailored to compensate for the 4 MWs and 3 SDs, and 3) any remaining open matters identified by Moss Adams for these periods, I personally can't speak to the fair presentation (or not) of the audited Fiscal 2020 or 2021 CAFR, or the audited Fiscal 2022 ACFR.

Below I have listed the matters (numbered in the left-hand column) in the "Summary of Previously Identified Matters" (included in the blue Project Binder with a supporting memo for each matter, all of which I provided to IVGID during the last week of January '24), that were open as of Navazio's departure date:

7, 8, 9, 11, 15, 19, 24, 25 and 28.

A "C" designation in the Summary of Previously Identified Matters indicates that the Project team was reasonably confident that no further work was required to understand the matter. That said, certain of the remaining "C" matters (that is closed) may yet require

some adjustment to current or prior year financial statement, as noted therein. TBD by Staff. The “O” matters (that is Open) were discussed by the Project team, but it was determined that Staff needed to undertake more work to fully understand the concern and propose a resolution of the matter.

I also strongly suggest that the District consider certain other items noted in the following Supplemental Materials:

“Summary of Costs Capitalized Which Should Have Been Expensed” hand dated 3/28/23. (See Folder 1). There may be (TBD) some duplicates with matters noted therein and the Summary of Previously Identified Matters described above. Source – Dobler

A folder I received late in 2023, and a related memo from Josh Nelson, with respect to concerns over certain District grant activity. (See Folder 2). To my knowledge no work has been undertaken concerning this information. Source – Dobler

When the District decides to address the matters discussed in this memo, I will commit to a meeting not to exceed 4 hours (no later than May 31) in order to provide as much insight and guidance to help resolve these matters as is possible.

Lastly, while not relating to any historical financial statements, a matter raised at several Audit Committee and BoT meetings early in Fiscal '23 relates to the Fiscal '23/'24 Budget. On Form 4404LGF, page 10, as submitted to the State of Nevada during the first week of June '23, revenues for the Proprietary Fund are overstated by approximately **55%, or \$22,760,852**. This error has been corroborated by Ray Tulloch, Mick Homan, Paul Navazio, Bobby Magee and me. This same type of error was also reflected in an earlier version of the Budget approved by the BoT on May 25, 2023. However, in that Budget the error was approximately \$50,889,877, as at that time the entire multi-year proceeds from the State loan were included. The largest portion of the error reflects reporting debt proceeds from the State of Nevada related to the Effluent Pipeline as “Other Non-Operating Revenues.” Debt proceeds, which must be repaid, generally are not reported as Revenues in the historical financial statements, or in the budget, which is prepared on the same basis as the annual financial statements (per the footnotes to the ACFR). The remaining balance of the error relates to monies from an ACE grant that will not be recognized as Revenue in Fiscal '23/'24, but rather in the latter years of the project. These two matters should be validated with our independent auditor as they will affect the Fiscal '24 ACFR.

Attachment – 1

Supplemental Materials – 3 (Bobby Magee only)

*Attachment*

# AC Open Issues Follow-up

Paul C. Navazio

Sat 6/17/2023 10:57 AM

To: Chris Nolet <nolet\_audit@ivgid.org>;

Cc: Mick Homan <homan\_audit@ivgid.org>; Indra Winqest <ISW@ivgid.org>;

Chris - I have not forgotten about the write-up to help bring the "open matters" project to closure (at least the first batch).

I still have a few items to complete, but I am also now needing to prioritize two agenda reports requested by the Board for the meeting of 6/28.

I have reached out to both DavisFarr (re reporting format issue) and Josh Nelson (re parcels acquired from Washoe County) and am awaiting some information to include in my write-up.

I will keep you posted...

Thanks,

**Paul Navazio**

Director of Finance

Incline Village General Improvement District

893 Southwood Blvd.

Incline Village, NV 89451

Office: 775-832-1365





Chris Nolet &lt;cnolet99@gmail.com&gt;

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**Capital Project Costs - 2015 to 2021 which is recommended for charge off based on review**

2 messages

**cfdobler@aol.com** <cfdobler@aol.com>

Mon, Jun 12, 2023 at 10:05 AM

To: Chris Nolet &lt;cnolet99@gmail.com&gt;

Cc: Sara Schmitz &lt;trustee\_schmitz@ivgid.org&gt;, Matthew Dent &lt;dent\_trustee@ivgid.org&gt;, Tulloch Ray &lt;tulloch\_trustee@ivgid.org&gt;

I completed the attached worksheet of capital project charges offs which have not been done.

This is quite extensive. As such, I broke it down into 8 exhibits.

The amount is \$10,761,774 and does not include the previous memos sent to the Audit Committee.

The amount is also before any accumulated depreciation taken on the projects

The depreciated life is important. For example, the 13 repairs on the pipeline and the air pressure relief valves were depreciated over 40 years and according to Granite the items will be abandoned in 2024 and 2025.

This was quite an effort and I hope you appreciate it.

Cliff

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 **Memo to Nolett - Proposed charge off of Capital Projects 2015 to 2021 with exhibits.pdf**  
6111K

**Chris Nolet** <cnolet99@gmail.com>

Mon, Jun 12, 2023 at 8:35 PM

To: "cfdobler@aol.com" &lt;cfdobler@aol.com&gt;

Cc: Sara Schmitz &lt;trustee\_schmitz@ivgid.org&gt;, Matthew Dent &lt;dent\_trustee@ivgid.org&gt;, Tulloch Ray &lt;tulloch\_trustee@ivgid.org&gt;

Thanks Cliff. I will begin to drill into this tomorrow. Best

[Quoted text hidden]

June 12, 2023

To: Chris Nolet

From: Cliff Dobler

I have prepared a summary of costs capitalized which, I believe, should have been expensed for the periods from 2015 to 2022. Based on my analysis, there is potentially an additional \$10,761,774 in costs prior to adjustments for accumulated depreciation for charge off.

Based on the Moss Adams report and a Board agreed look back of five years IVGID staff was engaged to determine charge offs. Instead IVGID staff only selected certain costs but did not do a comprehensive review.

### **History of Charge Offs**

Beginning in 2019, \$807,552 in prior period adjustments consisting of two venue concept studies and paving repairs and painting (Exhibit B). This data was taken from the General Ledger and had costs which were prior to 2019.

In 2020, a large charge off of \$3,100,110 for the effluent pipeline and a \$100,895 charge off from the General Fund were made. Both were reported as a prior period adjustment. It is unknown what the items were in the General Fund

In 2021, \$700,538 in capital costs from prior years were charged off, however, were reported buried in operating expenses rather than treated as a prior period adjustment

In 2022, \$2,750,212 in current year capital costs were charged off as operating expenses.

### **Collection of Data for additional Charge offs.**

Over the past 7 years from 2015 to 2021, I kept a running total by year of all capital costs. The amounts were drawn from the annual CIP reports produced by the IVGID. Capital Costs and potential charge offs are listed in each of following funds.

- Exhibit A - Summary of Costs Capitalized which should have been expensed 2015 to 2021
- Exhibit B - Charge offs in 2019 for paving and painting
- Exhibit C - General Fund
- Exhibit D- Utility Fund
- Exhibit E - Golf Courses
- Exhibit F - Diamond Peak
- Exhibit G - Facilities, Parks, Tennis, Recreation Center and Administration
- Exhibit H - Beaches

## Decisions used on recommending potential charge offs

- Historical Charge offs by staff
- Prior memos to Audit Committee
- Knowledge of costs

I attempted and believe succeeded in the removal of line items that have been presented to the Audit Committee in various memos I have previous sent.

This has been quite a challenge as prior charge offs were not done on a consistent basis. As such, several sources had been utilized such as the General Ledger, the unaudited annual CIP reports and the audited CIP reports. In addition, in 2021 several prior period costs were charged off to operation rather than using prior period adjustment.

All in All , the extent of the proposed charge offs is well displayed and discussions can ensue on finishing this project.

**Incline Village General Improvement District**  
**Summary of Costs Capitalized which should have been expensed**  
**2015 to 2022**

**EXHIBIT A**

Project Description	Account #	CHARGED OFF				Gross Costs
		2019	2020	2021	2022	before Dep 2015 to 2021
<b>GENERAL FUND</b>						
Printer Copier	1099OE1401				8,870	
Phone System upgrade	1213CE1901				(5,641)	
Power Infrastructure Improvements	1213CE2101				12,670	
Fiber Installation/replacement	1213CE2104				3,895	
Server Storage & Computing Hardware	1213CO1505				11,282	
Laptops, Peripheral Equipment & Desk Top Printers	1213CO1703				11,756	
Human Resources Management and Payroll	1315CO1801				3,840	
IT Infrastructure ? ??	1213CO1505					
Unknown			100,895		-	
Various - See Details						378,743
<b>UTILITY FUND</b>						
Arc Flash Study					6,709	
Adjust facilities in NDOT/Washoe County Right Away	2097DI1401			21,861		347,885 began charge off in 2021
Water Pumping Station Improvements	2299DI1102				77,716	426,050
Replace Commercial Water Meters , vaults, and lids	2299DI1103				6,788	416,996
Water Reservoir Coatings and Improvements	2299DI1204				140,651	327,290
Burnt Cedar Water Disaffection Plans Improvements	2299DI1401					548,004
Effluent Export Line - Phase II	2524SS1010		3,100,110		-	182,023 2020-2021
<i>Effluent Export Line - Questionable capitalization through 2019</i>						
repairs to 13 locations - Granite will be abandoned						1,236,400
Air pressure relief valves - will be abandoned						643,400
meters and valves - will be abandoned						86,500
Effluent Pond Lining	2599SS2010				413,207	
Water Resources Recovery Facility	2599BD1105				48,275	53,391
Wetlands Effluent Disposal Facility Improvements	2599SS1103					174,333 Disagreement with Man
Sewer Pumping Stations Improvements	2299DI1104				63,740	266,052
Replace & Reline Sewer Mains, Manholes, Appurtenances	2599SS2107				58,473	404,349

	Account #	CHARGED OFF				Gross Costs
		2019	2020	2021	2022	before Dep 2015 to 2021
<b>UTILITY FUND (CONTINUED)</b>						
Leak Study	2299WS1801			78,506		
Pump Station roofing (assume all stations)						255,413
Paving Maintenance						75,998
Unknown			66,856			
						5,444,084

**COMMUNITY SERVICES FUND**

**Champ and Mountain Golf Courses**

Irrigation	3141GC1103					
Greens, Tees and Bunkers	3141GC1202					
Hole 17 rebuild						
Drainage enhancements						
Cart Path retaining walls	3241LI1704			9,650		
Maintenance Bldg	3141GC1502				373	
3 Club Car Carryall 50% to expenses and 50% to capital					36,504	
Ice Maker					7,601	
Cart Paths					493,813	
See Detail						1,081,351

**Diamond Peak**

Master Plan Summer Activities	3499BD1399			156,030		
Master Plan Phase I	3653BD1501			95,623		
Lift Maintenance - Crystal Express	3462HE1502				47,739	113,921
Lift Maintenance - Lakeview	3462HE1702				73,387	287,985
Lift Maintenance - Lodge pole	3462HE1711				203,689	
Lift Maintenance - School House	2362HE1602					111,905
Lift Maintenance - Red Fox	3462HE1712					64,535
Lift Maintenance - Ridge	2462HE1603					128,923
2014 Yamaha ATV 50% to expenses and 50% to capital					20,167	
Arc Flash Study	3499BD2002				6,000	
Staff Uniforms	3499OE1205				92,460	115,739
Ski Rental Equipment	3468RE0002					466,104
Paving Maintenance	3469LI1805					306,504
Snow making evaluation	3464SI1104					33,500
BMP revegetation						34,967
Signage Evaluation	3469RS1709					38,450
Main Lodge Deck Resurface	3464BD1403					55,338
						1,757,871

	Account #	CHARGED OFF				Gross Costs
		2019	2020	2021	2022	before Dep 2015 to 2021
<b>COMMUNITY SERVICES FUND (CONTINUED)</b>						
<b>Facilities</b>						
Replace Carpet	3350BD1103			41,745		
Replace Air Walls	3350BD1704			4,350	80,510	
Various - See Details						219,874
<b>Parks</b>						
I.P Path - upgrade lights	43788DI713				26,896	
Pavement Maintenance - Preston Field et all				4,920	4,354	
Pump Track	4378LI1802					
Dog Park	4378LI2104					
Village Green Restroom Drainage	4378BD1901			5,886		
Community Services Master Plan		212,044				
High School Ball Fields Study		77,216				
VARIOUS - See Detail of various items						300,201
<b>Tennis Center</b>						
Tennis Center Renovation	4588BDI604				43,615	
Tennis Center Courts 1 & 2	4588RS1501			15,650		
Facility Study	4588RS1605			40,142		
VARIOUS - See Detail of various items						213,769
<b>Recreation Center</b>						
Lobby Restrooms	4884BD1902				10,242	
Fitness Equipment	4886LE0001				50,541	
Locker Rooms	4899FF1202				1,653	
VARIOUS - See Detail of various items						520,266
<b>Administration</b>						
ARC Flash Study	4999BD2001				3,000	
EMV Credit Card Processing Compliance						36,483
<b>BEACH FUND</b>						
Burnt Cedar Pool (includes prior year)	3970BD2601				681,393	\$207,012 was in 2019 & 2021
Incline Beach Study	3973LI1302			216,132		
Incline Beach Shade Structure	3999BD1507			6,000		
VARIOUS - See Detail of various items						809,132
<b>OTHER</b>						
Paving Repairs and Painting		DOES NOT INCLUDE DP AND UTILITIES		514,254		
				<hr/>		
		\$ 807,552	\$ 3,271,901	\$ 700,537	\$ 2,750,212	\$ 10,761,774 \$ 18,291,976

Prior Period Adjustment	Prior Period Adjustment	Prior year buried in expenses	current year expensed in 2022	NOT CHARGED OFF
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EXHIBIT B

0

NO DIAMOND PEAK..

Fixed Asset Listing as of 6/30/2019  
All Assets

Fixed Asset#	Description	FA Type	FA Category	Department	Depreciable	Cost	Accumulated Depreciation	Book Value
11422	Recreation Center Asphalt Repairs	Recreation Buildings and Structures	Building & Renovations	Recreation Center	Yes	12,400.00	619.68	11,780.02
11328	Asphalt Repairs Ski Way	Recreation Buildings and Structures	Building & Renovations	Diamond Peak Admin	Yes	65,045.00	13,603.59	54,436.04
11254	Burnt Cedar Beach Parking Lot Maintenance	Field and Parks Improvements	Venue Improvements	Beaches	Yes	12,500.00	1,250.04	11,249.56
10853	Championship Course Pavement Maintenance -	Golf Course Improvements	Venue Improvements	Championship Golf Course	Yes	2,889.00	1,155.84	1,733.16
11246	Chateau Pavement Maintenance	Recreation Buildings and Structures	Building & Renovations	Championship Golf Course	Yes	36,572.75	3,982.01	32,610.74
10798	Chateau - Replace Carpet	Recreation Buildings and Structures	Building & Renovations	Facilities	Yes	45,376.00	32,951.59	12,424.41
11182	Chateau Parking Lot Patch Paving Repairs	Golf Course Improvements	Venue Improvements	Championship Golf Course	Yes	17,000.00	3,400.00	13,599.92
11258	East & West Parks Parking Lot Paving Maint	Field and Parks Improvements	Venue Improvements	Parks & Recreation Admin	Yes	6,480.00	1,292.04	5,187.96
11253	Incline Beach Parking Lot Maintenance	Field and Parks Improvements	Venue Improvements	Beaches	Yes	4,000.00	399.89	3,600.04
11022	Incline Beach Side Walk Paving	Field and Parks Improvements	Venue Improvements	Beaches	Yes	4,475.00	2,684.88	1,790.12
11393	Interior of Recreation Center Painting	Recreation Buildings and Structures	Building & Renovations	Recreation Center	Yes	20,270.00	1,013.49	19,256.51
11419	Mountain Golf Cart Path Retaining Walls	Golf Course Improvements	Venue Improvements	Mountain Golf Course	Yes	3,831.25	383.16	3,448.10
11329	Tennis Asphalt Pathways Maintenance	Recreation Buildings and Structures	Building & Renovations	Tennis	Yes	5,000.00	500.04	4,499.96
11255	Recreation Center Pavement Maintenance	Recreation Buildings and Structures	Building & Renovations	Recreation Center	Yes	16,000.00	2,656.60	13,333.40
10923	Mountain Course Cart Path Pavement Maintenance	Golf Course Improvements	Venue Improvements	Mountain Golf Course	Yes	4,680.00	3,728.16	931.84
11249	Mountain Course Golf Parking Pavement Maintenance	Golf Course Improvements	Venue Improvements	Mountain Golf Course	Yes	15,100.00	1,509.69	13,590.04
11169	Mountain Golf Parking Lot Paving Repairs	Golf Course Improvements	Venue Improvements	Mountain Golf Course	Yes	5,700.00	1,140.00	4,560.00
11083	Mountain Golf Cart Paths Paving Repairs	Golf Course Improvements	Venue Improvements	Mountain Golf Course	Yes	20,640.69	6,680.30	19,960.39
10880	Paint Admin Facility Exterior	Administration Buildings and Structures	Building & Renovations	General Government	Yes	5,787.50	4,823.00	964.50
11092	Paint All Court Fences & Light Poles	Field and Parks Improvements	Venue Improvements	Tennis	Yes	15,765.00	9,166.25	6,598.75
10885	Paint Exterior of Chateau	Recreation Buildings and Structures	Building & Renovations	Facilities	Yes	23,015.00	13,425.51	9,589.49
11403	Paint Food & Beverage Kitchens and Storage Areas	Recreation Buildings and Structures	Building & Renovations	Facilities	Yes	5,965.00	497.16	5,467.84
11275	Paint Interior of Chateau	Recreation Buildings and Structures	Building & Renovations	Facilities	Yes	26,115.00	4,974.24	21,140.76
10929	Painting Projects at Beaches	Recreation Buildings and Structures	Building & Renovations	Beaches	Yes	15,844.00	12,675.36	3,168.64
11036	Mountain Course Cart Path Paving	Golf Course Improvements	Venue Improvements	Mountain Golf Course	Yes	14,525.00	4,478.48	10,046.52
11420	Pavement - Champ Golf Parking Lot	Recreation Buildings and Structures	Building & Renovations	Championship Golf Course	Yes	24,893.00		24,893.00
11427	Pavement - Incline Beach	Field and Parks Improvements	Venue Improvements	Beaches	Yes	1,550.00		1,550.00
11418	PAVEMENT READMIN BUILDING	Administration Buildings and Structures	Building & Renovations	General Government	Yes	5,935.10		5,935.10
10949	Pavement Maintenance of Admin. Building Parking Lot	Administration Buildings and Structures	Building & Renovations	General Government	Yes	9,995.00	3,664.76	6,330.24
10969	Pavement Maintenance of Cart Paths- Championship Golf Course	Golf Course Improvements	Venue Improvements	Championship Golf Course	Yes	37,093.00	13,291.73	23,801.27
10997	Pavement Maintenance of Cart Paths- Mountain Golf Course	Golf Course Improvements	Venue Improvements	Mountain Golf Course	Yes	31,039.50	11,122.33	19,917.12
10989	Pavement Maintenance of Parking Lot- Championship Golf Course	Golf Course Improvements	Venue Improvements	Championship Golf Course	Yes	30,015.29	23,011.69	7,003.33
11259	Pavement Maintenance, Village Green Parking	Field and Parks Improvements	Venue Improvements	Parks & Recreation Admin	Yes	29,500.00	5,600.04	23,599.96
11082	Pavement Repair - Ski Way	Recreation Buildings and Structures	Building & Renovations	Diamond Peak Admin	Yes	9,500.00	4,749.90	4,750.10
10728	Paving Repairs-Champ&Chateau	Golf Course Improvements	Venue Improvements	Championship Golf Course	Yes	14,988.58	9,057.09	5,911.49
11256	Preston Field Pavement Maintenance	Field and Parks Improvements	Venue Improvements	Parks & Recreation Admin	Yes	48,925.00	8,561.91	40,363.09
11184	Rec Center Parking Lot Paving Repairs	Recreation Buildings and Structures	Building & Renovations	Recreation Center	Yes	7,950.00	3,180.00	4,770.00
10882	Rec Center Parking Lot Pavement Maintenance	Recreation Buildings and Structures	Building & Renovations	Recreation Center	Yes	39,828.90	37,837.74	1,991.16
10854	Pavement Maintenance of Cart Paths - Champ Golf	Golf Course Improvements	Venue Improvements	Championship Golf Course	Yes	24,075.00	9,630.24	14,444.76
10881	Pavement Maintenance of Cart Paths - Mt. Golf Course	Recreation Buildings and Structures	Building & Renovations	Mountain Golf Course	Yes	24,999.00	9,699.84	14,899.16
10739	Mt. Course Cart Paths Paving	Recreation Buildings and Structures	Building & Renovations	Mountain Golf Course	Yes	13,818.00	7,558.54	6,259.46
11188	SKI Parking Lot Paving Repairs	Recreation Buildings and Structures	Building & Renovations	Diamond Peak Admin	Yes	2,000.00	789.82	1,210.18
11260	Slurry Seal - overflow lot	Field and Parks Improvements	Venue Improvements	Parks & Recreation Admin	Yes	20,000.00	3,699.66	16,300.04
11183	Village Green Parking Lot Paving Repairs	Field and Parks Improvements	Venue Improvements	Parks & Recreation Admin	Yes	4,842.50	928.56	3,713.94
10870	West End Park Pave Improvement	Field and Parks Improvements	Venue Improvements	Parks & Recreation Admin	Yes	5,200.00	3,318.45	1,881.55
						\$ 799,865.27	\$ 285,811.11	\$ 514,254.16

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PRIOR TO 2015

**IVGID Capital Projects Reports**

**GENERAL FUND**

2014-2021

**EXHIBIT C**

	<b>ACTUALS</b>							<b>Totals by Group</b>	<b>Potential Charge Offs.</b>
	<b>2014-2015</b>	<b>2015-2016</b>	<b>2016-2017</b>	<b>2017-2018</b>	<b>2018-2019</b>	<b>2019-2020</b>	<b>2020-2021</b>		
Building - Paint	5,788							5,788	5,778
Building - Heater Replacement		11,870						11,870	11,870
Building - Immediate Term Maintenance			8,503	10,288	41,837			60,628	60,628
Develop Lots for Resale	11,874							11,874	11,874
Accounting System Upgrade	41,255		4,950					46,205	
IT Master plan - Firewall/Remote Access							16,382	16,382	
Public Wi-Fi							5,827	5,827	
Microsoft Office Software		46,673	24,660				56,547	127,880	
IT Infrastructure	550,236	(11,550)	3,850			201,357	700	744,593	
Live Stream Camera and Production Equipment	35,231							35,231	
Network Backup Appliance		22,343						22,343	
Fire Panel					18,000	9,467		27,467	
E mail Security Gateway					13,174			13,174	
Human Resources - Management and Payroll Processing							237,353	237,353	
Printer - Accounting			6,045					6,045	
Printer - Administration				24,073				24,073	
Emergency Radios			5,886					5,886	5,886
Communication Radios			12,434	5,850	7,350	5,780	55,596	87,010	87,010
PC, Laptops, Peripheral Equipment, Desktop Printers			81,307	62,602	35,761	59,869	57,053	296,592	296,592
Paving Maintenance		9,995	800		5,135	2,952		18,882	
IS&T Vehicle				11,000				11,000	
	<b>644,384</b>	<b>79,331</b>	<b>148,435</b>	<b>113,813</b>	<b>121,257</b>	<b>279,425</b>	<b>429,458</b>	<b>1,816,103</b>	<b>479,638</b>
								2020 Charge off	(100,895)
									<u>378,743</u>



**IVGID Capital Projects Reports**

**Utilities - Actual Expenditures**

2014-2021

**EXHIBIT D**

	ACTUALS								Totals by Group	Potential Charge Offs.
	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022		
<b>Public Works Shared</b>										
Building A - Carpet		5,246							5,246	
Pavement Maintenance	10,715	32,098			6,801	26,384			75,998	75,998
Public Works Equipment Storage Building	38,989	140,788	235,571	2,294,502					2,709,850	
Radio Meter Reader	6,200								6,200	
Water line easement	10,000								10,000	
Pump Station Roof Replacements (MORE THAN ONE)		255,413							255,413	255,413
Public Works Office Space Reconfiguration		19,929	9,603	62,380	62,380				154,292	
Replace Boiler in Wash bay			74,749						74,749	
Replace Front Security Gate			51,460						51,460	
Adjust Utility Facilities in NDOT/Washoe County Right of Way	45,393	136,548	24,354	71,248	60,027	37,236	(21,861)		352,945	347,885
WRRF Crew Quarters				9,180	216,342				225,522	
									<u>3,921,675</u>	<u>3,921,675</u>
										<u>679,296</u>
<b>EQUIPMENT</b>										
2003 GMC 3/4-Ton Pick-up #519	28,843								28,843	
2004 3/4-Ton Service Truck w/ lift gate & crane #543	46,856								46,856	
2010 Sander/Spreader #642		12,900							12,900	
2005 Chevy 1/2-Ton Pick-up #553		29,012							29,012	
2005 Chevy 3/4-Ton Service Truck #555		39,893							39,893	
2004 Freightliner Vector Truck #534 Upgrade			28,051						28,051	
Loader Tire Chains (2-sets)				17,950					17,950	
2008 Trackless Snow blower #619				154,080					154,080	
2007 Trackless Flail Mower #602				22,445					22,445	
2004 9' Western Snow Plow #542A				6,684			9,000		15,684	
2001 Caterpillar 430D Backhoe #496				123,781					123,781	
One Ton Service Truck with Lift Gate				41,505					41,505	
2008 Chevrolet 1/2-Ton Pick-up #611				27,799					27,799	
2008 Chevrolet Service Truck #612				38,953					38,953	
Administration Printer				10,450					10,450	
2010 International Vector Truck #638						416,564			416,564	
2009 Chevrolet Midsize Pick-up #630 Compliance Dept					29,452				29,452	
1996 Peterbilt Dump Truck #299							70,608		70,608	
2015 Sander/Spreader #710							7,829		7,829	
2004 GMC 1-Ton Flatbed #542 Pipeline Dept							52,883		52,883	
2008 Chevrolet Service Truck #609 Meter Truck							31,159		31,159	
2011 Chevrolet Service Truck #647 Treatment							43,036		43,036	
									<u>1,289,733</u>	<u>1,289,733</u>

**Public Works Shared Subtotal**

186,996	671,827	423,788	2,880,957	375,002	519,172	153,666		5,211,408	5,211,408	679,296
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**Water**

Water Pump Station Improvements	22,435	99,256	81,658	40,869	96,631	38,202	46,999		426,050	426,049
Water Pump Station 2-1 Improvements					45,700	332,085			377,785	803,835
Replace Commercial Meters, Vaults, Lids	123,149	94,538	68,934	23,278	47,385	10,883	48,818		416,985	416,996
Reservoir Exteriors recoating	7,418	75,191	110,697	27,570	34,776	71,638			327,290	327,290
Reservoir Safety Improvements			6,379		46,151	10,709	518,815		582,054	909,344
Burnt Cedar - Upgrade Ozone Facility	49,691								49,691	
Burnt Cedar Water Disinfection Plant Improvements		87,383	128,930	51,545	252,746	22,135	5,265	23,445	571,449	548,004
Burnt Cedar Water Disinfection Plant Emergency Generator Fuel Tank						23,928	1,728	36,915	62,571	683,711

	ACTUALS								TOTAL	TOTALS	POTENTIAL
	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	Total	by Group	Charge Offs.
<b>Water continued</b>											
Water main Replacements	1,344,567	664,102	919,322						2,927,991		
Water main Replacement (Open Early 2017-2018 Project)			839,532						839,532		
Water main Replacement - Sawmill, Pine Cone, and Selby Roads				219,760					219,760		
Water main Replacement - Alder Avenue					37,588				37,588		
Water main Replacement - Martis Peak Road						58,499	588,790		647,289		
Water main Replacement - Slot Peak Ct							28,575	224,195	252,770		
Water main Replacement - Crystal Peak Road								1,358	1,358	4,926,288	
Leak Study R2-1 14 inch Steel					78,156	350	(78,506)		-		
<b>Water Subtotal</b>	<b>1,547,260</b>	<b>1,020,470</b>	<b>2,155,452</b>	<b>363,022</b>	<b>639,133</b>	<b>568,429</b>	<b>1,160,484</b>	<b>285,913</b>	<b>7,740,163</b>	<b>7,740,163</b>	<b>1,718,339</b>
<b>Sewer</b>											
Effluent Export Pipeline Project	744,805	606,317	488,332	1,743,165	1,032,785	71,233	110,790	269,703	5,067,130	5,067,130	182,023
WWTP Building upgrades Wastewater Treatment Plant	8,500	196,228							204,728		
WWTP Improvements	205,160	421,241	218,032	79,923	128,891	44,667	99,843		1,197,757		
WWTP Operations Space Reconfiguration		10,978	133,230	266,132					410,340		
WWTP Fire Panel Replacement					65,000	(13,884)			51,116	1,863,941	
Upper Pond Improvements	40,033		90,865					96,162	227,060	this is turnaround area	
Upper Pond Improvements (Road & Retaining Wall)				493,855					493,855	this is turnaround area	
Wastewater Treatment Land for turn around			185,185	23,610					208,795	this is turnaround area	
Trailer mounted 8" Emergency Pump			175,300						175,300	1,105,010	
Wetlands Effluent Disposal Facility Improvements	21,873	69,028	74,227	114,611	99,848	9,654		9,977	399,218	399,218	174,333
Replace & Reline Sewer Mains & Manholes, Appurtenances	27,779	21,385	103,985	102,351	66,559	18,100	69,270		409,429	409,429	404,349
WRRF Blower Replacement			50,272	115,421					165,693		
WRRF Building Upgrades							52,726		52,726		
WRRF Improvements								53,393	53,393		
WRRF - Aeration basin and wet well structure evaluations			47,899	1,099					48,998		155,117
WRRF Aeration System Improvements						329,759	1,405,669		1,735,428		
WRRF Biosolids Bins					61,300				61,300	2,117,538	
Sewer Pump Station - Spooner	5,000								5,000		
Sewer Pump Stations Upgrades	106,163	51,061	158,955						316,179		
Sewer Pump Stations Improvements				100,696	59,662	17,265	48,263		225,886		225,886
Sewer Pump Station #1 Improvements					56,098	79,750	1,225	655	137,728		
Sewer Pump Station #8 Improvements				770,032					770,032		
Sewer Pump Station #11 Replacement					98,030				98,030	1,552,855	
2001 Jet-Away line Cleaner #508				44,929	133,791				178,720	178,720	
Camera Equipment update	48,649								48,649	48,649	
<b>Sewer Subtotal</b>	<b>1,207,962</b>	<b>1,376,238</b>	<b>1,726,282</b>	<b>3,855,824</b>	<b>1,801,964</b>	<b>556,544</b>	<b>1,787,786</b>	<b>429,890</b>	<b>12,742,490</b>	<b>12,742,490</b>	<b>1,141,708</b>
<b>Utilities Grand Total</b>	<b>2,942,218</b>	<b>3,068,535</b>	<b>4,305,522</b>	<b>7,099,803</b>	<b>2,816,099</b>	<b>1,644,145</b>	<b>3,101,936</b>	<b>715,803</b>	<b>25,694,061</b>	<b>25,694,061</b>	<b>3,539,343</b>

ADD: Items capitalized in prior years and part of Effluent Pipeline

Pipeline - Repair 13 locations	1,236,400
Air pressure relief valves	643,400
Meters and Valves	86,500

IVGID Capital Projects Reports

Golf Courses`

2015-2021

EXHIBIT E

Project Description	ACTUALS								Type of Investment					
	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	Total	Equipment	Maint/Repair	Software	Studies	BS stuff	projects
<b>Championship Golf</b>														
Remodel Bathrooms, #6 Tee and #14 Green	-	7,183	102,853	8,104				118,140						118,140
Forward Tees	5,891	501						6,392		6,392				
Irrigation Improvements	32,788	26,706	24,001	27,475	24,996	24,057	18,714	178,737		178,737				
Greens, Tees and Bunkers	-	39,562	36,542	35,165	56,658	44,425		212,352		212,352				
Champ Course #17 Tee rebuild				10,529	16,002			26,531		26,531				
Drainage Enhancements				7,982				7,982		7,982				
Fuel Management Program				21,458				21,458					21,458	
								-						
Pavement Maint Parking Lots - Course & Chateau	33,369	8,315	17,000	36,573	24,893	12,891	48,394	181,435		181,435				
Pavement Maintenance of Cart Paths	24,075	59,776	23,300	88,806	55,136	57,074	2,525	310,692		310,692				
								-						
Driving Range Improvement		73,575				17,525		91,100						91,100
Driving Range Nets			5,998	3,760			96,000	105,758					105,758	
								-						
2000 Toro Tri-Plex Mower 3250D #463	33,716							33,716	33,716					
2007 3500D Toro Rotary Mower #606	33,187							33,187	33,187					
2005 Vibratory Green Rollers	14,500					12,600		27,100	27,100					
John Deere 5075E Tractor	38,622							38,622	38,622					
1999 Carryall Club Car #447		9,907						9,907	9,907					
1999 Carryall Club Car #448		9,907						9,907	9,907					
1999 Carryall Club Car #449		9,907						9,907	9,907					
1999 Carryall Club Car #450		9,907						9,907	9,907					
1999 Carryall Club Car #451		9,907						9,907	9,907					
1999 Carryall Club Car #452		9,907						9,907	9,907					
1999 Carryall Club Car #459			10,380					10,380	10,380					
1999 Carryall Club Car #460			10,380					10,380	10,380					
2005 Carryall Club Car #564						11,468		11,468	11,468					
2005 Carryall Club Car #565						11,468		11,468	11,468					
2005 Carryall Club Car #566						11,468		11,468	11,468					
2005 Carryall Club Car #567						11,468		11,468	11,468					
2001 Toro Greensmaster 1600 #505		6,418						6,418	6,418					
2004 Toro Greensmaster 1600 #549		8,768						8,768	8,768					
2005 Toro Greensmaster 1600 #574		8,768						8,768	8,768					
2011 Toro Greensmaster 1000 #652					14,953			14,953	14,953					
2011 Toro Greensmaster 1000 #653					14,952			14,952	14,952					
2011 Toro Greensmaster 1000 #654					14,952			14,952	14,952					
2011 Toro Greensmaster 1000 #655					14,952			14,952	14,952					
2011 Toro Greensmaster 1000 #656					14,952			14,952	14,952					
2011 Toro Greensmaster 1000 #657					14,952			14,952	14,952					
2006 John Deere 1500 Fairway Aerator #592		25,429						25,429	25,429					
Toro Greenmaster 1600					9,859			9,859	9,859					
1989 Loly Feertilizer Spreader					6,445			6,445	6,445					
Greens Roller		14,500					12,600	27,100	27,100					
2005 Buffalo Turtin Debris Blower #571			7,060					7,060	7,060					
2011 Toro Sand Pro 3020 #659			14,978					14,978	14,978					
2011 Toro 3500D Mower #649			31,954					31,954	31,954					
2011 Toro TriPlex 32500 Mower #664					39,062			39,062	39,062					
2008 John Deere 1500 Fairway Aerator #620			26,520					26,520	26,520					
2015 John Deere 1500 Fairway Aerator #716						27,647		27,647	27,647					
Terra Rake			5,046					5,046	5,046					
2001 Areothatch Seeder			14,896					14,896	14,896					
2006 Toro 1250 spray Rig			34,465					34,465	34,465					
2002 Toro Hydroject 3000 #514								-	-					
1996 Toro Aerator #413				24,581				24,581	24,581					
2017 Toro Aerator #747							28,596	28,596	28,596					
2017 Toro Aerator #756						34,453		34,453	34,453					
2011 John Deere HD300 Spray Rig #662				54,234				54,234	54,234					
1999 Toro Rake-O-Vac #442				31,405				31,405	31,405					
2010 JD 1500 Arecore Aerator #640				32,447				32,447	32,447					

Project Description	years							type of measurement						
	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	Total	Equipment	Maint/Repair	Software	Studies	BS stuff	projects
<b>Championship Golf Continued</b>														
2001 John Deere Pro Gator #484			30,901					30,901	30,901					
2004 John Deere Pro Gator #545				30,698				30,698	30,698					
2004 John Deere Pro Gator #547				29,120				29,120	29,120					
2004 John Deere Pro Gator #546					31,111			31,111	31,111					
2005 John Deere Pro Gator #569						34,508		34,508	34,508					
2002 John Deere 440 Tractor #513				45,862				45,862	45,862					
2002 John Deere 440 Tractor #517				49,500				49,500	49,500					
2002 John Deere 440 Tractor #464					42,665			42,665	42,665					
2004 John Deere 440 Tractor #548						27,641		27,641	27,641					
Toro Rake-O-Vac				31,405				31,405	31,405					
Core Processor				24,523				24,523	24,523					
Graden Sand Injection Verticuler							16,450	16,450	16,450					
2017 Deep Tine Aerator #763							27,102	27,102	27,102					
2010 Deep Tine Aerator #671				25,792				25,792	25,792					
1999 Ty-Crop Spreader #429					32,777			32,777	32,777					
Blade Grinding Equipment					24,375			24,375	24,375					
2007 Club Car Carryall Ball Picker #609					23,451			23,451	23,451					
2002 Bar Cart #527		30,097						30,097	30,097					
2002 Bar Cart #528		27,597						27,597	27,597					
2008 Planetair HD50 #616							27,000	27,000	27,000					
Golf Trac Software System			21,987					21,987	21,987					
Golf Carts			448,000					448,000	448,000					
Grille Patio Tables & Chairs	11,256		7,500	34,848				53,604		53,604				
Grille Kitchen Equipment		-	19,040	-		51,612		70,652					70,652	
Grille Bar Equipment and Furniture				9,854				9,854		9,854				
Maintenance Bldg - Drainage, Washpads, Pavement						48,092	548,258	596,350						596,350
Maintenance Bldg - Crane & Equipment Lift						8,173		8,173					8,173	
Copier	8,128							8,128						8,128
Icemaker			6,768		9,844		7,556	24,168						24,168
POS shared		19,234						19,234		19,234				
POS stations			28,440					28,440		28,440				
Demo Starter Shack					10,389			10,389		10,389				
Bear Boxes						6,655	5,845	12,500						12,500
Fuel Tank Epoxy Coating						8,500		8,500		8,500				
<b>Total Championship Golf</b>	<b>235,532</b>	<b>415,871</b>	<b>928,009</b>	<b>664,121</b>	<b>497,376</b>	<b>439,872</b>	<b>860,893</b>	<b>4,041,674</b>	<b>1,931,105</b>	<b>1,006,468</b>	<b>47,674</b>	<b>-</b>	<b>250,837</b>	<b>805,590</b>
<b>Mountain Golf</b>														
Remodel On Course Bathrooms, #5/6, #13/14			12,706	7,855	121,089	27,357		169,007						169,007
ADA Access to On-course restrooms				-	7,687			7,687						7,687
Course Greens, Tees, Bunkers and Bridges	26,934	23,321	11,164	40,547	20,562	29,436	19,513	171,477		171,477				
Irrigation Improvements		23,321		4,882		20,953	17,806	66,962		66,962				
Fuel Management Program				20,394				20,394						20,394
Pavement Maintenance of Parking Lot			5,700	15,100		21,750	1,100	43,650		43,650				
Pavement Maintenance of Cart Paths	29,659	45,565	26,641	79,668		36,573		218,106		218,106				
Cart Path Retaining Walls				3,831	7,000	2,650	(9,650)	3,831		3,831				
Cart Path Replacement Project							88,946	88,946						88,946
2002 Toro 4000D Rough Mower #515		57,030						57,030	57,030					
2005 JD 3235 Fairway Mower #570		61,062						61,062	61,062					
1999 Carryall Club Car #450			10,380					10,380	10,380					
1999 Carryall Club Car #451			10,380					10,380	10,380					
1999 Carryall Club Car #452			10,380					10,380	10,380					
1999 Carryall Club Car #459			10,380					10,380	10,380					
2005 Carryall Club Car #568						11,468		11,468	11,468					
2008 Toro Santur Pro #618			14,979					14,979	14,979					
Gas Golf Cart Fleet	traded in			48,731				48,731	48,731					

Project Description	ACTUALS								Type of Investment					
	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	Total	Equipment	Maint/Repair	Software	Studies	BS stuff	projects
<b>Mountain Golf (Continued)</b>														
2007 Buffalo Turbin Debris Blower #601				7,224				7,224	7,224					
2011 Toro 3500D Mower #663				32,350				32,350	32,350					
2007 Toro Tri-Plex 3250D Mower #598				57,280				57,280	57,280					
2008 Toro Tri-plex Mower #614				45,829				45,829	45,829					
2002 Bar Cart #529		24,914						24,914	24,914					
Roll up shop doors					14,200			14,200						14,200
Cart barn - concrete floor					8,980			8,980		8,980				
Backflow Device Replacement				17,372				17,372						17,372
Fuel System Refurbishment				21,892				21,892		21,892				
Clubhouse - Paint Exterior						19,080		19,080		19,080				
Clubhouse - Repair Roof			192	-	7,880	114,666		122,738						122,738
Clubhouse Fire Repairs					150,751			150,751		150,751				
Clubhouse Bldg Replacement			7,928			1,309,027		1,316,955						1,316,955
<b>Total Mountain Golf</b>	<b>56,593</b>	<b>235,213</b>	<b>120,830</b>	<b>402,955</b>	<b>338,149</b>	<b>1,592,960</b>	<b>117,715</b>	<b>2,864,415</b>	<b>402,387</b>	<b>704,729</b>	<b>-</b>	<b>-</b>	<b>20,394</b>	<b>1,736,905</b>
<b>Total Golf</b>	<b>292,125</b>	<b>651,084</b>	<b>1,048,839</b>	<b>1,067,076</b>	<b>835,525</b>	<b>2,032,832</b>	<b>978,608</b>	<b>6,906,089</b>	<b>2,333,492</b>	<b>1,711,197</b>	<b>47,674</b>	<b>-</b>	<b>271,231</b>	<b>2,542,495</b>

June 1, 2021 memo of charge offs  
 Championship (405,888)  
 Mountain (214,308)  
 Charge off in 2021 drainage (9,650)  
 Paving Charged off in 2019 ??????????  
1,081,351

Paving is \$767,364 of which a portion was charged off in 2019

Total

118,140  
6,392  
178,737  
212,392  
26,531  
7,982  
21,458  
-  
181,435  
310,692  
-  
91,100  
105,758  
-  
33,716  
33,187  
27,100  
38,622  
9,907  
9,907  
9,907  
9,907  
9,907  
9,907  
10,380  
10,380  
11,468  
11,468  
11,468  
11,468  
6,418  
8,768  
8,768  
14,953  
14,952  
14,952  
14,952  
14,952  
25,429  
9,859  
6,445  
27,100  
7,060  
14,978  
31,954  
39,062  
26,520  
27,647  
5,046  
14,896  
34,465  
-  
24,581  
28,596  
34,453  
54,234  
31,405  
32,447

Total

30,901
30,698
29,120
31,111
34,508
45,862
49,500
42,665
27,641
31,405
24,523
16,450
27,102
25,792
32,777
24,375
23,451
30,097
27,597
27,000
21,987
448,000
-
53,604
70,652
9,854
-
596,350
8,173
8,128
24,168
19,234
28,440
10,389
12,500
8,500
<u>4,041,674</u>
-
169,007
-
7,687
171,477
66,962
20,394
43,650
218,106
3,831
88,946
57,030
61,062
10,380
10,380
10,380
10,380
10,380
11,468
14,979
48,721

Total

7,224
32,350
57,280
45,829
24,914
14,200
8,980
17,372
21,892
19,080
122,738
150,751
<u>1,316,955</u>
<u>2,864,415</u>
<u>6,806,089</u>



**IVGID Capital Projects Reports**  
**Diamond Peak Ski Resort Actual Expenditures**  
 2014-2021

EXHIBIT F

	ACTUALS							Total	Potential Chargeoffs
	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021		
<b>Ski</b>									
Replace 2002 Winch Cat Grooming vehicle #531	342,829							342,829	
Replace 2004 Grooming vehicle #551	333,632							333,632	
Replace 2008 Grooming vehicle								-	
Piston Bully Snow Bucket			10,500			374,500		385,000	
Replace 2006 Piston Bully 300 Snow cat #595				389,500				389,500	
2005 Suzuki ATV #559	7,299				15,099	17,883		40,281	
Lift Operations Service Vehicles			17,030					17,030	
Mountain Operations Service Vehicle			15,566					15,566	
Ski Resort Snowmobile Fleet Replacement	10,971	21,818		13,901	14,083	14,518	14,452	89,743	
Loader Tire Chains (1-set)			11,173	8,975				20,148	
Ski Business Operations Software System	132,400	217,396				800		350,596	
Food & Beverage Shared POS		19,234						19,234	
E Commerce/ Middleware Software							100,000	100,000	
								-	
Ski Area Master Plan Implementation - Phase 1	-	20,122	39,759	7,422		19,320		86,623	Charged off \$156K
Ski Area Master Plan Update and Summer Activities Assessment	28,103	5,682						33,785	Charged off 95K
Ski Area Master Plan - Entitlements							2,760	2,760	
								-	
Crystal Express Lift Replacement of Major Components and Systems	67,889							67,889	
Crystal Express Lift 4 Pilz plc control modules		11,239					34,793	46,032	113,921
Lakeview Lift Return Terminal Guide Frame Assembly and Bull Wheel	30,950					10,136		41,086	
Lakeview Ski Lift Maintenance				37,500			199,720	237,220	287,985
School House Lift Major Component Replacement		111,905						111,905	111,905
Red Fox - Ridge Lift Restraining Bar Upgrade		26,580		37,954		6,193		70,727	64,535
Ridge Lift Major Component Replacement		-	95,473				33,450	128,923	128,923
Lift Rescue Glider				8,442				8,442	
Incline Creek Culvert Rehabilitation	18,950	44,554	205,400	946,590	4,117,945			5,333,439	
								-	
Replace Ski Rental Equipment		108,131	358,568	(595)				466,104	466,104
Replace Ski Rental Machinery			114,668			9,362		124,030	
Rental Shop POS Stations		17,044						17,044	
Optical Scanners*		5,200						5,200	
Lift Scanners*		12,027						12,027	
Snowmaking System Improvements			47,773			5,649		53,422	
Upgrade Popular Snowmaking Power Alignment			2,940	3,520	12,864			19,324	
Snowmaking Pipe replacement	19,300							19,300	
Low Energy Snowmaking Gun		48,589						48,589	
Vehicle Shop/Snowmaking Pump house Roof	2,293	(2,293)		67,175	7,320			74,495	
Fan Guns Purchase and Refurbishment				72,250	19,800	117,814		209,864	
Snowmaking Evaluation and Enhancement				18,500	15,000			33,500	charged off 33,500
Snow Gun Mounting Pedestals				3,000				3,000	
Snowmaking Air Compressor Control units						73,120		73,120	

	ACTUALS							Total	Potential Chargeoffs
	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021		
Diamond Peak Base Facilities Maintenance and Improvements	30,639		219,801		73,010			323,450	
Pavement Maintenance, Diamond Peak and Ski Way	9,165		33,023	95,002	127,968	41,346	21,335	327,839	CF in 2021
Parking lot reconstruction -Diamond Peak and Ski Way						(4,320)	19,500	15,180	
Diamond Peak BMP Revegetation	24,972	9,995						34,967	34,967
Ski Copier Replacement	9,965							9,965	
Main lodge floor/carpet replacement		20,491						20,491	
Main lodge deck resurface						55,338		55,338	55,338
Skier Services Building Customer Service Counter		450		-	12,535			12,985	
Ski Fleet Building - Water Service Line Replacement		9,305						9,305	
Main Lodge Barbeque Enhancements			9,299					9,299	
								-	
Replace Main/Snowflake Lodge Dining Furniture and Fixtures			10,294	61,183		37,270		108,747	
Replace Main/Snowflake Lodge Kitchen Equipment			11,587		35,242			46,829	
Snowflake Lodge Facilities					21,401			21,401	
Resurface Main Lodge Decks			42,642					42,642	
Diamond Peak Way Winding Signage Evaluation and Enhancement				-	23,450	15,000		38,450	38,450
Replace Diamond Peak Facilities Flooring Material			13,550			39,055		52,605	
Replace Staff Uniforms			115,983	(244)				115,739	115,739
Diesel Exhaust Fluid Storage						12,823		12,823	
Smoker with Trailer	21,259							21,259	
Bear Boxes HOW MANY				10,500				10,500	
Fuel Management Program				33,446	43,310			76,756	
Arc Flash Study							13,600	13,600	
<b>Total Ski</b>	<b>1,090,615</b>	<b>707,469</b>	<b>1,375,029</b>	<b>1,814,021</b>	<b>4,539,027</b>	<b>845,807</b>	<b>439,610</b>	<b>10,811,578</b>	<b>1,757,871</b>
						upgrade Snowmaking Power Align		(19,324)	
						Snow Making evaluation		(33,500)	
						Parking lot reconstruction		(3,320)	
									789,663

IVGID Capital Projects Reports  
Community Services - Excluding Golf and Diamond Peak

EXHIBIT G

2015-2021

\*upbudgeted project

Facilities - Chateau	ACTUALS								Type of Investment						
	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	Total	Equipment	Maint/Repair	Software	Studies	BS stuff	projects	Total
Chateau - Repair/Replace Front Entrance Concrete		102,521						102,521						102,521	102,521
Chateau - Resurface Patio Deck	14,378		26,551				17,300	58,229		58,229					58,229
Chateau Replace Lochinvar Boiler	86,959							86,959						86,959	86,959
Catering Kitchen Equipment			17,718	12,854		24,438		55,010	55,010						55,010
Catering Equipment Chairs - Chateau			14,021	1,470				15,491	15,491						15,491
Catering Ice Machine			7,500					7,500		7,500					7,500
Catering Patio Bars			17,843					17,843	17,843						17,843
Catering Banquet Serviceware			25,202				(3,288)	21,914		21,914	considered incidental				21,914
Catering Banquet Tables			7,987	35,324				43,311	43,311						43,311
Chateau Community Room Lighting Control Module			20,131					20,131	20,131						20,131
Chateau Paint Exterior	23,015							23,015		23,015					23,015
Chateau Paint Interior					5,966			5,966		5,966					5,966
Chateau - Replace Carpet		29,350			7,271	41,745		78,366		78,366					78,366
Chateau - Replace Carpet						(41,745)		(41,745)		(41,745)					(41,745)
Chateau - Repair airwalls						9,275	3,150	12,425		12,425					12,425
Chateau - Enclose storage Area			3,875	-		(4,350)		(475)		(475)					(475)
Chateau Projector Screens				9,459				9,459	9,459						9,459
Chateau Paint Interior				26,115				26,115		26,115					26,115
Chateau Magnetic Fire Door Closures				16,612				16,612		16,612					16,612
Chateau Lobby Furniture				12,286				12,286		12,286					12,286
Chateau - Retrofit Ventilation Ducts							6,600	6,600		6,600					6,600
<b>Facilities - Aspen Grove</b>								-							-
Aspen Grove Facility Improvements			20,334	64,007				84,341				needs review		84,341	84,341
Aspen Grove - Replace Carpet	9,775				8,169			17,944		17,944					17,944
Aspen Grove - Rebuild Stairs		6,200						6,200		6,200					6,200
Aspen Grove - Replace Banquet Serviceware				5,320				5,320		5,320	considered incidental				5,320
Aspen Grove - Siding				15,157				15,157						15,157	15,157
<b>Total Facilities</b>	<b>134,127</b>	<b>138,071</b>	<b>161,162</b>	<b>198,604</b>	<b>21,406</b>	<b>29,363</b>	<b>23,762</b>	<b>706,495</b>	<b>197,643</b>	<b>219,874</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>288,978</b>	<b>706,495</b>

Parks	ACTUALS								Type of Investment						
	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	Total	Equipment	Maint/Repair	Software	Studies	BS stuff	projects	Total
Village Green Restroom Remodel ADA Compliant	169,073							169,073						169,073	169,073
Village Green Restroom Drainage						5,886		5,886		5,886					5,886
Pavement Maintenance - Village Green	2,628		4,643	29,500	1,910		100	38,781		38,781					38,781
Pavement Maintenance - Overflow Lot				20,000	1,910	(1,910)	100	20,100		20,100					20,100
Pavement Maintenance - Preston Field			450	48,475	1,910	(1,910)	1,630	50,555		50,555					50,555
Pavement Maintenance - East & West End Parks				6,460	1,100	(1,100)	3,110	9,570		9,570					9,570
Pavement Maintenance - Incline Parks					1,500	7,250	1,050	9,800		9,800					9,800
Pathway Village Green and Recreation Center/Tennis	-	(2,547)						(2,547)		(2,547)					(2,547)
Preston Field Retaining Wall replacements							6,573	6,573		6,573					6,573
Preston Field Bathrooms & Mechanical Room resurface			26,175	-				26,175		26,175					26,175
Village Green/Aspen Grove Flatscape and Retaining Wall		5,861	60,025	53,810				119,696						119,696	119,696
Village Green Backflow Device Replacement				16,702				16,702						16,702	16,702
Replace Irrigation and Drainage - Fields 2 & 3	332,576							332,576						332,576	332,576
Incline & Third Creek Restoration - Phase 5	235,649	586,297	77,759	(10,042)				889,663						889,663	889,663
Upstream of SR28 - Restoration Project			46,205	18,811	6,105	346,454		417,575						417,575	417,575
2005 Ball Field Groomer #557		16,174						16,174	16,174						16,174
2013 Ball Field Groomer #681						21,000		21,000	21,000						21,000
2015 Ball Field Groomer #706								-							-
2007 Toro 3500D Rotary Mower #605					32,761			32,761	32,761						32,761
2013 Ball Field Mower - Toro #682						33,822		33,822	33,822						33,822
2001 Toro Rake O Vac #485			31,282					31,282	31,282						31,282
2001 Pickup Truck 4x4 (1/2 ton) #474			33,069					33,069	33,069						33,069
2002 John Deere Pro Gator #516		25,169						25,169	25,169						25,169
2005 John Deere Pro Gator #572				32,878				32,878	32,878						32,878
2007 John Deere Pro Gator #604					31,111			31,111	31,111						31,111
2008 John Deere Pro Gator #623						34,677		34,677	34,677						34,677
2008 John Deere Pro Gator #674							35,170	35,170	35,170						35,170

	ACTUALS								Type of Investment						
	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	Total	Equipment	Maint/Repair	Software	Studies	BS stuff	projects	Total
<b>Parks Continued</b>															
Aerator				9,191				9,191	9,191						9,191
2005 Shatterfield Aerifier						8,515		8,515	8,515						8,515
2008 Suzuki ATV #617				18,278				18,278	18,278						18,278
2000 Flatbed 4x4 (1/2 ton) #356				38,926				38,926	38,926						38,926
2003 -1 ton Service Truck #520							43,063	43,063	43,063						43,063
2004 Pick up Truck 1 ton #541							43,623	43,623	43,623						43,623
								-							-
Bike Park Track Demonstration		9,679	21,922	26,814		(6,067)	250	52,598						52,598	52,598
Bike Park Track Demonstration		Grants collected \$153,778 Billed \$31,691		185,469				185,469						185,469	185,469
Ball Parks - Design Study		Now Called Incline Park Improvements		97,393	56,205	1,435,385	86,005	1,674,988			97,393			1,577,595	1,674,988
Skate Park Enhancement Study								-							-
								-							-
Bocce Courts at Rec Center	8,241	-					94,837	103,078						103,078	103,078
IP - Recoat bathroom floors								4,730		4,730					4,730
IP Stairs Replacement	-	24,070	9,115					33,185		33,185					33,185
IP Lights Field #3	-	11,430						11,430						11,430	11,430
IP Safety Fence Field #1		9,642						9,642						9,642	9,642
IP Dumpster Enclosure-				7,450				7,450						7,450	7,450
IP Replace Backflow Device			1,882	1,198	737	42,180		45,997						45,997	45,997
IP Fencing Refurbishment								-							-
Rosewood Creek Foot Bridges								11,068						11,068	11,068
High School Public Park								(77,216)						(77,216)	(77,216)
<b>Total Parks</b>	<b>748,166</b>	<b>685,775</b>	<b>312,527</b>	<b>601,313</b>	<b>142,040</b>	<b>1,941,803</b>	<b>236,472</b>	<b>4,668,096</b>	<b>495,500</b>	<b>202,808</b>	<b>-</b>	<b>97,393</b>	<b>-</b>	<b>3,872,396</b>	<b># 4,668,097</b>

	ACTUALS								Type of Investment						
	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	Total	Equipment	Maint/Repair	Software	Studies	BS stuff	Projects	Total
<b>Tennis</b>															
Pavement Maintenance	43,102	-		5,000	3,100	20,710		71,912							71,912
Resurface Tennis Courts 8,9,10,11	16,000							16,000							16,000
Resurface Tennis Courts 1,2	8,000							23,650							23,650
Resurface Courts 3,7					34,965	(1,690)		33,275							33,275
Pickel Ball Conversion					13,800		17,600	31,400							31,400
								-							-
Tennis Facility Study		46,482	(6,340)				(40,142)	-							-
								-							-
Ball Machines (More than one?)			11,315					11,315	11,315						11,315
Ice Machine			6,515					6,515	6,515						6,515
Paint Court Fences and Light Poles, Replace Wind Screens			37,532					37,532		37,532					37,532
Tennis Center Building Renovation (This would be the major rehab)					52,315	199,108	854,440	1,105,863						1,105,863	1,105,863
								-							-
<b>Total Tennis</b>	<b>67,102</b>	<b>46,482</b>	<b>49,022</b>	<b>5,000</b>	<b>104,180</b>	<b>193,636</b>	<b>872,040</b>	<b>1,337,462</b>	<b>17,830</b>	<b>213,769</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,105,863</b>	<b>1,337,462</b>

	ACTUALS								Type of Investment						
	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	Total	Equipment	Maint/Repair	Software	Studies	BS stuff	Projects	Total
<b>Recreation Center</b>															
Replace Roof	230,498							230,498						230,498	230,498
Paint Interior					20,270			20,270		20,270					20,270
Secondary Boiler*		32,320						32,320						32,320	32,320
Replace Boiler			493,768					493,768						493,768	493,768
								-							-
Rec Center Lobby Update	59,428							59,428		59,428					59,428
Restrooms - Lobby							45,067	45,067						45,067	45,067
Restrooms and Locker Rooms							65,807	65,807						65,807	65,807
Elevator Maintenance							87,681	87,681		87,681					87,681
Pavement Maintenance -	36,349	-	7,950	16,000	12,400	27,364	63,006	163,069		163,069				163,069	
Front walkway pavers							69,633	69,633						69,633	69,633
Fitness Equipment	26,897	28,301	40,506	29,885	30,345	17,719	45,481	219,134	219,134					219,134	
								-							-
2012 Chevy Compact SUV #665				25,215				25,215	25,215						25,215
								-							-
Natatorium Mezzanine Design	6,370	559						-							-
Rec Center Safety Platform*	7,000	12,034						19,034						19,034	19,034
Pool Deck/floor recoat						19,810	24,200	44,010		44,010				44,010	44,010
Replace Pool Diving Board		8,340						8,340	8,340						8,340

Replace Bird Netting	11,479	11,479	11,479	11,479
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	ACTUALS							Type of Investment							
	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	Total	Equipment	Maint/Repair	Software	Studies	BS stuff	Projects	Total
<b>Recreation Center - Continued</b>															
Replace Walkway Lights			4,000	-	1,550	100,503		106,053						106,053	106,053
Replace Rec Center Security Cameras			12,148			11,045		23,193	23,193						23,193
Replace Rec Center Copier		19,883					8,870	28,753	28,753						28,753
Replace Condensing Unit 2 and 4				-	71,680			71,680						71,680	71,680
Repair Deck Stairs and powder coat all patio deck railings			4,987	-	123,673	5,669		134,329		134,329					134,329
<b>Total Recreation Center</b>	<b>366,543</b>	<b>101,437</b>	<b>574,838</b>	<b>71,100</b>	<b>259,918</b>	<b>244,814</b>	<b>340,112</b>	<b>1,958,762</b>	<b>304,635</b>	<b>520,266</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,133,860</b>	<b>1,958,761</b>

	ACTUALS							Type of Investment							
	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	Total	Equipment	Maint/Repair	Software	Studies	BS stuff	Projects	Total
<b>Administration</b>															
Cabling and Phone System at Rec Center	49,895							49,895			49,895				49,895
Vermont POS System*	84,031	11,589						95,620			95,620				95,620
EMV Credit Card Processing Compliance			36,483					36,483		36,483					36,483
Upgrade Sign Shop Equipment			935	24,480				25,415	25,415						25,415
Community Services Work Order Software				29,918	(6,300)			23,618			23,618				23,618
ADA Van				47,008				47,008	47,008						47,008
Parks and Recreation Master Plan		2,500	74,374	47,406	137,223	(261,503)		-							-
Fall Protection for District Venues					10,480			10,480	10,480						10,480
Arc Flash Study							7,000	7,000					7,000		7,000
<b>Total Administration</b>	<b>133,927</b>	<b>14,089</b>	<b>111,792</b>	<b>148,812</b>	<b>141,403</b>	<b>(261,503)</b>	<b>7,000</b>	<b>295,520</b>	<b>82,903</b>	<b>36,483</b>	<b>169,133</b>	<b>7,000</b>	<b>-</b>	<b>-</b>	<b>295,519</b>

	ACTUALS								Total	Type of Investment						
	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022		Equipment	Repair	Abandoned	Expendables	Studies	Projects	Total
<b>Beaches - Ski</b>																
Ski Beach Bathroom Remodel ADA Compliant	339,282								339,282					339,282	339,282	
Ski Beach Dumpster Enclosure	6,470								6,470					6,470	6,470	
Ski Beach Boat Ramp Repairs	18,533								18,533					18,533	18,533	
Ski Beach Driveway Gate		5,100	16,240						21,340					21,340	21,340	
Security Surveillance Cameras			13,831						13,831	13,831				13,831	13,831	
Pavement Maintenance - Ski Beach			1,650	38,850	21,737	11,497	1,200		74,934		74,934			74,934	74,934	
Kayak Rack Enhancements			24,771	15,386	23,032				63,189	63,189				63,189	63,189	
<b>Beaches - Burnt Cedar</b>																
Replace Baby Pool Boiler	-	24,167							24,167					24,167	24,167	
Retaining Wall	-	80,404							80,404					80,404	80,404	
Floor Coating Eastside Restrooms	8,575								8,575		8,575			8,575	8,575	
Slide Replacement	36,265								36,265		36,265			36,265	36,265	
Repave Parking Lot	26,251			12,500	12,407				51,158		51,158			51,158	51,158	
Replace Pool Skimmer		13,328							13,328		13,328			13,328	13,328	
Replace Pool House Shower Tile		105,164							105,164		105,164			105,164	105,164	
Replace Pool Boiler		31,859							31,859		31,859			31,859	31,859	
Resurface Pool Patio Deck			15,853						15,853		15,853			15,853	15,853	
Replace UV & Pump				17,935					17,935		17,935			17,935	17,935	
Replace Freezer				5,869					5,869	5,869				5,869	5,869	
Summer Pool Cover				6,355					6,355		6,355			6,355	6,355	
Pool Deck, Fencing and Facilities Miscellaneous	55,218								55,218		55,218			55,218	55,218	
Swimming Pool Repair at Baby Pool					119,497	30,496			149,993		149,993			149,993	149,993	
F & B Customer Improvements					1,750	(1,750)										
Dumpster Enclosure						1,300			7,835		7,835			7,835	7,835	
New Pool							1,226,710	3,890,687	5,117,397					5,117,397	5,117,397	
New Pool Charge Offs								(681,393)	(681,393)					(681,393)	(681,393)	
<b>Beaches - Incline</b>																
Pavement Maintenance	-	2,975		4,000	1,550				8,725		8,725			8,725	8,725	
Incline Beach F&B Window Replacement	20,800						200		20,800		20,800			20,800	20,800	
Incline Beach Picnic Tables	37,158		9,723						46,881			46,881		46,881	46,881	
Incline Beach Lounge Chairs	23,813						4,700		28,513			28,513		28,513	28,513	
Incline Beach Bear Boxes	15,928								15,928		15,928			15,928	15,928	
Incline Beach rake walk behind model			14,040						14,040	14,040				14,040	14,040	
Incline Beach Shade Structure Design	6,000								6,000				6,000	6,000	6,000	
<b>Beaches - General</b>																
Incline Beach Facility Study	51,636	56,154	72,784	29,458	600	5,500			216,132				216,132	216,132	216,132	
Flatscape and Retaining Wall Enhancement			81,968	73,279	55,520	16,925	5,860		233,552					233,552	233,552	
Furnishings				12,516	36,505	18,041			67,062			67,062		67,062	67,062	
Fall protection for Beach Venues					11,700				11,700			11,700		11,700	11,700	
1999 John Deere 5310 Tractor #355	49,893								49,893	49,893				49,893	49,893	
EMV Credit Card Processing Compliance			5,301	5,100					10,401		10,401			10,401	10,401	
<b>Total Beaches</b>	<b>695,822</b>	<b>319,151</b>	<b>256,161</b>	<b>221,248</b>	<b>284,298</b>	<b>82,009</b>	<b>1,245,205</b>	<b>3,209,294</b>	<b>6,313,188</b>	<b>146,822</b>	<b>321,978</b>	<b>335,120</b>	<b>170,084</b>	<b>222,132</b>	<b>5,117,052</b>	<b>6,313,188</b>

Summary	
Repairs	321,978
Abandonment	335,120
Expendables	170,084
Studies	222,132
Total	1,049,314
Less Studies charged off in 2021	(222,132)
Less Shade Structure	(6,000)
Less paving charged off 2019	(18,050)
Required Charge Offs	\$ 803,132

DECEMBER, 2023 - DISBURSEMENTS GREATER THAN \$50,000

NOTE: This report is subject to change as the workload in the Finance Dept. is caught up

CHECK NUMBER	CHECK DATE	CHECK TYPE	VENDOR NAME	AMOUNT
8193	12/01/2023	EFT	Brycon Corporation	\$ 354,811.88
11821283	12/22/2023	PRINTED	Granite Construction Co	\$ 1,751,090.64
11821341	12/22/2023	PRINTED	Western Nevada Supply	\$ 344,981.82
11821370	12/28/2023	PRINTED	NV Energy	\$ 267,380.81
11821338	12/22/2023	PRINTED	Tahoe Workz Snow Removal Services	\$ 64,708.00
11821306	12/22/2023	PRINTED	North Lake Tahoe Fire Protection District	\$ 62,974.47
11821219	12/20/2023	PRINTED	BBK-Best Best & Krieger LLP	\$ 55,834.72

Report from them? - Schmitz + Tulloch

Chair is supposed to review & approve

Folder 1



**Incline Village General Improvement District**  
**Summary of Costs Capitalized which should have been expensed**  
**2015 to 2022**

*see basis.*

IN RED

*with Current CIP Items*

*3/28/23*

*Some of these items are covered by the 28 matters.*

**Project Description**

**GENERAL FUND**

Project Description	Account #	2019	2020	2021	2022	Gross Costs before Dep 2015 to 2021
Printer Copier	1099OE1401				8,870	
Phone System upgrade	1213CE1901				(5,641)	
Power Infrastructure Improvements	1213CE2101				12,670	
Fiber Installation/replacement	1213CE2104				3,895	
Server Storage & Computing Hardware	1213CO1505				11,282	
Laptops, Peripheral Equipment & Desk Top Printers	1213CO1703				11,756	59,869
Human Resources Management and Payroll	1315CO1801				3,840	
IT Infrastructure ? ??	1213CO1505					201,357
Unknown			100,895			

**CHARGED OFF**  
*in these years.*

*to expense.*

*Unfounded extrapolations herein.*

**UTILITY FUND**

Arc Flash Study					6,709	
Adjust facilities in NDOT/Washoe County Right Away	2097DI1401			21,861		347,885 began charge off in 2021
Water Pumping Station Improvements	2299DI1102				77,716	426,049
Replace Commercial Water Meters, vaults, and lids	2299DI1103				6,788	416,996
Water Reservoir Coatings and Improvements <i>never reviewed</i>	2299DI1204				140,651	327,290
Burnt Cedar Water Disinfection Plans Improvements	2299di1401					548,004
Effluent Export Line - Phase II	2524SS1010		3,100,110			182,023 2020-2021
<i>Effluent Export Line - Questionable capitalization through 2019 repairs to 13 locations - Granite will be abandoned</i>						1,236,400
<i>Air pressure relief valves - will be abandoned</i>						643,400
<i>meters and valves - will be abandoned</i>						86,500
Effluent Pond Lining	2599SS2010				413,207	
Water Resources Recovery Facility	2599BD1105				48,275	<del>362,931</del> - 266
Wetlands Effluent Disposal Facility Improvements	2599SS1103					174,333 Disagreement with Man
Sewer Pumping Stations Improvements	2299DI1104				63,740	<del>687,233</del> 53
Replace & Reline Sewer Mains, Manholes, Appurtenances	2599SS2107				58,473	404,349

*Look at memos.*

*Restate, or apply prospectively.*

*4/13 - 1/24 and beyond*

*40 yr life*

*Proclamation*

*will be abandoned.*

*binder '23 '24*

Gross Costs  
before Dep  
2015 to 2021

Account #	CHARGED OFF				Gross Costs before Dep 2015 to 2021
	2019	2020	2021	2022	

**UTILITY FUND Continued**

Leak Study	2299WS1801		78,506		
Pump Station roofing (assume all stations)					255,413
Paving Maintenance					75,998
Unknown			66,856		

66,856 - what?

**COMMUNITY SERVICES FUND**

**Champ and Mountain Golf Courses**

Irrigation	3141GC1103				208,976	Only Charged off 2021
Greens, Tees and Bunkers	3141GC1202				364,226	Only Charged off 2021
Hole 17 rebuild					25,531	Only Charged off 2021
Drainage enhancements					7,982	Only Charged off 2021
Cart Path retaining walls	3241LI1704		9,650		13,481	
Maintenance Bldg	3141GC1502				373	
3 Club Car Carryall		50% to expenses and 50% to capital			36,504	
Ice Maker					7,601	
Cart Paths					493,813	
Facilities						
Replace Carpet	3350BD1103		41,745			
Replace Air Walls	3350BD1704		4,350	80,510		

why written off?

**Diamond Peak**

Master Plan Summer Activities	3499BD1399		156,030			
Master Plan Phase I	3653BD1501		95,624			
Lift Maintenance - Crystal Express	3462HE1502			47,739	113,921	
Lift Maintenance - Lakeview	3462HE1702			73,387	287,985	
Lift Maintenance - Lodge pole	3462HE1711			203,689		
Lift Maintenance - School House					111,905	
Lift Maintenance - Red Fox	3462HE1712				64,535	
Lift Maintenance - Ridge					128,923	
2014 Yamaha ATV		50% to expenses and 50% to capital		20,167		
Arc Flash Study	3499BD2002			6,000		
Staff Uniforms	3499OE1205			92,460	115,739	
Ski Rental Equipment	3468RE0002				466,104	
Paving Maintenance	3469LI1805				305,504	Left out in 2019
Snow making evaluation	3464SI1104				33,500	
BMP revegetation					34,967	
Signage Evaluation	3469RS1709				38,450	
Main Lodge Deck Resurface	3464BD1403				55,338	

~~Handwritten scribbles~~

Account #	CHARGED OFF				Gross Costs
	2019	2020	2021	2022	before Dep 2015 to 2021

**COMMUNITY SERVICES CONTINUED**

**Parks**

I.P Path - upgrade lights	43788DI713			26,896	
Pavement Maintenance - Preston Field et all			4,920	4,354	
Pump Track	4378LI1802				
Dog Park	4378LI2104				
Village Green Restroom Drainage	4378BD1901		5,886		
Community Services Master Plan		212,044			
High School Ball Fields Study		77,216			

**Tennis Center**

Tennis Center Renovation	4588BDI604			43,615	
Tennis Center Courts 1 & 2	4588RS1501		15,650		
Facility Study	4588RS1605		40,142		

**Recreation Center**

Lobby Restrooms	4884BD1902			10,242	
Fitness Equipment	4886LE0001			50,541	
Locker Rooms	4899FF1202			1,653	

**Administration**

ARC Flash Study	4999BD2001			3,000	
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**BEACH FUND**

Burnt Cedar Pool (includes prior year)	3970BD2601			681,393	\$207,012 was in 2019 & 2021
Incline Beach Study	3973LI1302		216,132		
Incline Beach Shade Structure	3999BD1507		6,000		
VARIOUS - See Detail of various items				809,132	- next page -

**OTHER**

Paving Repairs and Painting *DOES NOT INCLUDE DP AND UTILITIES*

514,254	See detail				
\$ 807,552	\$ 3,271,901	\$ 700,538	\$ 2,750,212	\$ 9,624,229	\$ 14,404,220

Prior Period Adjustment	Prior Period Adjustment	Prior year buried in expenses,	current year expensed in 2022	NOT CHARGED OFF
-------------------------	-------------------------	--------------------------------	-------------------------------	-----------------

*not disclosed as a PPA in footnotes*

*Updated 6-8-23*

*#10,130 - new #*

*Beaches*

	ACTUALS								Total	Type of Investment					Total
	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022		Equipment	Repair & Main	Abandoned	Expendibles	Studies	
<b>Beaches - Ski</b>															
Bathroom Remodel ADA Compliant	339,282								339,282						339,282
Dumpster Enclosure	6,470								6,470					6,470	6,470
Boat Ramp Repairs	18,533								18,533	18,533				18,533	
Driveway Gate		5,100	16,240						21,340					21,340	21,340
Security Surveillance Cameras			13,831						13,831	13,831				13,831	
Pavement Maintenance			1,650	38,850	21,737	11,497	1,200		74,934		74,934			74,934	
Kayak Rack Enhancements			24,771	15,386	23,032				63,189	63,189				63,189	
<b>Beaches - Burnt Cedar</b>															
Replace Baby Pool Boiler	-	24,167							24,167		24,167				24,167
Retaining Wall	-	80,404							80,404					80,404	80,404
Floor Coating Eastside Restrooms	8,575								8,575		8,575			8,575	
Slide Replacement	36,265								36,265		36,265			36,265	
Parking Lot Paving	26,251			12,500	12,407				51,158		51,158			51,158	
Replace Pool Skimmer		13,328							13,328		13,328			13,328	
Replace Pool House Shower Tile		105,164							105,164		105,164			105,164	
Replace Pool Boiler		31,859							31,859		31,859			31,859	
Resurface Pool Patio Deck			15,853						15,853		15,853			15,853	
Replace UV & Pump				17,935					17,935		17,935			17,935	
Replace Freezer				5,869					5,869	5,869				5,869	
Summer Pool Cover				6,355					6,355		6,355			6,355	
Pool Deck, Fencing and Facilities Miscellaneous	55,218								55,218		55,218			55,218	
Swimming Pool Repair at Baby Pool					119,497	30,496			149,993		149,993			149,993	
F & B Customer Improvements					1,750	(1,750)									
Dumpster Enclosure						1,300			7,835		7,835			7,835	
New Pool							1,226,710	3,890,687	5,117,397					5,117,397	
New Pool - Charge Offs								(681,393)	(681,393)					(681,393)	
<b>Beaches - Incline</b>															
Pavement Maintenance	-	2,975		4,000	1,550		200		8,725		8,725			8,725	
F&B Window Replacement	20,800								20,800		20,800			20,800	
Picnic Tables	37,158		9,723						46,881			46,881		46,881	
Lounge Chairs	23,813						4,700		28,513			28,513		28,513	
Bear Boxes	15,928								15,928		15,928			15,928	
Rake walk behind model			14,040						14,040	14,040				14,040	
Shade Structure Design	6,000								6,000				6,000	6,000	
<b>Beaches - General</b>															
Facility Study	51,636	56,154	72,784	29,458	600	5,500			216,132				216,132	216,132	
Flatscape and Retaining Wall Enhancement			81,968	73,279	55,520	16,925	5,860		233,552					233,552	
Furnishings				12,516	36,505	18,041			67,062			67,062		67,062	
Fall protection for Beach Venues					11,700				11,700			11,700		11,700	
1999 John Deere 5310 Tractor #355	49,893								49,893	49,893				49,893	
EMV Credit Card Processing Compliance			5,301	5,100					10,401		10,401			10,401	
<b>Total Beaches</b>	<b>695,822</b>	<b>319,151</b>	<b>256,161</b>	<b>221,248</b>	<b>284,298</b>	<b>82,009</b>	<b>1,245,205</b>	<b>3,209,294</b>	<b>6,313,188</b>	<b>146,822</b>	<b>321,978</b>	<b>335,120</b>	<b>170,084</b>	<b>222,132</b>	<b>5,117,052</b>

1) Correlate to memos in binder  
 2) Consider amounts capped in prior years.

Extrapolated

Total column M,N,O,P	1,049,314
Less	
Paving charge off in 2020	(18,050)
Assessment charge off in 2021	(222,132)
Remaining Charge Offs	\$ 809,132

Folder 2

**MEMORANDUM**

**TO:** Audit Committee

**THROUGH:** Matthew Dent

**FROM:** Clifford F. Dobler

**SUBJECT:** Judicial review on the propriety of an agreement between Diamond Peak Ski Education Foundation, a nonprofit organization, and Incline Village General Improvement District wherein IVGID provides various "in kind" support (donations) for a ski team and ski racing team. The agreement appears not to comply with Dillon's Rule relating to the specific expressed power provided under NRS Chapter 318.

**STRATEGIC**

**PLAN REFERENCE(S):** None

**DATE:** 12-02-2020

---

**I. RECOMMENDATION**

That the Audit Committee makes a motion recommending to the IVGID Board of Trustees to proceed immediately with submitting a petition to be filed with the District Court in Washoe County to obtain a judicial examination and determination of the validity of the power of IVGID to engage in a contract providing several "in kind" support or donations to a local nonprofit organization for a ski team and ski race team. The judicial examination and determination remedy is contained in NRS 43.100 would allow a determination of whether the powers exercised by IVGID are allowed under requirements of Dillon's Rule.

**MEMORANDUM**

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**PLAN REFERENCE(S):** None

**DATE:** 12-02-2020

---

**I. RECOMMENDATION**

That the Audit Committee makes a motion recommending to the IVGID Board of Trustees to proceed immediately with submitting a petition to be filed with the District Court in Washoe County to obtain a judicial examination and determination of the validity of the power of IVGID to engage in a contract providing several "in kind" support or donations to a local nonprofit organization for a ski team and ski race team. The judicial examination and determination remedy is contained in NRS 43.100 would allow a determination of whether the powers exercised by IVGID are allowed under requirements of Dillon's Rule.

Foundation to provide a ski team and ski race programs on behalf of IVGID. In exchange for providing such programs, Diamond Peak Ski Education Foundation receives an array of benefits from IVGID which are listed in Section IV below.

Based on NO expressed power given to IVGID to provide a ski team and ski race program under NRS Chapter 318, IVGID would not have the power to enter into an agreement providing ski programs under the control of a nonprofit organization. Such power could only be drawn from NRS 318.210 - Implied Powers of necessity or incidental or implied from the explicit powers (basic powers) granted in NRS Chapter 318. Since basic powers only address facilities, it would be hard pressed to assume ski programs would fall within the basic powers contemplated by NRS 318. Certainly ski team or racing team programs would not be a necessity. Incidental as defined in dictionaries would be: "*happening or likely to happen in an unplanned or subordinate conjunction with something else.*" Would an elaborate agreement for ski teams and racing team programs be considered unplanned and be able to fall within the purview of basic powers?

The singular statement of providing services found in NRS 318.100 relate to the basic powers of the board to acquire, construct or service improvements. Subparagraph (2) states: ***The district may also furnish services pertaining to any such basic power which the district may exercise.*** One of the basic powers, defined in NRS 318.116, granted IVGID was to furnish recreational facilities. A reasonable interpretation would be that servicing pertaining to a basic power would require internal staffing, utilities and supplies to make the facilities available for use. For example, a swimming pool would require life guards.

Conclusion. The audit committee should not recommend to the Board of Trustees to rely on the validity of an opinion from IVGID legal counsel alone when a remedy for clarification is provided in NRS 43.100.



### **III. BACKGROUND**

In April and May, 2020, two residents of Incline Village requested the Audit Committee to seek legal counsel to investigate whether IVGID has the authority to make certain questioned expenditures which could be in direct violation of Dillon's Rule requiring expressed powers from the State of Nevada to make the questioned expenditures.

On June 30, 2020, Josh Nelson, IVGID's legal counsel, provided a presentation on his review and conclusions of IVGID's compliance with Dillon's Rule relating to the questioned expenditures brought forth by citizens. In general, Mr. Nelson found that the IVGID had proper authority under Dillon's Rule, however, suggested that certain Board Policies be adopted to allow certain expenditures. Audit Committee member, Schmitz asked Mr. Nelson to identify the policies that needed to be drafted or if there were adequate policies in existence that needed to be reviewed and Ms. Schmitz concluded the policy review might be a good next step.

On September 2, 2020 Mr. Nelson's June presentation was again reviewed by the Audit Committee. According to meeting minutes the Audit Committee purported to request that Mr. Nelson provide a written opinion on his conclusions regarding the questioned expenditures and the opinion could then be posted on the District's website. Mr. Nelson requested that he provide his written opinion to the Audit Committee prior to the Audit Committee requesting an opinion from the Nevada Attorney General.

At large member Mr. Aaron asked Mr. Nelson if the list of staff expenditures was all inclusive and Mr. Nelson indicated it was limited to the 8 items listed in the citizens April and May correspondence .

On September 30, 2020 the agenda called for Mr. Nelson to present his written opinion which was not on Nelson's legal firm's letterhead. At

large AC member Mr. Tullock requested the opinion be on Nelson's firm letterhead. The agenda item was postponed.

On November 10, 2020, Mr. Nelson's written opinion was reviewed by the Audit Committee and a request was made for Mr. Nelson to provide the content on each and every NRS Statute and Board Policy and Practice stated in his opinion. The agenda item was limited to only acknowledging receipt of Mr. Nelson's written opinion

#### **IV - SUMMARY OF DIAMOND PEAK SKI RACE TEAM AGREEMENT AND ESTIMATED "IN KIND" SUPPORT FROM IVGID**

The agreement dated January 30, 2018 provide various requirements to be fulfilled by each party and is for a period of five years. In essence, Diamond Peak Ski Education Foundation controls all aspects of the ski team and ski race team. The agreement requires that the Foundation not to compete with the Diamond Peak Ski Resort (IVGID) programs. Outside of the agreement, the Foundation collects and keeps all race program tuition, race fees, money from fund raising and donations from outside sources. All liabilities, insurance and an indemnity are the responsibility of the Foundation.

On the other hand IVGID provides the following items:

- Portion of the Ski mountain for 8 events (annually)
- Portion of the Ski mountain for ski race training
- 40 photo ID season ski passes for coaches
- Provide up to 30 race day ski comp tickets
- Provide up to 8 race day ski comp tickets for visiting coaches
- Provide office space and a locker room for race staff
- Provide Foundation members who are not IVGID Picture Pass Holders a season pass priced at the Picture Pass Holder rate plus \$10

- Provide discounted daily lift tickets to race participants and to parents of youth races. The total amount collected will be split 50%-50% between IVGID and the Foundation
- Provide the Base Lodge for team functions which are outside of normal operating hours
- Provide the "Fireplace Room" in base lodge for lunches, training breaks, meetings, athlete video analysis, ect.
- Provide 40 non-transferrable 50% off food passes for coaches
- Provide 2 reserved parking spaces in upper level parking
- Provide 6 offsite parking spaces for race team transport vehicles and equipment trailers.
- Hidden subsidies include "Early Load" training sessions of 1 to 2 hours in advance of opening to the General Public
- IVGID has NO right to cancel for convenience or any cause other than default by the Foundation for the full five year term.

In summary, the estimated costs of items provided by IVGID could be as high as \$100,000 per year.

The benefits to the General Public are limited as the tuition collected by the Foundation is substantial and not shared with IVGID. The use of the mountain and facilities limits access to all citizens. Preferences, such as, front of the lift line, are given to the ski team and race team. Most races are conducted on busy weekends creating less access to the entire mountain and inconveniences for the General Public.

## **V. OPINION OF IVGID LEGAL COUNSEL**

In the November 10, 2020 written opinion by IVGID's Legal Counsel, the "in kind" support (donations) provided by IVGID to the Diamond Peak Ski Education Foundation is in exchange for the foundation providing management of a ski team and ski race programs for IVGID .  
*As stated: Functionally this would be the same as hiring a contractor to provide a recreational program.*

The opinion cites NRS 318.143 and NRS 318.100 as the IVGID power to enter into an agreement for providing a recreational program. The citations would seem nebulous, at best, as both statutes relate only to acquisition, construction or servicing of improvements and a list of the various recreational facilities which the board may acquire, construct, reconstruct, improve, extend and better lands, works, systems and facilities for recreation. Neither NRS definitions cites any reference to providing personalized services for a ski team and ski race programs.

**VI. BID RESULTS**

Not required

**VII. FINANCIAL IMPACT AND BUDGET**

Not known at this time

**VIII. ALTERNATIVES**

Forward the legal opinion to IVGID's Board of Trustees without any recommendation from the Audit Committee

**IX. COMMENTS**

IVGID's legal counsel is not an independent party. Legal opinions by previous IVGID legal counsel have proven to be incorrect and unfortunately wasted considerable resources when subsequent opinions by outside legal firms provided opinions which were not the past experiences

**X. BUSINESS IMPACT**

Could be considerable which requires an investigation to determine estimated annual costs.

## MEMORANDUM

**TO:** Audit Committee

**FROM:** Josh Nelson  
Interim General Counsel

**REVIEWED BY:** Indra S. Winqwest  
General Manager

**SUBJECT:** Legal Opinion for Community Correspondence  
Regarding Dillon's Rule

**DATE:** November 19, 2020

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Enclosed please find a re-formatted version of the legal opinion presented to the Audit Committee at its September 30<sup>th</sup> meeting. As requested, this opinion has been placed on my firm's letterhead. Please note that the memorandum includes some minor clean-up edits. Most notably and due to comments from a member of the community, the memorandum includes a citation to NRS 268.001. This has been added to clarify that this section does not modify my opinion.



**BEST BEST & KRIEGER**  
ATTORNEYS AT LAW

**Memorandum**

**To:** Audit Committee, Incline Village General Improvement District  
**From:** Josh Nelson, Best Best & Krieger LLP  
**Date:** November 10, 2020  
**Re:** Legal Opinion for Community Correspondence Regarding Dillon's Rule

**I. OVERVIEW**

This memorandum provides a follow up to the presentations provided to the Audit Committee at its June 30, 2020 and September 1, 2020 meetings regarding Dillon's Rule and its application to IVGID. Specifically, this memorandum summarizes the issues discussed during the presentations and provides follow up regarding some of the specific subject areas that members of the public had questioned (*i.e.*, employee benefits and non-profit/community partnerships) in prior correspondence.

As explained below, NRS 318 provides authority to IVGID in three ways: (1) express substantive powers, (2) administrative powers, and (3) necessary and incidental powers. These powers clearly include the ability to provide recreational facilities and related services and programming. They also include the ability to provide various employee expense reimbursement and retention/recognition programs. Lastly, these powers include the ability to provide non-profit/community partnerships and support in furtherance of recreation or other express power.

**II. GENERAL RULE**

**A. Overview of Local Authority**

As a number of community members have noted, IVGID and other local governments may only act as permitted by statute. (See *State v. Swift*, 11 Nev. 128, 140 (1876) ["Hence, a municipal corporation, in this state, is but the creature of the legislature, and derives all its powers, rights and franchises from legislative enactment or statutory implication."]; see generally *State ex rel. Harvey v. Second Judicial Dist. Court*, 117 Nev. 754, 773 (2001).) This is commonly known as "Dillon's Rule."<sup>1</sup> (See NRS 268.001

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<sup>1</sup> This memorandum uses this term given its use in the community. However, Dillon's Rule may be more accurately applied to general purpose local governments like counties or cities. Special districts like IVGID are inherently limited to providing those services and otherwise acting as permitted by statute. (See NRS 318.116.) However, NRS 266.001 clarifies that Dillon's Rule applies to "other local governments," which would include GIDs.



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[defining Dillon’s Rule].) While the Legislature has provided greater “home rule” authority to cities and counties, it has not done so for general improvement districts.

The courts have provided guidelines to help determine if a local government has the authority to act and where it may lack the ability to do so. For example, general principles of statutory interpretation apply. As such, “[i]t is well settled in Nevada that words in a statute should be given their plain meaning unless this violates the spirit of the act.” (*McKay v. Bd. of Supervisors*, 102 Nev. 644, 648, (1986). [citations omitted].) “Where the language of a statute is plain and unambiguous ... there is no room for construction, and the courts are not permitted to search for its meaning beyond the statute itself.” (*Charlie Brown Constr. Co. v. Boulder City*, 106 Nev. 497, 503 (1990), *overruled on other grounds by Calloway v. City of Reno*, 116 Nev. 250, 993 P.2d 1259 (2000) [internal citations omitted].) Lastly, “where a statute is susceptible to more than one interpretation it should be construed in line with what reason and public policy would indicate the legislature intended.” (*State, Dep’t of Mtr. Vehicles v. Lovett*, 110 Nev. 473, 477 [internal citations omitted].)

In addition, authorized powers must be interpreted consistently with other state law. If local action is expressly preempted by the state, the local government cannot act. (See *Lamb v. Mirin*, 90 Nev. 329 (1974).) Similarly, if the Legislature regulates an area, local action may not be permitted, even if it is not directly in conflict. (See *Falcke v. Douglas County*, 116 Nev. 583 (2000) [Legislature’s adoption of supermajority voting requirements in some areas prohibits locally adopted supermajority voting requirements in other areas].) The express authority to provide some types of services indicates an intent not to allow the agency to provide other types of services that are not listed. (2013 Nev. Op. Atty. Gen. No. 07, \*6)

Despite this, general grants of authority are interpreted broadly. In *Flores v. Las Vegas-Clark County Library District* (2018) 134 Nev. 827, 833, the Nevada Supreme Court held that the general authority for a library district to “[d]o all acts necessary for the orderly and efficient management and control of the library, see NRS 379.025(2)(f), and [e]stablish[ing] bylaws and regulations for the management of the library, see NRS 379.025(1)(h).” included the ability to ban firearms at libraries. This was true even though the Legislature expressly preempted towns, cities, and counties from regulating firearms. As library districts were not included within the express ban on local regulation, their general authority to operate libraries included the ability to ban firearms. Importantly, the Supreme Court recognized that other local governments had similar authority, including GIDs.

B. Powers Granted to IVGID in NRS 318



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IVGID's powers are generally set forth in NRS 318. (See generally Leg. Counsel Bureau, Background Paper 83-4, General Improvement Districts.) NRS 318 identifies three different types of powers that GIDs possess: (1) express substantive powers, (2) administrative powers, and (3) necessary and incidental powers.

For the first, NRS 318.116 identifies a number of services that GIDs may provide. Not all GIDs may provide all services identified in this section. Rather, GIDs must be authorized to provide each type of service. Under these rules, IVGID has been authorized to provide water, sewer, solid waste, and recreational services. Importantly, while NRS 318.116 generally refers to "furnishing" facilities, other portions of NRS 318 clarify that this includes operating these facilities and providing related services. (NRS 318.100(2) ["The district may also furnish services pertaining to any such basic power which the district may exercise."]; NRS 318.145 [operation of facilities].)

For the second, NRS 318 identifies administrative powers that GIDs may utilize when conducting business. For the third, NRS 318.210 recognizes that NRS 318 cannot exhaustively state all things that a GID may need to do and it grants GIDs all necessary and implied powers required to exercise their express powers. Specifically, it states that GIDs "...shall have and exercise all rights and powers necessary or incidental to or implied from the specific powers granted in [NRS 318]. Such specific powers shall not be considered as a limitation upon any power necessary or appropriate to carry out the purposes and intent of this chapter." Similarly, NRS 318.205 empowers GIDs to adopt bylaws "[f]or carrying on the business, objects and affairs of the board and of the district [and] [r]egulating the use or right of use of any project or improvement." In this regard, it is important to note other portions of NRS 318 which evidence a legislative intent to grant broad powers to GIDs. (NRS 318.015(1) ["For the accomplishment of these purposes the provisions of this chapter shall be broadly construed."]; 318.040 ["This chapter being necessary to secure the public health, safety, convenience and welfare, it shall be liberally construed to effect its purposes."].)

Based on the above, any question regarding whether IVGID has the ability to do something requires first asking which express power it falls under (either substantive or administrative). If the action does not fit squarely within an express power, one must ask whether it is "close enough" to an express power to fall under IVGID's incidental powers. As an example, IVGID could not operate a police department as NRS 318 does not authorize GIDs to operate public safety departments. In addition, this is so far removed from any express power in NRS 318 to qualify as an incidental power. (See 2013 Nev. Op. Atty. Gen. No. 07, \*6.) By contrast, suppose the question was whether IVGID could install a security camera at its water facilities to deter vandalism. In this case, while "installing a security camera" is not specifically identified in NRS 318, it is part of the





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water system and would be permissible (either as part of the express authority to provide water service or incidental to this express power). (NRS 318.144, 318.205, 318.210; *Las Vegas-Clark County Library District*, 134 Nev. at 833.)

**III. EMPLOYEE BENEFITS AND COMMUNITY PARTNERSHIPS**

When this matter was referred to our office for consideration, a list of eight specific questions were included. These questions identified a number of different situations for evaluation. These situations generally split into two categories: (1) employee benefit-related expenditures and (2) community/non-profit partnerships.

Applying the discussion above to these categories, one must first determine if they fall within an express power and if not, determine if they are permitted through IVGID's incidental powers. For employee benefit-related expenditures, IVGID's administrative powers grant broad authority to hire and compensate employees and contractors. (NRS 318.180, 185.) The power to compensate necessarily includes the ability to reimburse an employee for business expenses or operate an employee recognition program. Even if one argued that this was not within the express powers in NRS 318.180 and 318.185, it would be an incidental power or otherwise part of the general grant of authority to compensate employees. (See *Las Vegas-Clark County Library District*, 134 Nev. at 833.) Of course, all employee recognition and retention programs should be reasonable (as determined by the Board and General Manager) to ensure they serve a public purpose and are not substitutes for basic salary and other traditional compensation.

For community/non-profit partnerships, the NRS does not include an express power to make general *in kind* or monetary donations to non-profits or community groups.<sup>2</sup> In this respect, it is important to distinguish IVGID from cities and counties. These entities do have express authority to make these donations. (See NRS 244.1505, 268.028.<sup>3</sup>) Based on this, IVGID must look to its other powers for this authority.

Importantly, not all monetary or *in kind* support provided to local non-profits and community groups qualifies as a "donation." For example, IVGID contracts with the Diamond Peak Ski Education Foundation to provide ski team and ski race programs. This contract includes having IVGID provide ski passes and tickets to coaches and participants. These passes and tickets are not "donations" but consideration provided to the Foundation in exchange for it providing recreational services. Functionally, this would be the same as

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<sup>2</sup> One exception to this general rule is NRS 332.185. This authorizes all local governments to donate unneeded personal property to other local agencies or non-profits.

<sup>3</sup> This legislative authority is cited in the Attorney General Opinion included in the community correspondence. (See 2005 Nev. Op. Atty. Gen. No. 01 *overruled* by 2005 Nev. Op. Atty. Gen. No. 07.)



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hiring a contractor to provide a recreational program. (See NRS 318.143, 318.100.) Similarly, IVGID may lease office space to a non-profit at below market rent. This is likely permitted under NRS 318.160 which grants broad authority to lease property. Lastly, IVGID provides qualifying non-profits with venue space at no cost or reduced rates under Policy and Procedure Resolution No. 132/Resolution No. 1701. While this is permissible even if considered a “donation” as explained below, it also likely falls under the Board’s ability to charge fees and rates for the use of IVGID facilities. (NRS 318.197.)

That being said, any actual donations are most likely permitted under IVGID’s implied or incidental powers provided that they are in furtherance of some express IVGID power.<sup>4</sup> To that end, the Board of Trustees has adopted policies to this effect. In addition to Policy and Procedure Resolution No. 132/Resolution No. 1701, the Board adopted Policy and Procedure Resolution No. 110/Resolution No. 1493 which authorizes IVGID staff, with advance notice to the Board of Trustees, to make reasonable (*i.e.*, generally less than \$1,000) monetary expenditures to support community groups provided that the support is “...related to a purpose authorized by NRS Chapter 318, and delegated to IVGID thereunder.” Importantly, this must be in furtherance of some express power. General grants of funds are most likely impermissible absent express statutory authority. (See 2000 Nev. Op. Atty. Gen. No. 10.)

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<sup>4</sup> While not directly related to Dillon’s Rule, donations are permitted by the Nevada Constitution and general laws. (Nev. Const., art. 8, §§ 9-10; see also 2013 Nev. Op. Atty. Gen. No. 07.)



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Issue	Authorization	Discussion
Providing stale recreational merchandise to local charities.	NRS 318.143, 318.160, 318.205, 318.210	<p>-Based on our investigations, this has occasionally occurred when recreational staff has donated stale, unsold recreational merchandise to non-profits for fundraisers.</p> <p>-This would most likely be authorized as incidental to operating recreational programs as this stale merchandise has nominal market value. However, if viewed as a "donation," this would fall under the Board's authority to dispose of unused, unsold IVGID property.</p> <p>-However, there is not an explicit Board policy on this, and the Board of Trustees may wish to provide guidance.</p>
Providing below market rate rent to non-profit tenants.	NRS 318.160, 318.205, 318.210	<p>-This is permissible under IVGID's power to lease property.</p> <p>-Even if considered a "donation," it would be authorized as incidental to this express power.</p> <p>-Moreover, the lease at issue was approved by Board action.</p>
Providing venue cards to employees.	NRS 318.180, 318.185, 318.210	<p>-This is permissible and a common way to show appreciation for employees.</p> <p>-It is set forth in Personnel Policies 6.10, and this benefit is expressly "subject to change by the Board of Trustees and may be revoked if the privilege is abused by an employee and/or their qualified dependents."</p>
Sending employees on business trips and reimbursing business expenses, providing per	NRS 318.180, 318.185, 318.210	<p>-Employees commonly receive reimbursements for expenses associated with business travel. Reimbursements may be based on actual expenses or a per diem. IVGID's current policy complies with the requirements. (See Personnel Policies 7.) This policy requires receipts for actual reimbursement and an expense report for all travel cases. Employees must receive prior authorization for overnight travel from their supervisor.</p>



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diem reimbursement.		
Employee celebration expenses, including the use of purchase cards.	NRS 318.180, 318.185, 318.210	-Similar to rewards, this is a common way to show appreciation for employees. Celebration expenses should be reasonable cost ( <i>i.e.</i> , pizza parties). -IVGID has adopted a policy regarding the use of procurement cards. (See Personnel Policies 8.) This policy does not expressly discuss employee celebration expenses. However, “[a]ll purchases made with a District Procurement Card must be for the use and benefit of the District. No personal purchases are allowed.” In addition, the Board of Trustees assigns funds each year for this purpose. The Board of Trustees could adopt a specific policy if it wished.
Employee birthday parties and related gift certificates.	NRS 318.180, 318.185, 318.210	-Similar to rewards, this is a common way to show appreciation for employees. Celebration expenses should be reasonable ( <i>i.e.</i> , a nominal gift card for coffee). -In discussions with staff, the bulk of employee celebrations are funded by participating employees. Any IVGID funds are drawn from the funds assigned by the Board for employee recognition. Similar to the above, the Board of Trustees could adopt a specific policy if it wished.
Contractor meals while meeting with staff	NRS 318.180, 318.185, 318.210	-This is not explicitly covered by the existing employee reimbursement policy and has been traditionally authorized under the purchasing policy. -It would be permissible under Dillon’s Rule as compensation to a contractor or reimbursement to an employee of necessary business expenses. However, the Board of Trustees may wish to clarify this in an explicit policy. Note that there is a comment about this in the Board of Trustees’ handbook for business lunches.



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Employee rewards through IVGID "bucks"	NRS 318.180, 318.185, 318.210	-This is permissible and a common way to show appreciation for employees. -This is part of IVGID's P.E.R.K. program for seasonal employee recognition and retention. This program has been brought to the Board of Trustees in the past, including in February 2007.
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**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2020**

	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
<b>REVENUES</b>								
Ad valorem taxes	\$ 1,706,170	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,706,170
Personal Property Tax	16,724	-	-	-	-	-	-	16,724
Intergovernmental								
Consolidated taxes	1,483,310	-	-	-	-	-	-	1,483,310
Local Government Tax Act	236,623	-	-	-	-	-	-	236,623
Services	-	35,245	-	-	-	-	-	35,245
Charges for Services	-	15,485,428	1,619,582	-	-	-	-	17,105,010
Facility Fees	-	5,774,067	966,817	-	-	-	-	6,740,884
Interfund Services	-	76,558	-	-	-	-	-	76,558
Operating Grants	-	17,000	-	-	-	-	-	17,000
Capital Grants	-	-	-	1,637,399	-	-	-	1,637,399
Investment income	432,643	126,143	28,422	-	-	-	-	587,208
Miscellaneous	952	116,042	-	-	-	-	-	116,994
<b>Total revenues</b>	<b>3,876,422</b>	<b>21,630,483</b>	<b>2,614,821</b>	<b>1,637,399</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29,759,125</b>
<b>EXPENDITURES</b>								
<b>GENERAL GOVERNMENT</b>								
Manager	407,666	-	-	-	-	-	-	407,666
Trustees	168,531	-	-	-	-	-	-	168,531
Accounting	395,959	-	-	-	-	-	-	395,959
Information Services	735,979	-	-	-	-	-	-	735,979
Human Resources	34,143	-	-	-	-	-	-	34,143
Health & Wellness	33,532	-	-	-	-	-	-	33,532
Community & Employee Relations	118,664	-	-	-	-	-	-	118,664
Administration	537,961	-	-	-	-	-	-	537,961
Capital Outlay	279,424	-	-	-	-	-	-	279,424
<b>RECREATION</b>								
Championship Golf	-	4,255,618	-	-	-	-	-	4,255,618
Mountain Golf	-	960,547	-	-	-	-	-	960,547
Facilities	-	469,752	-	-	-	-	-	469,752
Ski	-	7,011,524	-	-	-	-	-	7,011,524
Community Programming and Recreation Center	-	2,189,572	-	-	-	-	-	2,189,572
Packs	-	843,619	-	-	-	-	-	843,619
Tennis	-	242,873	-	-	-	-	-	242,873
Recreation Administration	-	572,599	-	-	-	-	-	572,599
Beach	-	-	1,758,394	-	-	-	-	1,758,394
Capital Outlay								
Championship Golf	-	-	-	439,872	-	-	-	439,872
Mountain Golf	-	-	-	1,592,962	-	-	-	1,592,962
Facilities	-	-	-	71,584	-	-	-	71,584
Ski	-	-	-	792,711	-	-	-	792,711
Community Programming and Recreation Center	-	-	-	244,815	-	-	-	244,815
Packs	-	-	-	1,944,812	-	-	-	1,944,812
Tennis	-	-	-	233,778	-	-	-	233,778
Recreation Administration	-	-	-	(261,503)	-	-	-	(261,503)
Beach	-	-	-	-	82,009	-	-	82,009
Debt Service								
Principal	-	-	-	-	-	355,188	5,812	361,000
Interest	-	-	-	-	-	29,166	.777	29,643
<b>Total expenditures</b>	<b>2,711,859</b>	<b>16,546,104</b>	<b>1,758,394</b>	<b>5,059,031</b>	<b>82,009</b>	<b>384,354</b>	<b>6,289</b>	<b>26,548,040</b>
Excess revenues (expenditures)	1,164,563	5,084,379	856,427	(3,421,632)	(82,009)	(384,354)	(6,289)	3,211,085
<b>OTHER FINANCING SOURCES:</b>								
Proceeds from Sale of Capital and Intangible Assets	-	44,639	-	-	-	-	-	44,639
Insurance Proceeds	-	243,548	-	-	-	-	-	243,548
Transfers In (Out) - Facility Fees for Capital Expenditure	-	(3,421,632)	(82,009)	3,421,632	82,009	-	-	-
Transfers In (Out) - Facility Fees for Debt Service	-	(384,354)	(6,289)	-	-	384,354	6,289	-
Transfers In (Out) - From (to) Other Sources	(300,000)	241,875	13,125	-	-	-	-	(45,000)
<b>Net change in fund balance</b>	<b>864,563</b>	<b>1,808,455</b>	<b>787,254</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,454,272</b>
Fund Balance, July 1, as reported	3,765,586	13,333,953	1,810,378	-	-	-	-	18,909,917
Prior period adjustment	-	138,505	-	-	-	-	-	138,505
Fund balance, July 1 as adjusted	3,765,586	13,472,458	1,810,378	-	-	-	-	19,048,422
Fund balance, June 30	\$ 4,630,149	\$ 15,280,913	\$ 2,591,632	\$ -	\$ -	\$ -	\$ -	\$ 22,502,694

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

**Incline Village General Improvements District**  
**Summary of Community Services - Grants**  
**Fiscal Years 2009 to 2022**  
**Source - Comprehensive Annual Financial Reports**

Fiscal Year	<i>CAPITAL LAND</i>		Third Creek	Incline Lake	High School
	Additions	Cumulative			
2009		1,041,043	255,701	772,500	69,520
2010	3,880,108	4,921,151	1,630,326		
2011	3,769,314	8,690,465	2,126,748		
2012	1,042,644	9,733,109	1,369,936		
2013	1,220,506	10,953,615	1,137,270		
2014	153,689	11,107,304	(407)		
2015	-	11,107,304	235,674		
2016	821,946	11,929,250	586,361		
2017	-	11,929,250	113,615		
2018	67,717	11,996,967	2,996		
2019	-	11,996,967			
2020	318,574	12,315,541	282,000		
2021	-	12,315,541			
2022	-	12,315,541			
	<u>11,274,498</u>		<u>7,740,220</u>	<u>772,500</u>	<u>69,520</u>

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
 FOR THE YEAR ENDED JUNE 30, 2012**

	Business - type Activities - Enterprise Funds				Business-type Activities Internal Service Funds
	Utility Fund	Community Services Fund	Beach Enterprise Fund	Enterprise Funds	
<b>OPERATING REVENUES</b>					
Sales and fees	\$ 9,127,955	\$ 10,414,480	\$ 1,016,280	\$ 20,558,715	\$ 2,850
Facility fees	-	5,919,707	899,565	6,819,272	-
Parcel Owner discounts	-	(108,379)	(448,003)	(556,382)	-
Operating grants	-	77,700	-	77,700	-
Interfund services	-	51,431	-	51,431	1,888,350
Total operating revenues	<u>9,127,955</u>	<u>16,354,939</u>	<u>1,467,842</u>	<u>26,950,736</u>	<u>1,891,200</u>
<b>OPERATING EXPENSES</b>					
Wages and benefits	2,947,376	6,334,351	528,625	9,810,352	1,369,973
Cost of goods sold	-	895,324	-	895,324	-
Services and supplies	1,273,502	3,143,522	326,490	4,743,514	478,312
Defensible Space	97,094	97,094	-	194,188	-
Central Services Cost	277,200	727,200	69,600	1,074,000	-
Insurance	92,857	242,393	17,731	352,981	50,972
Utilities	1,077,337	1,094,234	78,318	2,249,889	6,441
Legal and audit	73,743	43,661	7,369	124,773	35,044
Depreciation	2,565,241	2,359,117	116,944	5,041,302	9,119
Total operating expenses	<u>8,404,350</u>	<u>14,936,896</u>	<u>1,145,077</u>	<u>24,486,323</u>	<u>1,949,861</u>
Operating income (loss)	<u>723,605</u>	<u>1,418,043</u>	<u>322,765</u>	<u>2,464,413</u>	<u>(58,661)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment earnings	86,010	24,062	4,495	114,567	139,450
Gain (loss) on sales of assets	381	20,654	(10,446)	10,589	432
Coverage Sales	-	41,323	-	41,323	-
Cell Tower Lease Income	-	73,697	-	73,697	-
Interest on bond debt	(169,042)	(487,223)	(23,318)	(679,583)	-
Amortization issuance costs	(9,589)	40,435	(6,529)	24,317	-
Total nonoperating revenues (expenses)	<u>(92,240)</u>	<u>(287,052)</u>	<u>(35,798)</u>	<u>(415,090)</u>	<u>139,882</u>
Income (loss) before contributions	<u>631,365</u>	<u>1,130,991</u>	<u>286,967</u>	<u>2,049,323</u>	<u>81,221</u>
Capital Grant Contributions	<u>912,933</u>	<u>1,369,936</u>	<u>-</u>	<u>2,282,869</u>	<u>-</u>
Change in net assets	<u>1,544,298</u>	<u>2,500,927</u>	<u>286,967</u>	<u>4,332,192</u>	<u>81,221</u>
Total net assets, July 1	<u>60,835,299</u>	<u>36,418,606</u>	<u>4,159,835</u>		<u>957,177</u>
Total net assets, June 30	<u>\$ 62,379,597</u>	<u>\$ 38,919,533</u>	<u>\$ 4,446,802</u>		<u>\$ 1,038,398</u>
				Adjustment to reflect consolidation of internal service fund activities related to Enterprise Funds	<u>81,221</u>
				Change in net assets of business-type activities	<u>\$ 4,413,413</u>

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, 2013**

	<b>Business - type Activities - Enterprise Funds</b>				<b>Business-type Activities Internal Service Funds</b>
	<b>Utility Fund</b>	<b>Community Services Fund</b>	<b>Beach Enterprise Fund</b>	<b>Enterprise Funds</b>	
<b>OPERATING REVENUES</b>					
Sales and fees	\$ 9,767,475	\$ 11,309,353	\$ 1,058,128	\$ 22,134,956	\$ 2,950
Facility fees	-	5,962,384	775,102	6,737,486	-
Parcel Owner discounts on entry fees	-	(564,550)	(77,888)	(642,438)	-
Operating grants	-	97,123	-	97,123	-
Interfund services	-	58,372	-	58,372	2,042,462
Total operating revenues	<u>9,767,475</u>	<u>16,862,682</u>	<u>1,755,342</u>	<u>28,385,499</u>	<u>2,045,412</u>
<b>OPERATING EXPENSES</b>					
Wages and benefits	2,994,499	6,262,104	554,750	9,811,353	1,160,280
Cost of goods sold	-	912,704	-	912,704	-
Services and supplies	1,341,008	3,283,290	308,019	4,932,317	540,474
Defensible Space	99,956	99,957	-	199,913	-
Central Services Cost	257,100	673,500	63,600	994,200	-
Insurance	102,089	237,836	17,715	357,640	49,192
Utilities	1,001,334	962,524	77,989	2,041,847	5,798
Legal and audit	71,128	26,441	4,683	102,252	28,590
Depreciation	2,613,840	2,246,216	117,317	4,977,373	7,926
Total operating expenses	<u>8,480,954</u>	<u>14,704,572</u>	<u>1,144,073</u>	<u>24,329,599</u>	<u>1,792,260</u>
Operating income	<u>1,286,521</u>	<u>2,158,110</u>	<u>611,269</u>	<u>4,055,900</u>	<u>253,152</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment earnings	55,666	28,421	6,160	90,247	22,917
Gain (loss) on sales of assets	17,856	(12,384)	-	5,472	-
Cell Tower Lease Income	-	68,594	-	68,594	-
Interest on bond debt	(177,404)	(372,219)	(19,234)	(568,857)	-
Amortization issuance costs, discounts & premiums	(9,204)	26,044	(6,529)	10,311	-
Total nonoperating revenues (expenses)	<u>(113,086)</u>	<u>(261,544)</u>	<u>(19,603)</u>	<u>(394,233)</u>	<u>22,917</u>
Income before contributions	<u>1,173,435</u>	<u>1,896,566</u>	<u>591,666</u>	<u>3,661,667</u>	<u>276,069</u>
Capital Grant Contributions	<u>2,013,853</u>	<u>1,137,270</u>	<u>-</u>	<u>3,151,123</u>	<u>-</u>
Changes in net position	<u>3,187,288</u>	<u>3,033,836</u>	<u>591,666</u>	<u>6,812,790</u>	<u>276,069</u>
Total net position, July 1	<u>62,379,597</u>	<u>38,919,533</u>	<u>4,446,802</u>		<u>1,038,398</u>
Total net position, June 30	<u>\$ 65,566,885</u>	<u>\$ 41,953,369</u>	<u>\$ 5,038,468</u>		<u>\$ 1,314,467</u>
				Adjustment to reflect consolidation of internal service fund activities related to Enterprise Funds	<u>276,069</u>
				Change in net position of Business-Type Activities	<u>\$ 7,088,859</u>

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, 2014**

	<b>Business - type Activities - Enterprise Funds</b>				<b>Business-type Activities Internal Service Funds</b>
	<b>Utility Fund</b>	<b>Community Services Fund</b>	<b>Beach Enterprise Fund</b>	<b>Enterprise Funds</b>	
<b>OPERATING REVENUES</b>					
Sales and fees	\$ 10,431,225	\$ 10,991,126	\$ 1,104,246	\$ 22,526,597	\$ 975
Facility fees	-	6,024,564	780,716	6,805,280	-
Parcel Owner discounts on entry fees	-	(529,896)	(71,625)	(601,521)	-
Operating grants	2,893	106,238	-	109,131	-
Interfund services	-	66,704	-	66,704	2,279,321
Total operating revenues	<u>10,434,118</u>	<u>16,658,736</u>	<u>1,813,337</u>	<u>28,906,191</u>	<u>2,280,296</u>
<b>OPERATING EXPENSES</b>					
Wages and benefits	3,145,732	6,121,222	690,594	9,957,548	1,351,205
Cost of goods sold	5,628	945,313	-	950,941	-
Services and supplies	1,469,435	3,444,405	357,460	5,271,300	514,817
Defensible Space	100,000	100,000	-	200,000	-
Central Services Cost	291,000	705,996	72,000	1,068,996	-
Insurance	108,149	274,792	17,222	400,163	379,174
Utilities	1,042,146	1,109,464	85,763	2,237,373	7,298
Legal and audit	95,829	41,138	3,246	140,213	4,667
Depreciation	2,771,756	2,293,786	137,493	5,203,035	9,950
Total operating expenses	<u>9,029,675</u>	<u>15,036,116</u>	<u>1,363,778</u>	<u>25,429,569</u>	<u>2,267,111</u>
Operating income	<u>1,404,443</u>	<u>1,622,620</u>	<u>449,559</u>	<u>3,476,622</u>	<u>13,185</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment earnings	61,007	31,908	2,988	95,903	24,251
Gain (loss) on sales of assets	25,875	52,573	1,104	79,552	-
Extraordinary expense	(30,587)	-	-	(30,587)	-
Cell Tower Lease Income	-	108,325	-	108,325	-
Interest on bond debt	(193,123)	(289,773)	(11,811)	(494,707)	-
Amortization bond discounts & premiums	-	49,395	(135)	49,260	-
Total nonoperating revenues (expenses)	<u>(136,828)</u>	<u>(47,572)</u>	<u>(7,854)</u>	<u>(192,254)</u>	<u>24,251</u>
Income before contributions	<u>1,267,615</u>	<u>1,575,048</u>	<u>441,705</u>	<u>3,284,368</u>	<u>37,436</u>
Capital Grant Contributions	461,994	(407)	-	461,587	-
Changes in net position	<u>1,729,609</u>	<u>1,574,641</u>	<u>441,705</u>	<u>3,745,955</u>	<u>37,436</u>
Total net position, July 1, as previously reported	65,566,886	41,953,367	5,038,468		1,314,467
Application of GASB 65	(81,501)	(138,519)	(8,066)		-
Total net position, July 1, as restated	<u>65,485,385</u>	<u>41,814,848</u>	<u>5,030,402</u>		<u>1,314,467</u>
Total net position, June 30	<u>\$ 67,214,994</u>	<u>\$ 43,389,489</u>	<u>\$ 5,472,107</u>		<u>\$ 1,351,903</u>
				Adjustment to reflect consolidation of internal service fund activities related to Enterprise Funds	37,436
				Change in net position of Business-Type Activities	<u>\$ 3,783,391</u>

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, 2015**

	Business - type Activities - Enterprise Funds			Business-type Activities Internal Service Funds	
	Utility Fund	Community Services Fund	Beach Enterprise Fund		Total Enterprise Funds
<b>OPERATING REVENUES</b>					
Sales and fees	\$ 10,851,123	\$ 10,860,998	\$ 1,052,579	\$ 22,764,700	\$ 600
Facility fees	-	6,018,616	778,149	6,796,765	-
Parcel Owner discounts on entry fees	-	(470,402)	(62,977)	(533,379)	-
Operating grants	-	17,000	-	17,000	-
Interfund services	-	78,203	-	78,203	2,559,522
Total operating revenues	<u>10,851,123</u>	<u>16,504,415</u>	<u>1,767,751</u>	<u>29,123,289</u>	<u>2,560,122</u>
<b>OPERATING EXPENSES</b>					
Wages and benefits	3,342,258	6,347,788	777,105	10,467,151	1,458,889
Cost of goods sold	6,019	947,647	-	953,666	-
Services and supplies	1,642,031	3,415,632	394,571	5,452,234	727,818
Defensible Space	99,479	99,479	-	198,958	-
Central Services Cost	283,000	745,000	73,000	1,101,000	-
Insurance	120,659	233,228	18,944	372,831	292,552
Utilities	984,438	1,136,738	102,062	2,223,238	8,997
Legal and audit	71,918	91,989	2,746	166,653	5,064
Depreciation	2,865,958	2,342,332	149,427	5,357,717	10,638
Total operating expenses	<u>9,415,760</u>	<u>15,359,833</u>	<u>1,517,855</u>	<u>26,293,448</u>	<u>2,503,958</u>
Operating income	<u>1,435,363</u>	<u>1,144,582</u>	<u>249,896</u>	<u>2,829,841</u>	<u>56,164</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment earnings	81,996	46,153	10,186	138,335	24,672
Gain (loss) on sales of assets	(34,499)	31,576	(27,666)	(30,589)	-
Extraordinary expense	(26,906)	-	-	(26,906)	-
Cell Tower lease income	-	113,684	-	113,684	-
Interest on bond debt	(180,505)	(239,634)	(3,208)	(423,347)	-
Amortization bond discounts & premiums	-	42,487	(27)	42,460	-
Fiscal agent fees	-	(1,500)	-	(1,500)	-
Total nonoperating revenues (expenses)	<u>(159,914)</u>	<u>(7,234)</u>	<u>(20,715)</u>	<u>(187,863)</u>	<u>24,672</u>
Income before contributions	<u>1,275,449</u>	<u>1,137,348</u>	<u>229,181</u>	<u>2,641,978</u>	<u>80,836</u>
Capital Grant Contributions	<u>329,705</u>	<u>235,674</u>	<u>-</u>	<u>565,379</u>	<u>-</u>
Changes in net position	<u>1,605,154</u>	<u>1,373,022</u>	<u>229,181</u>	<u>3,207,357</u>	<u>80,836</u>
Total net position, July 1	<u>67,214,994</u>	<u>43,389,489</u>	<u>5,472,107</u>		<u>1,351,903</u>
Total net position, June 30	<u>\$ 68,820,148</u>	<u>\$ 44,762,511</u>	<u>\$ 5,701,288</u>		<u>\$ 1,432,739</u>
				Adjustment to reflect consolidation of internal service fund activities related to Enterprise Funds	<u>80,836</u>
				Change in net position of Business-Type Activities	<u>\$ 3,288,193</u>

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
COMMUNITY SERVICES CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016**

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	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Sales of Assets	\$ -	\$ -	\$ 38,703	\$ 38,703
Federal - Capital Grants	1,133,000	1,133,000	586,361	(546,639)
Total revenues	1,133,000	1,133,000	625,064	(507,936)
<b>EXPENDITURES</b>				
<b>CAPITAL OUTLAY:</b>				
<b>COMMUNITY SERVICES RECREATION:</b>				
Championship Golf	816,555	816,555	415,868	400,687
Mountain Golf	305,723	305,723	235,009	70,714
Facilities	182,480	182,480	138,070	44,410
Ski	1,646,340	1,646,340	707,467	938,873
Community Programming and Recreation Center	190,962	190,962	101,437	89,525
Parks	1,349,675	1,349,675	685,776	663,899
Tennis	48,977	48,977	46,482	2,495
Recreation Administration	275,500	275,500	14,089	261,411
Total expenditures	4,816,212	4,816,212	2,344,198	2,472,014
Excess (deficiency) of revenues over expenditures	(3,683,212)	(3,683,212)	(1,719,134)	1,964,078
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers In (Out)	3,683,212	3,683,212	3,780,675	97,463
Total other financing sources (uses)	3,683,212	3,683,212	3,780,675	97,463
Net changes in fund balance	-	-	2,061,541	2,061,541
Fund Balance, July 1	-	-	-	-
Fund balance, June 30	\$ -	\$ -	\$ 2,061,541	\$ 2,061,541

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
COMMUNITY SERVICES CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Sales of Assets	\$ -	\$ -	\$ -	\$ -
Federal - Capital Grants	115,000	115,000	113,615	(1,385)
Total revenues	<u>115,000</u>	<u>115,000</u>	<u>113,615</u>	<u>(1,385)</u>
<b>EXPENDITURES</b>				
<b>CAPITAL OUTLAY:</b>				
<b>COMMUNITY SERVICES RECREATION:</b>				
Championship Golf	734,500	1,182,500	928,012	254,488
Mountain Golf	313,620	313,620	120,828	192,792
Facilities	394,570	394,570	161,162	233,408
Ski	2,693,420	2,693,420	1,375,029	1,318,391
Community Programming and Recreation Center	697,820	697,820	574,838	122,982
Parks	517,100	517,100	312,527	204,573
Tennis	77,020	77,020	49,022	27,998
Recreation Administration	304,000	304,000	111,792	192,208
Total expenditures	<u>5,732,050</u>	<u>6,180,050</u>	<u>3,633,210</u>	<u>2,546,840</u>
Excess (deficiency) of revenues over expenditures	<u>(5,617,050)</u>	<u>(6,065,050)</u>	<u>(3,519,595)</u>	<u>2,545,455</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	-	-	62,952	62,952
Operating Transfers In (Out)	3,369,240	3,817,240	3,818,908	1,668
Total other financing sources (uses)	<u>3,369,240</u>	<u>3,817,240</u>	<u>3,881,860</u>	<u>64,620</u>
Net changes in fund balance	(2,247,810)	(2,247,810)	362,265	2,610,075
Fund Balance, July 1	<u>2,279,212</u>	<u>2,279,212</u>	<u>2,061,541</u>	<u>(217,671)</u>
Fund balance, June 30	<u>\$ 31,402</u>	<u>\$ 31,402</u>	<u>\$ 2,423,806</u>	<u>\$ 2,392,404</u>

**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, 2018**

	Budgeted Amounts		Actual	Variance	
	Original	Final			
<b>REVENUES</b>					
Sales of Assets	\$ -	\$ -	\$ 1,980	\$ 1,980	
Charitable - Capital Grants	-	-	156,775	156,775	
Total revenues	-	-	158,755	158,755	
<b>EXPENDITURES</b>					
<b>COMMUNITY SERVICES RECREATION:</b>					
Championship Golf	New projects	570,100	570,100	538,138	31,962
	Carryover projects	255,550	255,550	125,983	129,567
Mountain Golf	New projects	413,000	413,000	312,024	100,976
	Carryover projects	184,450	184,450	90,931	93,519
Facilities	New projects	109,950	109,950	105,273	4,677
	Carryover projects	149,000	149,000	93,331	55,669
Ski	New projects	2,305,122	2,305,122	1,525,333	779,789
	Master Plan	690,000	690,000	7,422	682,578
	Carryover projects	418,000	418,000	281,266	136,734
Community Programming	New projects	194,130	194,130	71,100	123,030
	Carryover projects	113,000	113,000	-	113,000
Parks	New projects	268,000	268,000	498,206	(230,206)
	Carryover projects	177,000	177,000	103,107	73,893
Tennis	New projects	46,660	46,660	5,000	41,660
	Carryover projects	20,000	20,000	-	20,000
Comm. Serv. Administration	New projects	95,000	95,000	76,926	18,074
	Carryover projects	208,000	208,000	71,886	136,114
Total expenditures		6,216,962	6,216,962	3,905,926	2,311,036
Excess (deficiency) of revenues over expenditures		(6,216,962)	(6,216,962)	(3,747,171)	2,469,791
<b>OTHER FINANCING SOURCES</b>					
Operating Transfers In - Facility Fees		2,704,020	2,704,020	2,700,842	(3,178)
Operating Transfers In - CIP		2,900,000	2,900,000	950,000	(1,950,000)
Total other financing sources		5,604,020	5,604,020	3,650,842	(1,953,178)
Net changes in fund balance:		(612,942)	(612,942)	(96,329)	516,613
Fund Balance, July 1		2,284,781	2,284,781	2,423,806	139,025
Fund balance, June 30		\$ 1,671,839	\$ 1,671,839	\$ 2,327,477	\$ 655,638

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.

To Bobby Magee

2/12/24 1:30p

Dropped off for you at  
front desk.

Feb 12, 2024

Disatt.

Look Back Accts

Project

2-1-24

Supplement to Folder I  
materials

**MEMORANDUM**

**TO:** Audit Committee  
**FROM:** Paul Navazio  
Director of Finance

*matters*

*potentially*

**SUBJECT:** Review and discuss possible next steps on outstanding accounting and financial reporting ~~issues~~ identified by the former Audit Committee and through past Correspondence, as well as discuss process for addressing future issues brought before the Committee. (Requesting Committee Members Mick Homan and Chris Nolet)

**DATE:** March 30, 2023

**I. RECOMMENDATION**

*potentially*

*matters*

It is recommended that the Audit Committee review and discuss possible next steps on outstanding accounting and financial reporting ~~issues~~ identified by the former Audit Committee and through past correspondence, as well as discuss process for addressing future issues brought before the Committee.

**II. BACKGROUND**

*potential*

This agenda item is a follow-up to a report presented to the Audit Committee at their meeting of February 7, 2023 which provided a summary of ~~issues~~ identified by the former Audit Committee, as well as selected issues from Correspondence received by the Committee.

*matters*

In considering the report, the Audit Committee's ~~discussion~~ focused on two general areas:

*potential matters*

- 1) Disposition- How best to evaluate each of the ~~issues~~ and determine what follow-up action(s), if any, are warranted, with specific recommendations to be forwarded to the Board of Trustees.
- 2) Process – The Committee also discussed the need for a formal process to review and consider ~~issues~~ brought to the attention of the Committee to ensure that these ~~issues~~ are a) evaluated, b) follow-up actions tracked, and c) brought to closure. In this preliminary discussion, the Committee identified the need to distinguish between ~~issues~~ brought to the Committee's attention through formal agenda items (either by

*timely*

*matters*



*potentially*  
management, the Independent Auditor, the Board of Trustees and Audit Committee members), and items received by the Committee through correspondence (members of the public) *matters*

Following the discussion, the Audit Committee reached a general consensus to designate one member of the Committee (Mick Homan) to work with staff to review the list of outstanding issues and return to the Committee with additional information and a framework for the Committee to consider possible recommendations, where appropriate, to bring closure to each ~~issue~~ *topic*.

Additionally, it was noted through Public Comment and Committee member input, the list of outstanding issues presented in the February 7<sup>th</sup> report may not have represented a complete list of issues warranting review by the Committee through this process.

Since the meeting of February 7<sup>th</sup>, two new members have been appointed to the Audit Committee to fill vacancies. Specifically, at their meeting of February 8, 2023, the Board of Trustees appointed Trustee Schmitz to fill a vacancy created by the expiring term of Trustee Tonking, and Mr. Chris Nolet was appointed to fill the vacant At-Large position (created by Trustee Tullech's re-appointment to the Committee as a Trustee). *matter*

*matters*  
New Committee member Nolet subsequently offered to work with Committee member Homan and staff on this follow-up report, with the first order of business being to review the list of outstanding ~~issues~~ and identify any that warrant adding in order to ensure a comprehensive list for review and disposition. Mr. Nolet and Mr. Homan then held a series of meetings with management to review the list of ~~issues~~, and consider a framework within which to evaluate each ~~issue~~ and develop preliminary recommendations for consideration by the full Committee.

A number of the ~~issues~~ have been previously addressed, or deemed, by either the Audit Committee or, in some cases, the Board of Trustees to not warrant further action. Nonetheless, they are presented herein for background information purposes as a number of these same ~~issues~~ are recurring ~~matters~~ *topics* brought to the attention of the Audit Committee. As such, the Audit Committee may wish to recommend follow-up action, as deemed appropriate. *potentially*

Attachment A to this memorandum provides an updated summary of outstanding ~~topics~~ identified through this process (including ~~issues~~ that appeared on previous Audit Committee agendas, as well as through general correspondence).

The summary is presented in (roughly) chronological order, with issues identified as pertaining to one or more of the following categories:

*matters*

- Capitalization of Fixed Assets – includes ~~issues~~ **matters** related to application of generally-accepted accounting principles, applicable Board policy, and Moss Adams recommendations.
- Financial Reporting / Annual Comprehensive Financial Report (ACFR) – include ~~issues~~ raised related to the information provided in the District's Annual Comprehensive Financial Report. May include questions about financial statement, Notes, or Supplemental Information contained in the report(s). **statements**
- "Other" – includes ~~issues~~ that do not impact the financial information contained in the District's formal financial statements (examples include disclosures, and presentation of information).
- Moss Adams Recommendations – stemming from recommendations provided through three separate consulting engagements, most notably an *Evaluation of Certain Accounting and Financial Reporting Matters*. **Matter**

For each ~~issue~~ identified, the summary table provided in Attachment A also identifies, where applicable, a stated dollar impact (or estimate), whether the dollar impact is deemed "material", and comments to include status and references.

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Several attachment are provided as reference to selected ~~issues~~ **matters** identified in this report. These include excerpts to previous management responses provided to the Audit Committee and/or Board of Trustees. **by year**

**II. ATTACHMENTS**

- A. Summary Table of ~~Issues~~ **Matters** Identified by Former Audit Committee and ongoing Correspondence.
- B. Summary of Moss Adams Recommendations with Management Responses (BOT memorandum, meeting of 6/29/22).
- C. Management Responses to Audit Committee Report on 2021 ACFR, dated 4/13/22
- D. History of District's reporting of Facility Fee revenues (excerpt from report to Audit Committee dated 6/16/22)

Before the 2022 ACFR is approved by the Board and submitted to the state of Nevada, I believe District financial management, DavisFarr and our Audit Committee should carefully reconsider one important audit finding. Management and our auditor reported 3 “significant deficiencies” (SDs) in internal control over financial reporting for the year ended June 30, 2022. One of the SDs was that that bank reconciliation for our main operating account was not completed until October 12, approximately 3.5 months after yearend. This account had a balance of approximately \$14 million on June 30th, which was not subject to effective internal controls at year end.

In general, the failed control(s) would normally be two 1) the completion of the bank reconciliation, and 2) the management review of the finalized reconciliation. Occasionally, these two controls are combined, which is often referred to as a “super control.” In either instance, the fact the internal controls over one of the District’s largest liquid assets failed is extremely concerning.

Our audit was completed in accordance with both US GAAS and Government Auditing Standards (GAS). To evaluate the severity of observed internal control weaknesses, I believe that one first looks to GAS 7.42, which cross-references to US GAAS AU-C Section 265. The guidance in Sections A6 and A7, noted below, requires management and the auditor to consider the “maximum potential error” in determining the nature of the internal control deficiency. The guidance goes on to say that the maximum potential error is the actual account balance itself. Hence, management is required to evaluate this internal control deficiency as more that remote, but less than likely, that a \$43 million error could occur in the ACFR.

It is possible that I may not understand the complete fact pattern, or the unlikely situation that there were mitigating controls. Otherwise, I am at a loss to understand how management, our auditor, or the Audit Committee did not conclude that this condition represents a “material weakness” in our system of internal controls?

Thank you

AICPA US GAAS AU-C 265 – Sections A6 and A7

A6. Factors that affect the magnitude of a misstatement that might result from a deficiency, or deficiencies, in internal control include, but are not limited to, the following: • **The financial statement amounts** or total of transactions exposed to the deficiency • The volume of activity (in the current period or expected in future periods) in the class of transactions or account balance exposed to the deficiency [As amended, effective for audits for periods ending on or after December 15, 2016, by SAS No. 130.] .

A7 **In evaluating the magnitude of the potential misstatement, the maximum amount by which an account balance or total of transactions can be overstated generally is the recorded amount**, whereas understatements could be larger.

Man has to respond before auditor.

link to  
response.

*Include in next meeting materials*

*Resolves issues matters*

**MEMORANDUM**

**TO:** Audit Committee  
**FROM:** Paul Navazio  
Director of Finance

Martin Williams  
Controller

*# 2 : 3*

*Attach to process memo*

**SUBJECT:** Follow-up on District's Final Annual Comprehensive Financial Report (ACFR) for the Fiscal Year ended June 30, 2022 as presented to the Board of Trustees at their meeting of December 14, 2022 and filed with the State of Nevada Department of Taxation. (Requesting Staff Member Director of Finance Paul Navazio).

**DATE:** February 7, 2023

*Include in Cliff version*

**I. BACKGROUND**

This agenda serves as a follow-up to the District's Final ACFR for the fiscal year ended June 30, 2022.

- At their meeting of December 5, 2022, the Audit Committee received a presentation on the Draft ACFR and related Audit Reports, presented by the District's independent auditor, DavisFarr, LLP.
- Feedback from the Audit Committee was incorporated into the Final ACFR, presented to the Board of Trustees at their meeting of December 14, 2022 (see Attachment 1).
- Following presentation to the Board of Trustees, the Final ACFR for the fiscal year ended June 30, 2022 was filed with the State of Nevada Department of Taxation, pursuant to NRS 354.624.
- On January 24, 2023 the District received correspondence from the Department of Taxation summarizing their review of the District's Final ACFR (see Attachment 2).

**II. DISCUSSION**

Since the filing of the Final ACFR the Board of Trustees and Audit Committee have received correspondence from community members related to the document. (See Agenda Item D.4). This agenda item addresses several of the issues raised in these communications.

Correspondence from Mr. Dobler, dated 1/9/23:

Statement of Net Position:

- The \$1.7 million referred to is the lease receivable, not capitalized assets. The lease assets capitalized are \$78,537 as listed in Note 5. The \$1.7 million receivable is for the cell tower leases, for which the District receives lease revenue. This is not capital assets, this is the way GASB 87 requires assets being leased out to be recorded. A
- Note G, clearly states other receivables are, "service charges to customers and resident for deposits or fees that are earned, but not collected." Earned, but not collected would be they have not been received yet. A
- Note H is a description of what a prepaid expense is, not stating there are any prepaid expenses in the financial statements. The difference from FY21 and FY22 is prepaid insurance, which was not paid until July in 2022, therefor it was not prepaid as of June 30, 2022. A
- Note 5 has been created following the guidelines provided by GASB and our auditors. Adding another column to show items moved from CIP to capital would not be following these guidelines. This information is available in the CIP reconciliation done each year and can be provided as a public records request. exact source?

Statement of Revenues, Expenses and Changes in Net Position:

- The interest earnings in the Statement of Revenue, Expenses, and Change in Net Position is precisely that, the interest earned during the 12 months reported. The Interest listed on the Statement of Cash Flows shows the cash effect of interest received, lease interest, and interest earned. As these two statements are tracking different things, thus the numbers will be different. As for interest allocation, since the Board concurred with management's recommendation to allocate interest based on cash balance, investment income has been allocated by that methodology every month. (See memo to Board, dated April 13, 2022). A
- Capital grants \$159,832 are not transfers, but grant funds provided by agencies outside the District. This \$47,926.54 was received from the Incline-Tahoe Foundation (ITF). This grant has nothing to do with the Recreation Center Expansion. Also, no billing for the Recreation Center had been processed by June 30, therefore no grant receivable was processed. A receivable has to be available, and collectable, without a grant claim, otherwise it cannot be a receivable. A

Statement of Cash Flows:

- The Statement of Cash Flows takes into account every item in the change in net position, and the statement of net position. There the number shown for cash effect

of these items will never match the number listed on either report, as both reports need to be considered. The cash spent on acquisition of capital assets includes the changes in all the capital assets, plus lease receivables. The \$2,552 for the internal services funds is the change in deferred inflows from FY2021.

A

NOTE 18:

- The carry-forward amounts referenced in Note 18 include both capital and capital expense items approved by the Board (8/31/22) as well as General Fund carry-over amounts approved as part of the Final Budget (5/26/22). As a Governmental fund, any General Fund carry-overs must go through a more detailed approval process, so these roll forwards are added to the new fiscal year's budget when it is approved.

?

Correspondence from Mr. Dobler, dated 1/14/23:

- The listing of contractual commitments shown in Note 18 is not intended to be an exhaustive listing of contractual obligations. The list provides examples of contractual obligations, selected to include priority projects of community interest.
- Two errors were noted in the table of contractual obligations included in this note. The Avail contract, which was fully spent by June 30, and the Axess America (RFID) contract was executed after June 30, 2022, and the expenditures shown were incurred in the current fiscal year. Corrections are reflected below:

?  
D

A

The District has committed to contractual obligations for selected capital improvement projects through contracts, resulting in encumbered funds at year-end. These are included in the appropriations carry-forward to the FY2022/23 budget, and are summarized as follows:

Contractor	Project	Contract Amount	Completed (6/30/22)	Remaining Amount
CORE West, Inc	Burnt Cedar Pool Imp	\$3,845,865	\$3,567,790	\$ 278,075
Avail Enterprises, LLC	Rec Center Lobby	159,832	159,832	
Ward-Young Architects	Rec Center Lobby	36,724	32,724	4,000
Ward-Young Architects	Rec Center Locker Room	91,972	85,904	6,068
Granite Construction	Effluent Pipeline	369,218	190,609	178,609
Axess America	RFID Gates	369,105	105,458	263,647

Attachments:

- Board Memorandum – Presentation of Final ACFR for Fiscal Year Ended June 30, 2022 (meeting of December 14, 2022)
- Correspondence from State of Nevada Department of Taxation, dated January 24, 2023



**MEMORANDUM**

**TO:** Board of Trustees

**THROUGH:** Indra Winqest  
District General Manager

**FROM:** Paul Navazio  
Director of Finance

**SUBJECT:** Transmittal of District's Annual Comprehensive Financial Report (ACFR) for the Fiscal Year ended June 30, 2022 and Related Audit Report(s) (Director of Finance Paul Navazio and Jennifer Farr, Partner, Davis Farr, LLP).

**DATE:** December 14, 2022

---

**I. BACKGROUND**

This agenda item serves to transmit to the Board of Trustees the District's Annual Comprehensive Financial Report (ACFR) for the Fiscal Year ended June 30, 2022, as well as the required Audit Communications provided by the District's Independent Auditor, Davis Farr, LLP.

The final Annual Comprehensive Financial Report being transmitted via this agenda item incorporates the following reports provided by the District's Independent Auditor, DavisFarr, LLP:

- Audit Opinion – Independent Auditor's Report
- Audit Communications (*Attachment 3*)
  - Required Audit Communications
  - Report on Internal Controls Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.

**II. DISCUSSION**

This agenda item presents the District's Final ACFR for the Fiscal Year ended June 30, 2022, to include the results of the audit conducted by the District's independent auditor, Davis Farr, LLP, and required Audit Communications.

December 14, 2022

AUDIT RESULTS

- The District's Independent Auditor has issued an unmodified opinion that the District's financial statements present fairly, in all material respects, the financial position of the District, its governmental activities, business-type activities, and all major funds, as of June 30, 2022.
- In their *Report on Internal Control Over Financial Reporting and on Compliance and Other Matters*, the District's Independent Auditor did not note any "material weaknesses"; however the auditor has highlighted three areas that have been determined to be reported as "significant deficiencies". These are summarized as follows:

3 SDs.

2022-001 – Journal Entries Detected During the Audit –

This stems from three journal entries that were processed as a result of the audit work performed, and are reflected in the financial statements. These include:

- a) An entry to remove legal settlement liabilities in the General Fund to reflect this liability in the government-wide financial statement rather than in the fund-type statement (\$596,253).
- b) An entry to remove compensated absences from the General Fund because the long-term liabilities are to be recorded in the government-wide financial statements rather than the fund-type statement (\$145,840).
- c) An entry to increase the Due from Other Governments in the General Fund (\$84,340).

2022-002 – Physical Inventory Observation

This stems from the fact that the District did not perform a fiscal year-end physical inventory of assets in the Championship Course Pro Shop. The auditor notes that while the inventory balance is not considered material, they nonetheless highlight the need to perform year-end inventory counts.

2022-003 – Timely Preparation of Bank Reconciliations

The auditors note that the District did not complete the year-end bank reconciliation until mid-October, and recommends that bank reconciliations be completed within 30 days of each month-end.

The *Report on Internal Control Over Financial Reporting and on Compliance and Other Matters* includes Management Responses, as required, to findings and recommendations identified by the independent auditor.

December 14, 2022

CHANGE IN ACCOUNTING PRACTICES

The District's audited financial statements for the fiscal year ended June 30, 2022 reflect two changes in accounting practices from the prior year:

- 1) *Transition from Governmental Fund to Proprietary Fund accounting for the District's Community Service Fund and Beach Fund.* This change was implemented, per Board of Trustees direction, as of July 1, 2021. As a result, prior period adjustments are required to re-state beginning fund balance/net position for each of these major funds. A
- 2) *Implementation of GASB 87 – Leases.* Implementation of GASB Statement 87, effective with the fiscal year ended June 30, 2022, requires the recognition of certain leased assets and liabilities for leases that were previously classified as operating leases. This required change in accounting practice impacts the treatment of the District's golf cart lease (as lessee) and cell tower leases (as lessor). A

FINANCIAL HIGHLIGHTS

Financial highlights based on Government-wide Financial Statements, for the year ended June 30, 2022:

Incline Village General Improvement District Change in Net Position						
	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b>Revenues</b>						
Program Revenues:						
Charges for services	\$ 2	\$ 17,060,531	\$ 32,450,390	\$ 12,631,060	\$ 32,450,392	\$ 29,691,591
Operating Grants	2,000	15,440	39,135	39,857	41,135	58,297
Capital Grants and contributions	-	65,505	47,927	-	47,927	65,505
General Revenues						
Ad valorem taxes	1,593,214	1,512,955	-	-	1,593,214	1,512,955
Consolidated taxes	2,049,551	1,855,445	-	-	2,049,551	1,855,445
Facility Fees	-	6,537,641	6,090,661	-	6,090,661	6,537,641
Unrecycled investment income	(17,165)	73,594	(93,733)	33,661	(110,921)	107,275
Other	1,402	127,597	435,446	-	436,848	127,597
<b>Total Revenues</b>	<b>3,925,961</b>	<b>27,605,314</b>	<b>36,999,549</b>	<b>12,904,595</b>	<b>42,923,630</b>	<b>40,512,912</b>
<b>Expenses</b>						
General Government	3,497,944	2,657,692	-	-	3,497,944	2,657,692
Utilities	-	-	12,399,729	11,449,502	12,399,729	11,449,502
Community Services	-	15,996,222	20,779,505	-	20,779,505	15,996,222
Beach	-	2,156,645	1,784,943	-	1,784,943	2,156,645
<b>Total Expenses</b>	<b>3,497,944</b>	<b>24,070,759</b>	<b>34,964,177</b>	<b>11,449,502</b>	<b>36,462,121</b>	<b>35,520,561</b>
Excess (Revenue) Expenses	431,037	3,534,555	4,035,672	1,454,796	4,466,709	4,992,351
<b>Changes in Net Position</b>	<b>431,037</b>	<b>3,534,555</b>	<b>4,035,672</b>	<b>1,454,796</b>	<b>4,466,709</b>	<b>4,992,351</b>
Beginning Net Position, as reported	\$2,946,057	\$9,269,585	\$6,955,593	\$6,697,763	\$59,931,650	\$57,963,645
Price Period Adjustment	(3,105,674)	142,617	55,199,571	(3,166,966)	94,197	(3,024,349)
Beginning Net Position, as adjusted	\$7,840,383	\$9,412,202	\$52,165,464	\$3,530,797	\$60,025,847	\$54,939,296
<b>Ending Net Position</b>	<b>\$8,271,420</b>	<b>\$12,946,757</b>	<b>\$56,201,136</b>	<b>\$4,985,593</b>	<b>\$64,492,556</b>	<b>\$59,931,650</b>

- The District's net position as of June 30, 2022 was \$164.49 million and reflects an increase in net position of \$4.47 million over the prior year. Of

December 14, 2022

this amount, a total of \$45.44 million (unrestricted net position) is available to meet the District's future obligations, including future planned capital projects.

- The net position of the District's governmental activities increased by \$0.43 million (to \$8.27 million) and the net position of the District's business-type activities increased by \$4.04 million (to \$156.22 million).
- The District's General Fund unassigned fund balance increased to \$5.25 million. This compares favorably to the District's fund balance policy of 15% of annual expenditures (or \$0.52 million).
- The District's Utility Fund ended the fiscal year with a net position of \$77.57 million, which represents an increase of \$0.58 million from the prior year. The Community Services Fund ended the year with a net position of \$64.72 million, reflecting a decrease of \$0.75 million from the prior year; the Beach Fund ended the year with a net position of \$13.93 million, reflecting an increase of \$4.21 million from the prior year.
- As of June 30, 2022 the District had total bond debt outstanding of \$3.43 million including Utility Revenue Bonds outstanding of \$2.99 million and Recreation Bonds outstanding totaling \$0.39 million. The District retired \$0.93 million in bond principal during the fiscal year.

#### *Audit Committee Review*

The Audit Committee received a copy the District's initial draft ACFR on November 16, 2022, concurrent with staff's transmittal of same to the Independent Auditor. At their meeting of December 5<sup>th</sup>, the Audit Committee received an updated draft ACFR, a report from Jennifer Farr, Partner, Davis Farr, LLP, on the audit as well as drafts of the Audit Opinion and Audit Communications.

Based on the Audit Committee's review and comments, final revisions have been incorporated into the Final ACFR being presented to the Board via this agenda item. In addition, the Independent Auditor has updated its *Report on Internal Control Over Financial Reporting and on Compliance and Other Matters*, as included the Compliance Section of the ACFR.

Revisions incorporated into the Final ACFR as a result of the Audit Committee's review include:

- *Statement of Net Position* - Reclassification of the amount reflected in the draft ACFR related to Claims Payable from "restricted" to "unrestricted." As

December 14, 2022

a result of the liability reported for this item, it should not have been included as a restricted amount in the Statement of Net Position.

- *Note 2 – Cash and Cash Equivalents, and Investments.* The dollar amounts shown in the text of the Note were updated to match the figures shown in the table (as of June 30, 2022). The draft document had not been updated from the amounts reported as of June 30, 2021.
- *Supplementary Information: Utility Fund Statement of Revenue, Expenses and Change in Net Position.* This is a new supplementary schedule added in this year's ACFR at the request of the (former) Audit Committee. A formula error as noted in the "variance" column (Net Position), and has been corrected.
- Various, non-substantive edits were made in the Notes to the Financial Statements to clarify certain explanations and acronyms.
- In its review of the Management Representation Letter, the Audit Committee noted a reference to an attachment related to Adjusting Journal Entries that were passed on by Management due to the fact that they did not meet the auditor's threshold for materiality. The auditor has provided this attachment that was included in the executed Management Representation Letter.

### NEXT STEPS

Per Nevada Revised Statutes (NRS) requirements (354.624), the District is required complete the audit within five months of the end of the fiscal year (November 30<sup>th</sup>), and present it to the governing Board within 30 days (December 30<sup>th</sup>). Immediately following presentation to the governing board the Annual Comprehensive Financial Report, audit report, and management representation letter are to be filed with the State Department of Taxation.

Pursuant to Policy 15.1.0 the Audit Committee is charged with submitting a report to the Board of Trustees in conjunction with the presentation of the Annual Comprehensive Financial Report.

Website Link to Policy 15.1.0: [https://www.yourtahoepalace.com/uploads/pdf-ivgid/15\\_1\\_0\\_Audit\\_Committee\\_Charter\\_Eff\\_06-29-2022.pdf](https://www.yourtahoepalace.com/uploads/pdf-ivgid/15_1_0_Audit_Committee_Charter_Eff_06-29-2022.pdf)

December 14, 2022

Attachments:

1. Annual Comprehensive Financial Report for the Fiscal Year ended June 30, 2022.
2. Audit Opinion (Davis Farr, LLP)
3. Required Audit Communications (Davis Farr, LLP)
4. Management Representation Letter, dated December 5, 2022



STATE OF NEVADA  
DEPARTMENT OF TAXATION  
Web Site: <https://tax.nv.gov>  
Call Center: (866) 962-3707

LAS VEGAS OFFICE  
700 E. Warm Springs Rd, Suite 200  
Las Vegas, Nevada 89119  
Phone (702) 486-2300  
Fax (702) 486-2373

JOE LOMBARDO  
*Governor*  
TONY WREN  
*Chair, Nevada Tax Commission*  
SHELLIE HUGHES  
*Executive Director*

CARSON CITY OFFICE  
1550 College Parkway, Suite 115  
Carson City, Nevada 89706-7937  
Phone: (775) 684-2000  
Fax: (775) 684-2020

RENO OFFICE  
4600 Kietzke Lane, Suite L235  
Reno, NV 89502  
Phone: (775) 687-9999  
Fax: (775) 688-1303

January 24, 2023

Incline Village General Improvement District  
Paul Navazio, Finance Director  
893 Southwood Boulevard  
Incline Village, NV 89451

Re: Annual Audit Report – Fiscal Year 2022

Dear Mr. Navazio:

Pursuant to NRS 354.6245, the Department of Taxation is charged with the review of all annual audits to determine their compliance with statutes and/or regulations. The Department must also identify all violations of statute and/or regulations reported therein.

The Department has completed its review of your audit report and NO violations of statute and/or regulations were noted. The auditor met the statutory provisions required by NRS 354.624 and NRS 354.6241.

A

If you should have any questions, please do not hesitate to contact me at 775-684-2065 or my e-mail at [kgrahmann@tax.state.nv.us](mailto:kgrahmann@tax.state.nv.us).

Sincerely,

Kellie Grahmann  
Budget Analyst  
Local Government Finance

Feb 7  
23 - response

w/h with staff

January 9, 2023

To: IVGID Audit Committee members

CC: Indra Winqest, Paul Navazio, IVGID Board of Trustees

From: Clifford F. Dobler

Re: Observations and potential corrections to APCR for June 30, 2022

**This memorandum is to be included as correspondence on the next Audit Committee Agenda**

I reviewed the Proprietary Funds financial statements and related notes presented to the Audit Committee on December 5, 2022. The items below were not addressed and should be considered. The Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position and the Statement of Cash Flows are included as exhibits A,B&C.

**Statement of Net Position**

Lease Receivables - A new addition this year was the capitalization of leases for \$1,749,412 (Exhibit G). Under Note 1 -G of the Financial Statements there is no reference to the new addition. As an extra jolt of wrong information is the narrative on "other receivables". It would be hard to conceive how an earned deposit (which is already received) could be a receivable.

Notes talk about adoption of new std.

Prepaid Expenses - In fiscal year 2021, and prior years there was approximately \$200,000 in prepaid expenses for Community Services and now in 2022 there is nothing. Was there a change in accounting? Why would Note 1-H have a statement about prepaid expenses for a mere \$762 in the Beach Fund?

Note 5 - Capital Assets (Exhibit E) is a detail of activities and should be expanded. "Decreases" should be changed into 2 columns - 1) Transfers to Capital Assets from Construction in Progress and 2) Disposition of Assets from retirement or sale. This will provide a better explanation of what "Decreases" actually are.

Judgement - not a "representation"

**Statement of Revenues, Expenses and Changes in Net Position**

Investment earnings(loss). The amounts for the Utility Fund and the Community Service Fund do not agree with the investment earnings(loss) on the Statement of Cash Flows:

- Utility Fund - (\$57,286) as opposed to (\$53,496)
- Community Services Fund (\$17,441) as opposed to \$271,192

cash is earned.

The proper allocation of investment earnings has been a grave concern of the former audit committee members. IVGID staff cannot seem to properly allocate interest earned on cash deposit to the proper funds. See my memorandum dated October 18, 2021.

why?



Capital Grants (or grants for capital improvements) of \$47,927 for Community Services is not a revenue item and should only be reflected in the Statement of Cash Flows. Transfers are never revenues or s. It should be noted that as of June 30, 2022, \$121,063 was expended on the Recreation Center Expansion. The Duffield grant was for \$65,000, of which, only \$47,927 was assumed collected. As such, a grant receivable of \$17,073 should have been reported.

### Statement of Cash Flows

The amounts for acquisition of capital assets for the Community Service Fund and Beach Fund do not agree with the Capital Project report (Exhibit G) provided to the Board on September 28, 2022. The largest difference is contained in the Community Services Fund wherein the Capital Project report indicates only \$1,966,553 in expenditures, however, the Statement of Cash Flows (Exhibit C) reports \$2,430,733. While it is understood that the Capital Project report is "unaudited" and adjustments could be made. If so, then a corrected version of the report should be provided when the audit is complete.

It is odd that the Internal Services Fund would have acquisitions of \$2,552 which is far below any threshold established by Board Policy.

Lastly the Capital Improvement Project Budget Carry-Forward (Note 18) (Exhibit F) indicates a total of \$9,827,031 of unspent budget would be carried over into fiscal 2023, however, the 9-28-2022 Capital Project report indicates only \$8,818,437 would be carried over which is over a \$1million difference. Too much of a difference for comfort.

The entire point of this memorandum is to stress to the Audit Committee and the Board of Trustees that there are no internal controls over financial reporting. Cross referencing is a must and obviously there are not appropriate staff members up to the task. In most cases information is disseminated which is inaccurate and should be changed (and normally never is) . This leads to wasteful reporting and a lack of trust in evaluating historical reports.

- Exhibit A - Statement of Net Position - June 30, 2022
- Exhibit B - Statement of Revenues, Expenses, and Changes in Net Position for the year ended June 30, 2022
- Exhibit C - Statement of Cash Flows for the year ended June 30, 2022
- Exhibit D - Note 1-G - Receivables
- Exhibit E - Note 5 - Capital Assets
- Exhibit F - Note 18 - Commitments Affecting Future Periods - Capital Improvement Budget Carry Forward
- Exhibit G - Capital Projects -Capital Asset report - September 28, 2022

incorrect

CF vs Capital

EXHIBIT A

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 JUNE 30, 2022**

	Utility Fund	Community Services Fund	Beach Fund	Internal Services Fund	Total
<b>ASSETS</b>					
<b>Current assets:</b>					
Cash and cash equivalents	\$ 18,710,558	\$ 18,715,561	\$ 6,024,608	\$ 100,260	\$ 43,550,987
Accounts receivable	1,508,619	26,792	-	-	1,535,411
Lease receivable	-	1,749,412	-	-	1,749,412
Grants receivable	12,881	-	-	-	12,881
Due from other governments	-	24,032	118,434	-	142,466
Inventories	165,127	589,751	-	123,601	878,479
Prepaid expenses	-	-	762	-	762
<b>Total current assets</b>	<b>20,397,185</b>	<b>21,105,548</b>	<b>6,143,804</b>	<b>223,861</b>	<b>47,870,398</b>
<b>Noncurrent assets:</b>					
Contractual deposits	100	6,075	-	-	6,175
Restricted deposit for debt service reserve	230,729	-	-	-	230,729
Restricted for TRPA Deposits	94,189	135,951	1,000	-	231,140
<b>Total noncurrent assets</b>	<b>325,018</b>	<b>142,026</b>	<b>1,000</b>	<b>-</b>	<b>468,044</b>
<b>Capital Assets:</b>					
Land	6,715,544	12,315,573	2,304,850	-	21,335,967
Construction in progress	1,498,869	537,741	-	-	2,036,610
Buildings and structures	15,959,753	33,627,523	7,234,499	-	56,821,775
Improvements and Infrastructure	113,353,076	35,896,434	2,038,694	-	151,288,204
Right-to-use assets	-	78,537	-	-	78,537
Equipment and vehicles	3,797,362	12,536,411	529,560	240,596	17,103,929
<b>Total capital assets</b>	<b>141,324,604</b>	<b>94,992,219</b>	<b>12,107,603</b>	<b>240,596</b>	<b>248,665,022</b>
Less: accumulated depreciation	(80,208,266)	(45,929,003)	(3,678,075)	(199,352)	(130,014,696)
<b>Total capital assets (net)</b>	<b>61,116,338</b>	<b>49,063,216</b>	<b>8,429,528</b>	<b>41,244</b>	<b>118,650,326</b>
<b>Total noncurrent assets</b>	<b>61,441,356</b>	<b>49,205,242</b>	<b>8,430,528</b>	<b>41,244</b>	<b>119,118,370</b>
<b>Total assets</b>	<b>81,838,541</b>	<b>70,310,790</b>	<b>14,574,332</b>	<b>265,105</b>	<b>166,988,768</b>
<b>LIABILITIES</b>					
<b>Current liabilities:</b>					
Accounts payable	582,227	360,569	441,905	52,198	1,436,899
Accrued personnel costs	172,357	529,059	112,466	100,726	914,608
Accrued interest payable	38,837	4,328	71	-	43,236
Due to other funds	-	-	-	192,287	192,287
Due to other governments	-	-	11,939	-	11,939
Unearned revenue	183,519	1,824,668	39,243	-	2,047,430
Deposits payable	-	440,102	-	-	440,102
Current portion of compensated absences	82,417	101,232	9,757	24,774	218,180
Current maturities of long-term debt	569,407	384,429	6,291	-	960,127
Lease payable due within one year	-	30,401	-	-	30,401
<b>Total current liabilities</b>	<b>1,628,764</b>	<b>3,674,788</b>	<b>621,672</b>	<b>369,985</b>	<b>6,295,209</b>
<b>Non-current liabilities:</b>					
Compensated absences	218,510	209,876	17,866	46,010	492,262
Non-current long term debt	2,422,983	-	-	-	2,422,983
Lease payable due in more than one year	-	12,365	-	-	12,365
<b>Total non-current liabilities</b>	<b>2,641,493</b>	<b>222,241</b>	<b>17,866</b>	<b>46,010</b>	<b>2,927,610</b>
Deferred lease inflows	-	1,695,703	-	-	1,695,703
<b>Total liabilities and deferred inflows</b>	<b>4,270,257</b>	<b>5,592,732</b>	<b>639,538</b>	<b>415,995</b>	<b>10,918,522</b>
<b>NET POSITION</b>					
Net investment in capital assets	58,123,948	48,678,787	8,423,237	41,244	115,267,216
Restricted	325,018	142,026	1,000	-	468,044
Unrestricted	19,119,318	15,897,245	5,510,557	(192,134)	40,334,986
<b>Total net position</b>	<b>\$ 77,568,284</b>	<b>\$ 64,718,058</b>	<b>\$ 13,934,794</b>	<b>\$ (150,890)</b>	<b>\$ 156,070,246</b>

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

EXHIBIT B

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
 FOR THE YEAR ENDED JUNE 30, 2022**

	Utility Fund	Community Services Fund	Beach Fund	Internal Services Fund	Total
<b>OPERATING REVENUES</b>					
Sales and fees	\$ 12,885,588	\$ 18,590,272	\$ 750,123	\$ -	\$ 32,225,983
Recreation fee	-	830,977	5,259,704	-	6,090,681
Operating grants	22,138	17,000	-	-	39,138
Interfund services	122,384	149,813	-	2,594,923	2,867,120
Total operating revenues	13,030,110	19,588,062	6,009,827	2,594,923	41,222,922
<b>OPERATING EXPENSES</b>					
Wages and benefits	4,210,437	9,037,152	1,002,834	1,788,304	16,038,727
Cost of goods sold	10,212	1,305,464	1,652	-	1,317,328
Services and supplies	2,971,167	4,941,072	350,475	947,279	9,209,993
Defensible space	77,969	77,970	-	-	155,939
Central services cost	445,092	999,759	93,956	-	1,538,807
Insurance	211,382	442,932	39,371	15,829	709,514
Utilities	931,759	1,125,484	103,507	9,878	2,170,628
Professional fees	175,021	26,690	4,293	525	206,529
Depreciation	3,285,127	2,960,293	188,686	10,541	6,444,647
Total operating expenses	12,318,166	20,916,816	1,784,774	2,772,356	37,792,112
Operating income (loss)	711,944	(1,328,754)	4,225,053	(177,433)	3,430,810
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment earnings (loss)	(57,286)	(17,441)	(19,005)	(671)	(94,403)
Insurance proceeds	-	97,894	-	-	97,894
Gain on sales of assets	9,096	-	-	-	9,096
Lease revenue CS-Does not agree with cash flow	500	131,523	-	-	132,023
Miscellaneous revenue Nothing in Cash Flow for this line item	-	328,456	-	-	328,456
Interest on bond debt	(81,563)	(12,501)	(169)	-	(94,233)
Total nonoperating revenues (expenses)	(129,253)	527,931	(19,174)	(671)	378,833
Income before transfers and contributions	582,691	(800,823)	4,205,879	(178,104)	3,809,643
<b>CAPITAL CONTRIBUTIONS AND TRANSFERS</b>					
Capital Grants	-	47,927	-	-	47,927
Change in net position	582,691	(752,896)	4,205,879	(178,104)	3,857,570
Total net position, July 1, as previously reported	76,985,593	-	-	27,214	77,012,807
Prior Period Adjustment	-	65,470,954	9,728,915	-	75,199,869
Total net position, July 1, as adjusted	76,985,593	65,470,954	9,728,915	27,214	152,212,676
Total net position, June 30	\$ 77,568,284	\$ 64,718,058	\$ 13,934,794	\$ (150,890)	\$ 156,070,246

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, 2022**

	Utility Fund	Community Services Fund	Beach Fund	Internal Services Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers and users	\$ 12,766,774	\$ 20,371,990	\$ 5,974,106	\$ -	\$ 39,112,870
Receipts from interfund services provided	122,384	149,813	-	2,594,923	2,867,120
Payments to suppliers	(4,532,707)	(8,917,646)	(949,796)	(812,612)	(15,212,761)
Payments to employees	(4,070,858)	(8,296,220)	(870,745)	(1,678,828)	(14,916,651)
Net cash provided (used) by operating activities	4,285,593	3,307,937	4,153,565	103,483	11,850,578
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition of capital assets	(715,805)	(2,430,733)	(3,209,295)	(2,552)	(6,358,385)
Proceeds from sale of assets	9,096	-	-	-	9,096
Insurance proceeds	-	97,894	-	-	97,894
Lease proceeds	500	176,871	-	-	177,371
Proceeds from capital grants Assume Duffield grant	-	47,927	-	-	47,927
Payments on capital debt	(553,842)	(370,264)	(6,059)	-	(930,165)
Interest paid on long term debt	(89,292)	(13,500)	(237)	-	(103,029)
Net cash provided (used) by capital and related financing activities	(1,349,343)	(2,491,805)	(3,215,591)	(2,552)	(7,059,291)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Long-term investments matured	1,507,905	760,122	-	-	2,268,027
Investment earnings (losses) Do not agree with page 25	(53,496)	271,192	(19,005)	(671)	198,020
Net cash provided (used) by investing activities	1,454,409	1,031,314	(19,005)	(671)	2,466,047
Net change in cash and cash equivalents	4,390,659	1,847,446	918,969	100,260	7,257,334
Cash and cash equivalents, July 1	14,644,917	17,010,141	5,106,639	-	36,761,697
Cash, cash equivalents and investments, June 30	\$ 19,035,576	\$ 18,857,587	\$ 6,025,608	\$ 100,260	\$ 44,019,031

(Continued)

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2022**

	Utility Fund	Community Services Fund	Beach Fund	Internal Services Fund	Total
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>					
Operating income (loss)	\$ 711,944	\$ (1,328,754)	\$ 4,225,053	\$ (177,433)	\$ 3,430,810
Non-cash adjustments -					
Depreciation	3,285,127	2,960,293	188,686	10,541	6,444,647
Increase (decrease) in cash from changes in:					
Accounts receivable	(152,550)	38,173	13,056	-	(101,321)
Grants receivable	-	373,912	-	-	373,912
Due from other governments	-	38,836	(34,709)	-	4,127
Inventories	(4,059)	(170,195)	-	(47,806)	(222,060)
Prepaid expenses	-	197,520	(762)	-	196,758
Accounts payable	293,954	(25,600)	(352,593)	16,418	(67,821)
Accrued personnel costs	(161,348)	429,824	104,466	38,692	411,634
Compensated absences	300,927	311,108	27,623	70,784	710,442
Due to other funds	-	-	-	192,287	192,287
Due to other governments	-	-	(3,187)	-	(3,187)
Misc. Liabilities	-	(8,334)	-	-	(8,334)
Deposits payable	-	(57,133)	-	-	(57,133)
Unearned revenue	11,598	548,287	(14,068)	-	545,817
Total adjustments	3,573,649	4,636,691	(71,488)	280,916	8,419,768
Net cash provided (used) by operating activities	<u>\$ 4,285,593</u>	<u>\$ 3,307,937</u>	<u>\$ 4,153,565</u>	<u>\$ 103,483</u>	<u>\$ 11,850,578</u>

There were no noncash capital, financing, and investing activities

## INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

## NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2022

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 benefited 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 at 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 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; Level 3 are significant unobservable inputs.

#### G. Receivables

Receivables reflected in the District's basic financial statements include monies due from other governments, grants receivable as well as other accounts receivable.

*Due From Other Governments.* 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.

The District also 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. 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.

## INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

## NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2022

*Grants Receivable.* The District has been awarded grants to finance the construction of various infrastructure projects (ex. utilities, creek zone restoration, and upgrade a ballfield). Such grant funds are considered earned when requisite construction costs are incurred. The District has recognized funds earned but not collected by a Grants Receivable, in the government wide financial statements.

*Other Receivables.* Accounts receivable reflects service charges to customers and resident for deposits or fees that are earned, but not collected. The District may file a tax lien for uncollected utility service fees.

#### H. Inventory and Prepaid Items

There are no inventories in the General Fund. Inventories of items for resale for Utility, Community Services, and Beach Proprietary Funds are stated at the lower of cost (first-in, first-out) or market.

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 projects, and debt service. 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 position.

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

Activities of the Beach Proprietary Fund include three beaches with restricted access. One has a watercraft launch ramp and storage areas for paddleboards and kayaks. Two beaches have concession stands and playground areas. One beach provides swimming and wading pools.

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

**NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2022**

**5. CAPITAL ASSETS**

Additional column required for dispositions.

Combining dispositions with transfers from Construction in

Progress to capital assets provides a lack of disclosure.

Capital Asset activity for the year ended June 30, 2022:

	Balance 7/1/2021 *	Increases	Decreases	Balance June 30, 2022
<b>Governmental Activities:</b>				
Capital assets, not being depreciated				
Land	\$ 2,669,904	\$ -	\$ -	\$ 2,669,904
Construction in Progress	292,949	98,550	(55,596)	335,903
<b>Total governmental capital assets, not being depreciated</b>	<b>2,962,853</b>	<b>98,550</b>	<b>(55,596)</b>	<b>3,005,807</b>
Capital assets, being depreciated				
Buildings and Structures	828,251	-	-	828,251
Equipment and Vehicles	1,762,263	55,596	-	1,817,859
<b>Total governmental capital assets, being depreciated</b>	<b>2,590,514</b>	<b>55,596</b>	<b>-</b>	<b>2,646,110</b>
Less accumulated depreciation for:				
Buildings and Structures	(750,008)	(16,766)	-	(766,774)
Equipment and Vehicles	(1,455,212)	(111,564)	-	(1,566,776)
<b>Total accumulated depreciation</b>	<b>(2,205,220)</b>	<b>(128,330)</b>	<b>-</b>	<b>(2,333,550)</b>
<b>Total governmental capital assets being depreciated, net</b>	<b>385,294</b>	<b>(72,734)</b>	<b>-</b>	<b>312,560</b>
<b>Governmental Activities Capital Assets, net</b>	<b>\$ 3,348,147</b>	<b>\$ 25,816</b>	<b>\$ (55,596)</b>	<b>\$ 3,318,367</b>

*req?*  
*judge.*

**Business-Type Activities**

<b>Proprietary Capital assets not being depreciated</b>				
Land - Utilities	\$ 6,715,544	\$ -	\$ -	\$ 6,715,544
Land - Community Services	12,315,573	-	-	12,315,573
Land - Beach	2,304,850	-	-	2,304,850
Construction in progress - Utilities	1,035,834	905,605	(442,570)	1,498,869
Construction in progress - Community Services	262,750	1,501,473	(1,226,482)	537,741
Construction in progress - Beach	1,383,864	3,209,294	(4,593,158)	-
<b>Total proprietary capital assets, not being depreciated</b>	<b>24,018,415</b>	<b>5,616,372</b>	<b>(6,262,210)</b>	<b>23,372,577</b>
<b>Proprietary Capital assets, being depreciated</b>				
Buildings and structures - Utilities	15,959,753	-	-	15,959,753
Buildings and structures - Community Services	33,457,451	240,821	(70,749)	33,627,523
Buildings and structures - Beach	2,641,340	4,593,158	-	7,234,498
Services infrastructure - Utilities	113,100,306	252,770	-	113,353,076
Venue improvements - Community Services	35,404,502	491,932	-	35,896,434
Venue improvements - Beach	2,038,694	-	-	2,038,694
Equipment and vehicles - Utilities	3,797,362	-	-	3,797,362
Equipment and vehicles - Community Services	12,080,845	1,059,358	(603,792)	12,536,411
Right to use leased equipment - Community Services	78,537	-	-	78,537
Equipment and vehicles - Beach	529,561	-	-	529,561
Equipment and vehicles - Internal Services	240,596	-	-	240,596
<b>Total proprietary capital assets at historical cost</b>	<b>219,328,947</b>	<b>6,638,039</b>	<b>(674,541)</b>	<b>225,292,445</b>

\* Balance as of June 30, 2021 has been restated to implement GASB Statement No. 87 Which relates to what?



## INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

## NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2022

## 5. CAPITAL ASSETS (continued)

Capital Asset activity for the year ended June 30, 2022:	Balance			Balance
	July 1, 2021	Increases	Decreases	June 30, 2022
Less accumulated depreciation for:				
Buildings and structures - Utilities	(8,257,034)	(440,356)	-	(8,697,390)
Buildings and structures - Community Services	(15,564,938)	(1,006,566)	54,620	(16,516,884)
Buildings and structures - Beach	(1,728,405)	(83,024)	-	(1,811,429)
Services infrastructure - Utilities	(66,047,209)	(2,702,767)	-	(68,749,976)
Venue improvements - Community Services	(20,467,114)	(928,137)	-	(21,395,251)
Venue improvements - Beach	(1,450,971)	(46,749)	-	(1,497,720)
Equipment and vehicles - Utilities	(2,618,896)	(142,004)	-	(2,760,900)
Equipment and vehicles - Community Services	(7,594,225)	(986,542)	602,950	(7,977,817)
Right to use leased equipment - Community Services	-	(38,051)	-	(38,051)
Equipment and vehicles - Beach	(310,013)	(59,913)	-	(369,926)
Equipment and vehicles - Internal Services	(188,811)	(10,541)	-	(199,352)
Total accumulated depreciation	(124,227,616)	(6,444,650)	657,570	(130,014,696)
Total proprietary capital assets being depreciated, net	95,179,868	193,389	(16,971)	95,356,286
<b>Business-Type Activities Capital Assets, net</b>	<b>\$ 119,198,283</b>	<b>\$ 5,809,761</b>	<b>\$ (6,279,181)</b>	<b>\$ 118,728,863</b>

The District has a number of Construction in Progress projects open as of June 30, 2022. The Utility Fund includes \$1,114,233 for the design phase of the Effluent Export Line, that project will be ongoing through at least 2023. The Community Services Fund has \$132,976 for the Locker Room Improvements. 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, 2022 were charged to functions as follows:

Governmental Activities:	
General Government	\$ 128,330
Business-Type Activities:	
Utility Fund Water and Sewer	3,285,128
Recreation	2,960,294
Beach	188,687
Internal Services	10,541
Total Proprietary Depreciation	6,444,650
Total Depreciation Expense	\$ 6,572,980

## 6. COMPENSATED ABSENCES

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 4 eligible employees covered. The District has no other post-employment benefit obligations for health insurance or retirement benefits.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2022

18. COMMITMENTS AFFECTING FUTURE PERIODS

General Fund:

The District entered into an unemployment insurance contract with First Nonprofit Companies for total premiums of \$220,800 for calendar year 2022 services. As of June 30, 2022, \$110,400 in quarterly deposits are remaining as a part of the subsequent year's budget.

Capital Improvement Project Budget Carry-Forward:

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, Community Services Fund, and Beach Fund resources become part of Unrestricted Net Position, and are budgeted under cash flow on the State of NV budget forms. Board-approved amounts carried-forward at year-end are as follows:

General Fund	\$ 124,300	
Utility Fund	5,887,795	\$9,827,031
Community Services Fund	3,125,713	
Beach Fund	689,223	

The District has committed to contractual obligations for selected capital improvement projects through contracts, resulting in encumbered funds at year-end. These are included in the appropriations carry-forward to the FY2022/23 budget, and are summarized as follows:

Contractor	Project	Contract Amount	Completed (6/30/22)	Remaining Amount
CORE West, Inc	Burnt Cedar Pool Imp	\$3,845,865	\$3,567,790	\$ 278,075
Avail Enterprises, LLC	Rec Center Lobby	159,832	-	159,832
Ward-Young Architects	Rec Center Lobby	36,724	32,724	4,000
Ward-Young Architects	Rec Center Locker Room	91,972	85,904	6,068
Granite Construction	Effluent Pipeline	369,218	190,609	178,609
Axess America	RFID Gates	369,105	105,458	263,647

19. 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 \$19,732.

20. PRIOR PERIOD ADJUSTMENT(S)

The Statement of Activities includes prior period adjustments resulting from changes in accounting practices, as follows:

In fiscal year 2022 the District returned the Community Services fund and the Beach fund to proprietary fund accounting. This change in accounting method requires a prior period adjustment for long term assets and long term liabilities reported under the proprietary fund method that are not reported under the governmental fund method. The total of the prior period adjustment is \$75,199,871 as stated in the Statement of Activities.

EXHIBIT G 1of2

ATTACHMENT A  
CAPITAL PROJECTS - CAPITAL ASSETS

Incline Village General Improvement District

Capital Improvement Projects Report to the Board of Trustees

FY2021/22 CIP Status Report for the Quarter Ending June 30, 2022

DESCRIPTION	PROJECT #	FY2021/22 Original Budget	Estimated Carry Forward	FY2021/22 Adopted Budget	Prior Year Carry-Forward	Projects Cancelled	Adjustments	Reallocation	FY2021/22 Adjusted Budget	Fiscal Year Expenditures As of 6/30/22	Variance	Status	Carry-Forward Recommendations
<b>General Fund:</b>													
Network Upgrades - Switches, Controllers, WAP	1213CE2102	75,000	-	75,000	-				75,000	-	75,000	Carried Forward 5/26	75,000
Security Cameras	1213CE2105	100,000	-	100,000	-			(100,000)	0	-	-	In Progress / Expense	-
Human Resource Management and Payroll Processing Software	1315CO01601	81,438	75,000	166,438	(12,353)				154,085	88,550	55,535	In Progress	Acctual ????
<b>Total General Fund</b>		<b>256,438</b>	<b>75,000</b>	<b>341,438</b>	<b>(12,353)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (100,000)</b>	<b>229,085</b>	<b>88,550</b>	<b>130,535</b>		
<b>Utility Fund:</b>													
Replace Roof Public Works #B	2097BD1704	60,000	-	60,000	-				60,000	-	60,000	Cancelled	-
Public Works Billing Software Replacement	2097CO2101	10,000	-	10,000	10,000				20,000	67,000	67,000	Cancelled	20,000
Water Reservoir Safety and Security Improvements (Moved from Water)	2097DI1701	-	-	-	67,000				-	-	-	In progress with no carryover?	-
Loader Tire Chains - 2 Sets	2097HE1725	20,000	-	20,000	-				20,000	-	20,000	In Progress	20,000
2002 Caterpillar 550G Loader #523	2097HE1728	265,000	-	265,000	-				265,000	-	265,000	In Progress	265,000
2002 Caterpillar 550G Loader #525	2097HE1730	265,000	-	265,000	-				265,000	-	265,000	In Progress	265,000
Snowblow #300A	2097LE1720	19,000	-	19,000	-				19,000	-	19,000	In Progress	19,000
Snowblow #307A	2097LE1721	19,000	-	19,000	-				19,000	-	19,000	In Progress	19,000
Pavement Maintenance, Reservoir 3-1 WPS 4-2/5-1	2097LI1701	130,000	-	130,000	-				130,000	-	130,000	In Progress	130,000
<b>Utility Shared Projects</b>		<b>788,000</b>	<b>-</b>	<b>788,000</b>	<b>77,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>865,000</b>	<b>-</b>	<b>865,000</b>		<b>738,000</b>
<b>Water Reservoir Coatings and Site Improvements</b>													
Burnt Cedar Water Distribution Plant Improvements	2298DI1204	-	-	-	85,000			(85,000)	-	-	-	Ongoing	-
Watermain Replacement - Christ Peak Road	2298DI1707	25,000	-	25,000	-				42,653	23,445	19,208	Ongoing	19,208
Watermain Replacement - Slott Pk Ct	2298WS1705	280,000	-	280,000	16,425				174,344	96,915	137,429	In Progress	137,429
<b>Water</b>		<b>355,000</b>	<b>-</b>	<b>355,000</b>	<b>293,422</b>	<b>-</b>	<b>-</b>	<b>(65,000)</b>	<b>583,422</b>	<b>285,913</b>	<b>297,509</b>		<b>297,509</b>
<b>Effluent Pipeline Project</b>													
Sewer Pump Station #1 Improvements	2524SS1010	2,000,000	-	2,000,000	339,210				2,339,210	269,703	2,069,507	Multi-Year	2,069,507
Water Resource Recovery Facility Improvements	2599DI1703	-	-	-	1,039,025				1,039,025	855	1,038,370	In Progress	1,038,370
Wastands Effluent Disposal Facility Improvements	2599SS1102	140,000	-	140,000	-				140,000	53,393	86,607	Ongoing	86,607
Effluent Pond Liner / Storage	2599SS1103	183,500	-	183,500	-				183,500	9,977	173,523	Delayed	173,523
Update Camera Equipment	2599SS2107	60,000	1,550,000	1,650,000	-			(384,653)	1,165,347	96,162	1,069,185	In Progress	1,069,185
<b>Sewer</b>		<b>2,183,500</b>	<b>1,550,000</b>	<b>3,933,500</b>	<b>1,378,235</b>	<b>-</b>	<b>-</b>	<b>(384,653)</b>	<b>4,827,082</b>	<b>429,891</b>	<b>4,497,191</b>		<b>4,497,191</b>
<b>Total Utility Fund</b>		<b>3,528,500</b>	<b>1,550,000</b>	<b>5,078,500</b>	<b>1,746,657</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (449,653)</b>	<b>6,375,504</b>	<b>715,803</b>	<b>5,659,701</b>		<b>5,659,701</b>
<b>Championship Golf Course:</b>													
Cart Path Replacement - Champ Course	3141LI1202	55,000	-	55,000	59,975				114,975	308	114,667	Ongoing	114,667
Championship Golf Course Electric Cart Fleet and GPS	3141LV1898	-	-	-	378,000			155,360	533,360	-	533,360	In Progress	533,360
2006 Carryall Club Car #589	3142LE1737	-	-	-	-				12,168	12,168	-	Completed	-
2006 Carryall Club Car #590	3142LE1738	-	-	-	-				12,168	12,168	-	Completed	-
2006 Carryall Club Car #591	3142LE1739	-	-	-	-				12,168	12,168	-	Completed	-
2014 Toro Tri-Plex Mower 3250D #694	3142LE1744	46,000	-	46,000	-				46,000	-	46,000	In Progress	42,781
2017 Toro 3500D Mower #743	3142LE1745	37,000	-	37,000	-				37,000	-	37,000	In Progress	36,184
2012 JD 8500 Fairway Mower #670	3142LE1746	93,500	-	93,500	-				93,500	-	93,500	In Progress	93,486
2011 Toro Groundsmaster 4000D #650	3142LE1747	68,400	-	68,400	-				68,400	-	68,400	In Progress	68,211
2014 3500D Toro Rotary Mower #693	3142LE1759	37,000	-	37,000	-				37,000	-	37,000	In Progress	40,028
Replacement of 2010 John Deere 8500 #641	3142LE1760	-	-	-	92,000				55,496	-	55,496	Delayed / FY22/23	20,000
Rancho Ball Machine Replacement	3149CC2002	20,000	-	20,000	-				20,000	-	20,000	In Progress	20,000
1997 4-Ton Dump Truck #419	3197LV1749	51,000	-	51,000	-				49,960	-	49,960	In Progress	4,148
2000 Toro Spreader #462	3197LE1724	17,500	-	17,500	-				17,500	13,355	4,145	Completed	-
Maintenance Shop Crane and Equipment LIR	3197ME1710	-	-	-	21,827				21,827	-	21,827	Cancelled	-
<b>Total Championship Golf Course</b>		<b>425,400</b>	<b>\$ -</b>	<b>425,400</b>	<b>551,802</b>	<b>\$ -</b>	<b>\$ 155,360</b>	<b>\$ -</b>	<b>1,132,562</b>	<b>96,520</b>	<b>1,036,042</b>		<b>946,717</b>
<b>Mountain Golf Course:</b>													
Mountain Golf Cart Path Replacement	3241LI1903	-	-	-	77,449				77,449	64,567	12,882	Completed	-
Mountain Golf Cart Path Replacement	3241LI2001	550,000	-	550,000	-				550,000	491,962	58,038	In Progress	-
2015 Toro 4000D Rough Mower #709	3242LE1728	68,400	-	68,400	-				68,400	-	68,400	Delayed	-
<b>Total Mountain Golf Course</b>		<b>618,400</b>	<b>\$ -</b>	<b>618,400</b>	<b>77,449</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>695,849</b>	<b>556,499</b>	<b>139,350</b>		<b>-</b>
<b>Chateau:</b>													
Aspen Grove Outdoor Seating BBQ and Landscaping	3351BD1703	41,400	-	41,400	-				41,400	-	41,400	In Progress	10,000
Dumoster enclosure - Village Green/Aspen Grove	3351BD2101	45,000	-	45,000	-				45,000	-	45,000	Delayed	-
<b>Total Facilities</b>		<b>86,400</b>	<b>\$ -</b>	<b>86,400</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>86,400</b>	<b>\$ -</b>	<b>86,400</b>		<b>10,000</b>

As indicated there is no consistency in a carryover of a delayed project. See definition. If delayed but not canceled amounts should be carried over.

Inclina Village General Improvement District

Capital Improvement Projects Report to the Board of Trustees

FY2021/22 CIP Status Report for the Quarter Ending June 30, 2022

DESCRIPTION	PROJECT #	FY2021/22 Original Budget	Estimated Carry Forward	FY2021/22 Adopted Budget	Prior Year Carry-Forward	Projects Cancelled	Adjustments	Reallocation	FY2021/22 Adjusted Budget	Fiscal Year Expenditures As of 06/30/22	Variance	Status	Carry-Forward Recommendations
<b>Diamond Peak Ski Resort:</b>													
Base Lodge Walk in Cooler and Food Prep Reconfiguration	3453BD1808	-	-	-	40,000	-	-	-	40,000	8,602	31,398	In Progress	31,398
Loader Tire Chains (1-Set)	3463HE1722	9,750	-	9,750	-	-	-	-	9,750	-	9,750	In Progress	9,750
2002 Caterpillar 950G Loader #524	3463HE1723	265,000	-	265,000	-	-	-	-	265,000	-	265,000	In Progress	265,000
Replacement of 2011 Grooming Vehicle # 645	3463HE1728	400,000	-	400,000	-	-	-	-	400,000	400,000	-	Completed	-
Ski Resort Snowmobile Fleet Replacement	3464LE1601	16,500	-	16,500	-	-	-	-	16,500	14,216	2,282	In Progress	14,285
Snowblow #304A	3464LE1729	19,000	-	19,000	-	-	-	-	19,000	-	19,000	In Progress	19,000
2014 Yamaha ATV #695	3464LV1730	19,000	-	19,000	-	-	-	-	19,000	17,896	1,104	Completed	-
2013 Yamaha Rhino (ATV) #674	3464LV1732	-	-	-	-	-	-	-	-	20,167	(20,167)	Completed	-
Snowmaking Infrastructure Replacement	3464SI1002	160,000	-	160,000	-	-	-	-	160,000	154,159	5,841	Completed	-
Replace Child Ski Center Surface LHM	3467LE1703	75,000	-	75,000	-	-	-	-	75,000	95,565	19,435	In Progress	10,000
Replace Ski Rental Equipment	3468RE0002	-	-	-	514,840	-	-	-	514,840	259,707	259,133	In Progress	259,133
Replace Ski Lodge Facility Equipment	3468RD2101	115,000	-	115,000	-	-	-	-	115,000	-	115,000	In Progress	115,000
Ski Way and Diamond Peak Parking Lot Reconstruction	3469LI1805	-	-	-	500,000	-	-	-	500,000	-	500,000	Delayed	-
Ski Services Administration Printer Cooler	3469OE1502	-	-	-	-	-	-	-	10,000	-	10,000	In Progress	8,870
<b>Total Diamond Peak</b>		<b>1,889,250</b>	<b>-</b>	<b>1,689,250</b>	<b>1,054,840</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,144,090</b>	<b>926,313</b>	<b>1,217,777</b>		<b>732,446</b>
<b>Parks:</b>													
2015 Ball Field Groomer #706	4378LE1742	-	-	-	24,000	-	-	-	24,000	-	24,000	Delayed	24,000
Pump Truck	4378LI1604	80,000	-	80,000	-	-	-	-	80,000	1,804	78,196	In Progress	78,196
IVGID Community Dog Park	4378LI2104	75,000	-	75,000	-	-	-	-	75,000	4,128	70,872	In Progress	45,168
2005 Pick-up Truck 4x4 (1-Ton) #554	4378LV1735	47,000	-	47,000	-	-	-	-	47,000	-	47,000	In Progress	20,000
Village Green Drainage and Park Improvement Project	4378RS2103	20,000	-	20,000	-	-	-	-	20,000	-	20,000	In Progress	20,000
<b>Total Parks</b>		<b>222,000</b>	<b>-</b>	<b>222,000</b>	<b>24,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>245,000</b>	<b>5,932</b>	<b>240,068</b>		<b>167,362</b>
<b>Tennis:</b>													
<b>Total Tennis</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
<b>Recreation Center:</b>													
Fitness Equipment	4666LE0001	53,000	-	53,000	-	-	-	(53,000)	-	-	-	Moved to Expense	-
Rec Center Locker Room Improvements	4899FP1202	800,000	-	800,000	-	-	236,382	-	1,036,382	67,170	969,212	In Progress	969,212
2017 Chevy Compact SUV #751	4899LV1723	32,000	-	32,000	-	-	-	-	32,000	27,303	4,697	Completed	-
Recreation Center Upstairs Lobby Restrooms Remodel	4684BD1902	-	-	-	124,933	-	52,556	-	177,489	186,262	(8,264)	Completed	-
Recreation Center Expansion Project	4684BD2201	-	-	-	-	-	-	-	101,000	121,063	(20,063)	In Progress	-
<b>Total Recreation Center</b>		<b>885,000</b>	<b>-</b>	<b>885,000</b>	<b>124,933</b>	<b>-</b>	<b>389,338</b>	<b>(53,000)</b>	<b>1,346,871</b>	<b>411,289</b>	<b>556,682</b>		<b>969,212</b>
<b>Total Community Service Fund</b>										<b>\$1,966,553</b>			
<b>Beach:</b>													
Burnt Cedar Swimming Pool and Site Improvements	3970BD2601	3,350,000	-	3,350,000	256,579	-	-	(37,213)	3,569,366	3,216,455	352,911	Multi-Year	350,000
Beaches Flatscape and Retaining Wall Enhancement and Replacement	3972BD1501	55,000	-	55,000	55,000	-	-	-	110,000	-	110,000	Postponed	110,000
Inclina Beach Kitchen	3973FP1204	7,260	-	7,260	-	-	-	-	7,260	-	7,260	In Progress	-
Burnt Cedar Beach Kitchen	3974FF1101	6,800	-	6,800	-	-	-	-	6,800	-	6,800	In Progress	-
<b>Total Beach</b>		<b>3,419,060</b>	<b>-</b>	<b>3,419,060</b>	<b>311,579</b>	<b>-</b>	<b>-</b>	<b>(37,213)</b>	<b>3,693,426</b>	<b>3,216,455</b>	<b>476,971</b>		<b>460,000</b>
<b>District-wide Total</b>		<b>10,538,448</b>	<b>1,625,000</b>	<b>12,163,448</b>	<b>3,880,907</b>	<b>-</b>	<b>545,298</b>	<b>(639,866)</b>	<b>15,949,787</b>	<b>6,027,352</b>	<b>9,922,425</b>		<b>8,818,437</b>

Does not agree to Memo which states \$9,652,731 which also does not agree with Note 18 of CFAR

Several of the Red Line are related to the improper reporting of outstanding amounts carried forward into 2023.

January 14, 2023

**THIS MEMORANDUM IS TO BE MADE PART OF THE NEXT AUDIT COMMITTEE MEETING AS CORRESPONDENCE FOR REVIEW.**

TO: Board of Trustees and Audit Committee

From: Clifford F. Dobler

**Re: Lack of FULL disclosure in Note 18 of the ACFR FOR FISCAL YEAR ENDING JUNE 30, 2022 and false approval of contracts to avoid requirements under NRS and Board Policies .**

Under Note 18. Commitments Affecting Future Periods there are several errors regarding the contractual obligations resulting in encumbered funds at year end. EXHIBIT A

**Approval of the contract with Assess America, Inc. - RFID Gates.** It is extremely odd that this contract is included as of June 30, 2022. The \$369,105 contract was brought to the Board for approval, as a consent item, on August 31, 2022, two months after the end of the fiscal year. There was no budget for fiscal 2022. A review of the data included in the consent item has an unexecuted and undated Equipment Purchase Agreement, a Request for Proposal dated July 29, 2022 but most important a detail proposal from Assess America, Inc. dated 6 months earlier on February 8, 2022. Conclusion - This contract may have been issued far in advance of the August 31, 2022 Board meeting. The contract amount and the required 30% cash down payment is included in the Note 18 of the ACFR. The down payment, however cannot be located as an expenditure in the Capital Projects report as of June 30, 2022. It would be impossible to have a contract approved in August and then list the contract as outstanding in June. This maneuver by IVGID staff was in violation of NRS regarding issuing contract in excess of available resources and board policy.

**Errors and lack of disclosure regarding contractual obligations resulting in encumbered funds at year end - Note 18**

The listed contract with Avail Enterprises, LLC for the Rec Center Lobby Restrooms indicates that no money was spent yet according to the June 30, 2022, Capital project report the project was completed and all expenditures exceeded the budget by \$18,264 (10.3%). No budget augmentation was made.

The \$975,843 Contract issued to Brycon on 4/13/2022 for the Rec Center Locker Rooms has NOT been included as a contractual obligations.

The original contract and subsequent amendments of \$471,172 issued to HDR Engineering Inc., all of which, were issued prior to June 30, 2022 HAVE NOT been included as a contractual obligation.

The original contract and subsequent amendments of \$696,139 issued to Jacobs Engineering Group Inc., all of which, was issued prior to June 30, 2022, HAVE NOT been included as a contractual obligation.

obligation of 6/30/22?

The contract of \$533,260 (which is net of \$164,000 of trade ins) for 80 golf carts was issued to Club Car, LLC prior to June 30, 2022 and **HAS NOT** been included as a contractual obligation. As a side note. the carts were never delivered in fiscal year 2022.

The contract with Rapid Construction for \$176,671 for the Slot Peak water main was approved on March 9, 2022 and **HAS NOT** been included as a contractual obligation. The entire estimated costs of the project is \$275,775 and consists of permits, staff time and a contingency.

In addition, replacement of Ski Equipment had a 2021/2022 budget of \$514,840, of which, only \$255,707 was spent in fiscal year ending June 30, 2022. There may be an outstanding commitment for the unspent funds but further research is required. ?

Additional study will be required determining the outstanding contractual obligation with Tyler Technology for the contract issued in October 2021.

It appears that Mr. Navazio and Mr. Winquest have concluded that contractual obligations can be for **SELECTED** capital improvement projects as they apparently see fit. I along with the new Board of Trustees would probably be interested in the selection process. Based on the over \$3 million in contracts listed above which were not included in Note 18 it becomes quite apparent that Note 18 is quite deficient and again draws attention that no internal controls or oversight exists to prevent future errors.

Exhibit A - NOTE 18 to the June 30, 2022 ACFR

2 = 2,853,000 - CD

**EXHIBIT A**  
**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2022**

**18. COMMITMENTS AFFECTING FUTURE PERIODS**

**General Fund:**

The District entered into an unemployment insurance contract with First Nonprofit Companies for total premiums of \$220,800 for calendar year 2022 services. As of June 30, 2022, \$110,400 in quarterly deposits are remaining as a part of the subsequent year's budget.

**Capital Improvement Project Budget Carry-Forward:**

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, Community Services Fund, and Beach Fund resources become part of Unrestricted Net Position, and are budgeted under cash flow on the State of NV budget forms. Board-approved amounts carried-forward at year-end are as follows:

General Fund	\$ 124,300
Utility Fund	5,887,795
Community Services Fund	3,125,713
Beach Fund	689,223

The District has committed to contractual obligations for selected capital improvement projects through contracts, resulting in encumbered funds at year-end. These are included in the appropriations carry-forward to the FY2022/23 budget, and are summarized as follows: What does this mean? should it be carried forward

Contractor	Project	Contract Amount	Completed (6/30/22)	Remaining Amount
CORE West, Inc	Burnt Cedar Pool Imp	\$3,845,865	\$3,567,790	\$ 278,075
Avail Enterprises, LLC	Rec Center Lobby	159,832	-	159,832
Ward-Young Architects	Rec Center Lobby	36,724	32,724	4,000
Ward-Young Architects	Rec Center Locker Room	91,972	85,904	6,068
Granite Construction	Effluent Pipeline	369,218	190,609	178,609
Axess America	RFID Gates	369,105	105,458	263,647

**19. 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 \$19,732. *No adj.*

**20. PRIOR PERIOD ADJUSTMENT(S)**

The Statement of Activities includes prior period adjustments resulting from changes in accounting practices, as follows:

In fiscal year 2022 the District returned the Community Services fund and the Beach fund to proprietary fund accounting. This change in accounting method requires a prior period adjustment for long term assets and long term liabilities reported under the proprietary fund method that are not reported under the governmental fund method. The total of the prior period adjustment is \$75,199,871 as stated in the Statement of Activities.

January 21, 2023

to be included as part of the Board and Audit Committee next agendas

To: IVGID Board of Trustees and Audit Committee

cc: Indra Winguet and Paul Navazio

Re: Unauthorized change in reporting from fiscal 2021 to 2022 for the Community Services Venues

For several years through 2021, the Comprehensive Annual Financial Report provided supplementary information comparing actual revenues and expenses to budgeted amounts. For the Community Services, each venue within the Fund was listed. This provided a reader the ability to determine how each venue performed against the budget and the profit or loss from operating the venues. This information was required Supplementary Information in the audited reports. EXHIBIT A

Objectives?

In 2022, Mr. Navazio without any authority, proper stewardship and denying any discussion with the Board or the Audit Committee decided to eliminate reporting revenues and expenses by EACH venue. Instead he provide only a consolidated amount for the Community Services Fund. The information was now considered Supplementary Information EXHIBIT B not subject to any audit requirements and therefore could continue to be reported by venue. As a result, there is "not a single stitch" of information provided on how each venue performed during the fiscal year.

Why? If the name of the game is to provide transparency why would compressing information to provide less

transparency be considered appropriate?

This action, along with many others, created by Mr. Navazio in preparing financials are not consistent from year to year

and is inappropriate.

"The consistency principle states that business should maintain the same accounting methods or principles throughout the accounting periods, so that users of the financial statements or information are able to make meaningful conclusions from the data".

On smaller matters, the facility fees which has been a standard has now been called a "recreation fee" in two cases. This, of course, is to manipulate consistency. In another case, the net position in the Statement of Net Position for the Community Services Fund EXHIBIT C does not agree with the total net position in the statement of Revenues, Expenses and Changes in Net Position EXHIBIT B.

Please explain why the Community Services and Beach Funds were removed from Required Supplementary Information to just Supplemental Information?

So what are you going to do about these inconsistencies? Is it your intent to let Mr. Navazio run unchecked and report what his pleasure might be? What about that concept of transparency?

Any material?

- Exhibit A - 2021 - Required Supplementary Information - Statement of Revenues, Expenses and changes in Fund Balance.
- Exhibit B - 2022 - Supplementary Information - Statement of Revenues, Expenses and changes in Net Position
- Exhibit C - 2022 - Statement of Net Position



**INCLINE VILLAGE**  
**GENERAL IMPROVEMENT DISTRICT**

**REQUIRED**  
**SUPPLEMENTARY**  
**INFORMATION**



**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, 2021**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Charges for Services				
Championship Golf	\$ 3,391,290	\$ 3,391,291	\$ 3,214,950	\$ (176,341)
Mountain Golf	818,834	818,834	809,745	(9,089)
Facilities	1,440,299	1,440,299	790,683	(649,616)
Ski	10,148,735	10,148,734	10,206,918	58,184
Community Programming	1,007,900	1,007,900	1,014,837	6,937
Parks	38,700	36,600	22,350	(4,250)
Tennis	100,400	100,400	156,631	56,231
Recreation Administration	(317,830)	(317,830)	(123,602)	194,228
Facility Fee:				
Championship Golf	32,812	32,812	33,019	207
Mountain Golf	221,481	221,481	222,882	1,401
Facilities	41,015	41,015	41,275	260
Ski	(1,640,400)	(1,640,400)	(1,650,784)	(10,384)
Community Programming	1,222,098	1,222,098	1,229,835	7,737
Parks	729,978	729,978	734,600	4,622
Tennis	114,828	114,828	115,555	727
Recreation Administration	1,041,833	1,041,833	1,009,230	(32,603)
Operating Grants	17,000	17,000	17,000	-
Interfund Services	98,849	98,849	91,769	(7,080)
Intergovernmental Services	21,700	21,700	36,997	15,297
Investment Earnings	52,500	52,500	4,471	(48,029)
Miscellaneous	118,130	130,230	119,697	(10,533)
Total revenues	<u>18,700,152</u>	<u>18,700,152</u>	<u>18,098,058</u>	<u>(602,094)</u>
<b>EXPENDITURES</b>				
Culture and Recreation - All Functions:				
Function Summary (see next page)	<u>18,149,871</u>	<u>18,149,869</u>	<u>15,289,187</u>	<u>2,860,682</u>
Total expenditures	<u>18,149,871</u>	<u>18,149,869</u>	<u>15,289,187</u>	<u>2,860,682</u>
Excess (deficiency) of revenues over expenditures	<u>550,281</u>	<u>550,283</u>	<u>2,808,871</u>	<u>2,258,588</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Assets			52,250	52,250
Transfers In			(537,835)	(537,835)
Transfers Out - Capital Projects	(5,594,546)			
Net change in fund balance	<u>(5,044,265)</u>	<u>550,283</u>	<u>2,323,286</u>	<u>1,773,003</u>
Fund Balance, July 1, as reported	15,280,913	15,280,913	15,280,913	-
Prior period adjustment	(1,637,400)	(1,637,400)	(1,637,400)	-
Fund balance, July 1 as adjusted	<u>13,643,513</u>	<u>13,643,513</u>	<u>13,643,513</u>	-
Fund balance, June 30	<u>\$ 8,599,248</u>	<u>\$ 14,193,796</u>	<u>\$ 15,966,799</u>	<u>\$ 1,773,003</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.

See notes to required supplementary information

**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, 2021**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>EXPENDITURES</b>				
<b>Community Services:</b>				
<b>Championship Golf</b>				
Salaries and Wages	\$ 1,258,610	\$ 1,258,610	\$ 1,170,676	\$ 87,934
Employee Benefits	364,034	364,034	349,938	14,096
Services and Supplies	2,094,835	2,094,834	1,821,891	272,943
Subtotal Championship Golf	3,717,479	3,717,478	3,342,505	374,973
<b>Mountain Golf</b>				
Salaries and Wages	409,731	409,731	346,777	62,954
Employee Benefits	117,206	117,206	112,455	4,751
Services and Supplies	614,272	614,272	554,768	59,504
Subtotal Mountain Golf	1,141,209	1,141,209	1,014,000	127,209
<b>Facilities</b>				
Salaries and Wages	446,134	446,134	329,647	116,487
Employee Benefits	193,412	193,412	155,209	38,203
Services and Supplies	865,037	865,037	520,861	344,176
Subtotal Facilities	1,504,583	1,504,583	1,005,717	498,866
<b>Ski</b>				
Salaries and Wages	3,135,849	3,135,849	2,740,266	395,583
Employee Benefits	1,050,665	1,050,665	902,189	148,476
Services and Supplies	3,888,829	3,888,828	2,961,304	927,524
Subtotal Ski	8,075,343	8,075,342	6,603,759	1,471,583
<b>Community Programming</b>				
Salaries and Wages	1,037,021	1,037,021	966,114	70,907
Employee Benefits	327,605	327,605	274,637	52,968
Services and Supplies	847,529	847,529	697,660	149,869
Subtotal Community Programming	2,212,155	2,212,155	1,938,411	273,744
<b>Parks</b>				
Salaries and Wages	313,796	313,796	317,963	(4,167)
Employee Benefits	82,979	82,979	76,041	6,938
Services and Supplies	459,760	459,760	364,175	95,585
Subtotal Parks	856,535	856,535	758,179	98,356
<b>Tennis</b>				
Salaries and Wages	108,530	108,530	129,469	(20,939)
Employee Benefits	28,038	28,038	22,018	6,020
Services and Supplies	90,213	90,213	97,573	(7,360)
Subtotal Tennis	226,781	226,781	249,060	(22,279)
<b>Community Services Administration</b>				
Salaries and Wages	147,970	147,970	158,671	(10,701)
Employee Benefits	61,384	61,384	50,263	11,121
Services and Supplies	206,432	206,432	168,622	37,810
Subtotal Recreation Administration	415,786	415,786	377,556	38,230
Function Subtotal	\$ 18,149,871	\$ 18,149,869	\$ 15,289,187	\$ 2,860,682

See notes to required supplementary information

**INCLINE VILLAGE**  
**GENERAL IMPROVEMENT DISTRICT**

**SUPPLEMENTARY**  
**INFORMATION**

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
COMMUNITY SERVICES FUND  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN  
NET POSITION - BUDGET AND ACTUALS  
FOR THE YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>NO VENUES</b>				
<b>OPERATING REVENUES</b>				
Sales and fees	\$ 18,161,582	\$ 18,161,582	\$ 18,590,272	(428,690)
Rents income	12,100	12,100	-	12,100
Operating grants	34,800	34,800	17,000	17,800
Recreation fee	820,300	820,300	830,977	(10,677)
Interfund services	99,911	99,911	149,813	(49,902)
Total operating revenues	<u>19,128,693</u>	<u>19,128,693</u>	<u>19,588,062</u>	<u>(459,369)</u>
<b>OPERATING EXPENSES</b>				
Wages and benefits	9,692,809	9,692,809	9,037,152	655,657
Cost of goods sold	1,688,855	1,688,855	1,305,464	383,391
Services and supplies	5,012,480	5,660,360	4,941,072	719,288
Defensible space	100,000	100,000	77,970	22,030
Central services cost	980,404	980,404	999,759	(19,355)
Insurance	403,100	403,100	442,932	(39,832)
Utilities	1,258,234	1,258,234	1,125,484	132,750
Professional fees	44,625	44,625	26,690	17,935
Depreciation	3,415,427	3,415,427	2,960,293	455,134
Total operating expenses	<u>22,595,934</u>	<u>23,243,814</u>	<u>20,916,816</u>	<u>2,326,998</u>
Operating income	<u>(3,467,241)</u>	<u>(4,115,121)</u>	<u>(1,328,754)</u>	<u>(2,786,367)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment earnings (losses)	26,250	26,250	(62,789)	89,039
Gain on sales of assets	-	-	326,284	(326,284)
Insurance proceeds	-	-	97,894	(97,894)
Capital Grants	80,000	80,000	47,927	32,073
Lease Revenue	-	-	131,523	(131,523)
Miscellaneous revenue	118,130	118,130	2,172	115,958
Interest on bond debt	(12,840)	(12,840)	(12,501)	(339)
Total nonoperating revenues (expenses)	<u>211,540</u>	<u>211,540</u>	<u>530,510</u>	<u>(318,970)</u>
Change in net position	<u>(3,255,701)</u>	<u>(3,903,581)</u>	<u>(798,244)</u>	<u>(3,105,337)</u>
Total net position, July 1, as reported	-	-	-	-
Prior Period Adjustment	65,101,292	65,101,292	65,470,954	(369,662)
Total net position, July 1, as adjusted	<u>65,101,292</u>	<u>65,101,292</u>	<u>65,470,954</u>	<u>(369,662)</u>
Total net position, June 30	<u>\$ 61,845,591</u>	<u>\$ 61,197,711</u>	<u>\$ 64,672,710</u>	<u>\$ (3,474,999)</u>

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**  
**PROPRIETARY FUNDS**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2022**

	Utility Fund	Community Services Fund	Beach Fund	Internal Services Fund	Total
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 18,710,558	\$ 18,715,561	\$ 6,024,608	\$ 100,260	\$ 43,550,987
Accounts receivable	1,508,619	26,792	-	-	1,535,411
Lease receivable	-	1,749,412	-	-	1,749,412
Grants receivable	12,881	-	-	-	12,881
Due from other governments	-	24,032	118,434	-	142,466
Inventories	165,127	589,751	-	123,601	878,479
Prepaid expenses	-	-	762	-	762
Total current assets	20,397,185	21,105,548	6,143,804	223,861	47,870,398
Noncurrent assets:					
Contractual deposits	100	6,075	-	-	6,175
Restricted deposit for debt service reserve	230,729	-	-	-	230,729
Restricted for TRPA Deposits	94,189	135,951	1,000	-	231,140
Total noncurrent assets	325,018	142,026	1,000	-	468,044
Capital Assets:					
Land	6,715,544	12,315,573	2,304,850	-	21,335,967
Construction in progress	1,498,869	537,741	-	-	2,036,610
Buildings and structures	15,959,753	33,627,523	7,234,499	-	56,821,775
Improvements and Infrastructure	113,353,076	35,896,434	2,038,694	-	151,288,204
Right-to-use assets	-	78,537	-	-	78,537
Equipment and vehicles	3,797,362	12,536,411	529,560	240,596	17,103,929
Total capital assets	141,324,604	94,992,219	12,107,603	240,596	248,665,022
Less: accumulated depreciation	(80,208,266)	(45,929,003)	(3,678,075)	(199,352)	(130,014,696)
Total capital assets (net)	61,116,338	49,063,216	8,429,528	41,244	118,650,326
Total noncurrent assets	61,441,356	49,205,242	8,430,528	41,244	119,118,370
Total assets	81,838,541	70,310,790	14,574,332	265,105	166,988,768
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	582,227	360,569	441,905	52,198	1,436,899
Accrued personnel costs	172,357	529,059	112,466	100,726	914,608
Accrued interest payable	38,837	4,328	71	-	43,236
Due to other funds	-	-	-	192,287	192,287
Due to other governments	-	-	11,939	-	11,939
Unearned revenue	183,519	1,824,668	39,243	-	2,047,430
Deposits payable	-	440,102	-	-	440,102
Current portion of compensated absences	82,417	101,232	9,757	24,774	218,180
Current maturities of long-term debt	569,407	384,429	6,291	-	960,127
Lease payable due within one year	-	30,401	-	-	30,401
Total current liabilities	1,628,764	3,674,788	621,672	369,985	6,295,209
Non-current liabilities:					
Compensated absences	218,510	209,876	17,866	46,010	492,262
Non-current long term debt	2,422,983	-	-	-	2,422,983
Lease payable due in more than one year	-	12,365	-	-	12,365
Total non-current liabilities	2,641,493	222,241	17,866	46,010	2,927,610
Deferred lease inflows	-	1,695,703	-	-	1,695,703
Total liabilities and deferred inflows	4,270,257	5,592,732	639,538	415,995	10,918,522
<b>NET POSITION</b>					
Net investment in capital assets	58,123,948	48,678,787	8,423,237	41,244	115,267,216
Restricted	325,018	142,026	1,000	-	468,044
Unrestricted	19,119,318	15,897,245	5,510,557	(192,134)	40,334,986
Total net position	\$ 77,568,284	\$ 64,718,058	\$ 13,934,794	\$ (150,890)	\$ 156,070,246

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

January 23, 2023

This memo is to be included in the next Board and Audit Committee packet

To: Darren Howard

From: Clifford F. Dobler

CC: Indra Winquest, Paul Navazio, IVGID Board of Trustees, IVGID Audit Committee

Re: Item E.3A - Report - Facilities (Weddings and Events) - Multiple errors or lack of complete information - Board Packet 12-14-2022

It is hard to imagine that a six page report prepared and presented by you as the Director of Community Services could be so convoluted. I would guess your pay package, including, benefits may be close to \$200,000 annually. Maybe you should stick to providing golf lessons and appeasing golf club bosses, but stay away from financial reporting. I have attached the report which are pages 34 to 39 of the Board Packet for 12-14-2022. I have made comments in red and also provided comments below. This report, as presented, should be archived in a waste paper basket and removed from the agenda so citizens will not be subject to bad information.

Page 34 -

- Most summary narratives have a heading.
- I am unaware of an engagement season (Holidays). Is this an IVGID invention? If so what are the dates for the "season"?
- The entire summary discusses weddings with no mention of the Community Events or the large number (134) of unknown events which are buried with weddings.
- The claim that wedding guest counts are trending lower close to 100-150 is fine but compared to what?

*Simply explain*

Page 35 -

- The heading states Summary of Events and Revenue. On page 34 it states Weddings and Events. Where is the word Wedding on page 35 heading?
- States "YTD 2022/23" but gives no date nor the time period.
- What are the asterisk for 2019/20 and 2020/21?
- States 327 events for 2021/22 with 108 Community Events and 85 Wedding. What are the remaining 134 events? Since they represent 41% of all EVENTS why is there not a separate line item with facts on these unknown events? What are these 134 undisclosed events and how do they distort Weddings. To mix venue fees and the food and beverage with Weddings does not seem appropriate. There is certainly enough space on the page.
- 2019 and 2021 actual numbers do not agree to the actuals in the 2023 Budget executive summaries.
- Why is the venue fee less than \$27 per community event? Seems low

Page 36.

- This page is worthless.
- The left pie chart uses Facility Revenue rather than Venue Fees. Only states weddings and community events but leaves off other events which represent 41% of all events.
- Right pie chart does not provide a date. The chart is wrong. Assuming it is for 2021/22, Community events only make up 33% of all events. Yet the orange color is over 50%.
- 

*Judge audit*

- These pages could not possibly be correct.

- Why is there a comparison for three single date? Is it guests, revenues and expenses which occurred on those dates? It would seem impossible that on each of the dates the same number of guests occurred between Non Picture Pass Holder and Picture Pass holders? Is it possible that expenses would also be identical? I doubt it.
- Stating expenses before revenues is never done. Is this golf pro accounting?
- What purpose do these pages serve?

- Why are budgets verses actual being compared for the golf season. Weddings do not only occur during the golf season but year round. This page serves no purpose.

In closing why provide this useless information to the Board and the Public? It truly serves no purpose and shows a certain degree of bad management. If you want to seek my advice on providing a meaningful report in the future, give me a call.

Exhibit A - 6 page presentation of Facilities - December 14, 2022 with comments in red.

*Possibly  
correct,  
but no requirement  
to revise ACFR*



EXHIBIT A - 6 pages with comments

## Summary

Has no meaning

What are the months?

the past?

as apposed to how many?

As we approach engagement season (Holidays), we expect to fill in the 2023 wedding and event calendar. The weddings and events industry locally has seen a shift in booking windows and popular dates. Venues are being reserved within a 6-9 month timeframe and we are beginning to see a rise in interest for September and October dates again considering the Tahoe Basin was minimally affected by smoke this past Fall. Guest counts for weddings are trending closer to 100-150. Although guest counts are slightly lower, check average/revenue per person has and will continue to increase.

2021/2022, we saw a surge in weddings booked considering there were a lot of engaged couples who were finally able to gather and have their weddings. We may see that sense of urgency taper off a touch this 2023 season.

No mention of community events or other unknown events.

034

M

### Summary of Events and Revenue

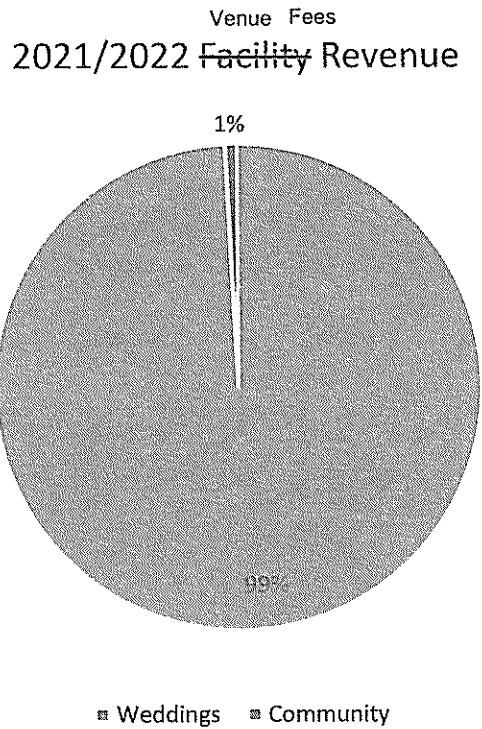
	2019/20*	2020/21*	2021/22	YTD: 2022/23
Total Number of Events	369	272	327	152
Venue fees paid Community Events	\$8,634	\$4,616	\$2,900	\$5,356
Food & Bev for Community Events	\$199,872	\$81,695	\$217,896	\$153,123
Number of Community Events	158	81	108	79
# of Guests at Community Events w/F&B	8,032	2,645	5,294	4,075
Total Venue Fee paid by Weddings/Events	\$294,600	\$236,019	\$363,353	\$206,914
Food & Bev for Weddings/Events	\$638,061	\$384,450	\$971,939	\$439,021
Number of Weddings	64	67	85	34
Number of Wedding Guests	6,670	3,851	8,115	3,261

what is the days to date. Is fiscal or done similar to golf

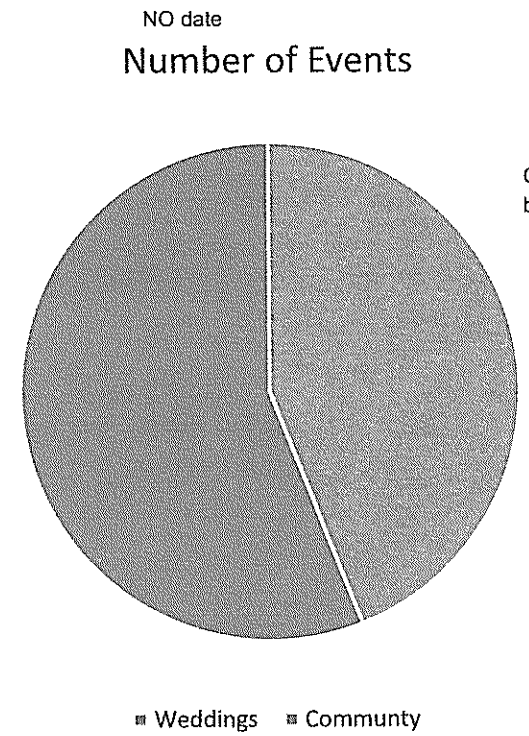
\$68 per 79 events

only 113 ev  
where is the  
39 events?

Worthless page.



excluded events hidden in Weddings.



Community events will be more than 70%

This chart is wrong

Same

Is this page and the next only for 3 days?

This page and the next have no meaning

# Wedding Expenses & Revenues

## Non-Picture Pass Holder

07/09/2022 Chateau Wedding - 139 guests

Total Expenses \$14,810  
 Total Revenue \$33,642  
 Total Profit or (Loss) \$18,832  
 Profit/(Loss) % of Rev 56%

what is the period?

07/09/2022 Chateau Wedding - 139 guests

Total Expenses \$14,810  
 Total Revenue \$31,395  
 Total Profit or (Loss) \$16,854  
 Profit/(Loss) % of Rev 54%

Guests are the same?  
Expenses are same?

8/16/2022 Chateau Wedding - 56 guests

Total Expenses \$7,904  
 Total Revenue \$15,517  
 Total Profit or (Loss) \$7,414  
 Profit/(Loss) % of Rev 48%

8/16/2022 Chateau Wedding - 56 guests

Total Expenses \$7,904  
 Total Revenue \$13,857  
 Total Profit or (Loss) \$5,952  
 Profit/(Loss) % of Rev 43%

Guests are same?  
Expenses are same.?

WHAT PURPOSE DOES THIS SERVE.

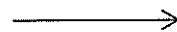
037

# Wedding Expenses & Revenues

## Non-Picture Pass Holder

08/27/2022 Aspen Grove Wedding – 12 guests

Total Expenses	\$5,984
Total Revenue	\$13,636
Total Profit or (Loss)	\$7,502
Profit/(Loss) % of Rev	55%



## Picture Pass Holder – 25% Discount

08/27/2022 Aspen Grove Wedding – 12 guests

Total Expenses	\$5,984
Total Revenue	\$12,386
Total Profit or (Loss)	\$6,402
Profit/(Loss) % of Rev	52%

WHAT PURPOSE DOES THIS SERVE.

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
STATEMENT OF SOURCES AND USES  
FACILITIES**

JUNK

*D. Weiss*

**GOLF SEASON ACTUAL TO BUDGET COMPARISON** Really? Weddings are year round.

November 2021 - October 2022

	Adopted Budget	YTD Actual	Remaining Budget
<b>SOURCES</b>			
Charges for Services	1,251,569	1,338,075	306,306
Facility Fees	73,436		(73,436)
Investment Earnings	(50)	473	353
Transfers In	175,191	173,220	(1,971)
<b>TOTAL SOURCES</b>	<b>1,500,136</b>	<b>1,731,768</b>	<b>231,612</b>
<b>USES</b>			
Salaries and Wages	499,317	487,069	12,248
Employee Fringe	228,027	243,400	(15,374)
<b>Total Personnel Cost</b>	<b>727,344</b>	<b>730,469</b>	<b>(3,126)</b>
Professional Services	-	839	(839)
Services and Supplies	526,799	545,399	(19,600)
Insurance	12,400	8,148	4,252
Utilities	57,786	66,322	(8,536)
Cost of Goods Sold	36% 452,500	25% 590,876	61,824
Central Services Cost	100,624	33,233	41,385
Capital Improvements	10,000	(3,150)	13,150
Debt Service	3,933	66	3,867
<b>TOTAL USES</b>	<b>1,891,386</b>	<b>1,793,427</b>	<b>91,959</b>
<b>SOURCES(USES)</b>	<b>(391,229)</b>	<b>(67,658)</b>	<b>323,371</b>

← What is this? Decided not to charge Rec Fee

**Weddings and Events**

← transfers in would be the Facility Fee

← Not realistic that C of G would fall by 1/3

← Hard to imagine negative capital improvements

January 30, 2023

To be included as correspondence in the February 7, 2023 Audit Committee Agenda

6

To: IVGID Board of Trustees and Audit Committee

*unrecorded*

CC: Indra Winquest, Paul Navazio

Re: Follow-up on my memo on January 9, 2023 - Investment Earnings 2022 fiscal year AFCR

As stated in my previous memo, the Proprietary funds Statement of Revenues, Expenses and Changes in Net Position (Exhibit B) had Investment Earnings losses of \$94K which did not jive with the investment earnings gains of \$198K in the Statement of Cash Flows (Exhibit C).

Since I did not expect an explanation from Mr. Navazio, I will provide it.

*Agree*

According to Note 2 of the 2022 AFCR "Cash Equivalents and Investment" (Exhibit D), long term investments were made in Certificate of Deposits (CD's) and US Government Agency Securities (USGAS) of \$4.7million. The maturities stretch to 2027.

As interest rates rose this past year, the value of the CD's and the USGAS declined, therefore a loss in value on a poor investment choice occurred. A loss in value is NOT an investment earning, it is a loss. Coupon interest from the investments is interest earned. By combining the interest earned with the loss in value, the financial statements are unclear. There should be two line items 1) Interest earnings and loss on investments. This approach is proper reporting. *GAAP?*

It is extremely odd that the Utility Fund with almost identical cash and cash equivalents as the Community Service Fund (\$18.7 million each) would have vastly different results of "investment earnings" in the Statement of Cash Flows. This does not appear logical unless all the Utility Fund cash was invested short term. Also according to Mr. Navazio all investment income or loss would be allocated based on a percentage in each fund to the total.

Under ASSETS in the Statement of Net Position (Exhibit A) the word investments should be added to Cash and Cash equivalents. It is unclear why investments (Certificate of Deposits and US Government Agency Securities having maturities extending beyond one year would be considered as cash equivalents. According to GAAP:

*overruled*  
"Cash equivalents are any short-term investment securities with maturity periods of 90 days or less. They include bank certificates of deposit, bankers acceptances, Treasury bills, commercial paper, and other money market instruments."

Unless there are unknown circumstances the investments over one year should be reported as long term investments and the investments over 90 days but less than one year should be reported as short term investments. *Agree*

On another matter, the labeling of cash and cash equivalents should be consistent throughout the AFCR. In the Statement of Cash flows the word investments is added to the cash and cash equivalents but no indication of investments is stated in the Statement of Net Position. *Concur? For 23?*

Lastly, included on the Statement of Cash Flows, restricted deposits have been included as cash, cash equivalents and investments. The deposits are restricted and should not be included since the amounts are held in the event of a failure to pay debt service or failure in completing a capital project and have constraints and are certainly not investments.

*Agree. \$?*

- Exhibit A - Statement of Net Position
- Exhibit B - Statement of Revenues, Expenses and Change in Net Position
- Exhibit C - Statement of Cash Flow
- Exhibit D - Note 2 - Cash, Cash Equivalents and Investments

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 JUNE 30, 2022**

	Utility Fund	Community Services Fund	Beach Fund	Internal Services Fund	Total
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 18,710,558	\$ 18,715,561	\$ 6,024,608	\$ 100,260	\$ 43,550,987
Accounts receivable	1,508,619	26,792	-	-	1,535,411
Lease receivable	-	1,749,412	-	-	1,749,412
Grants receivable	12,881	-	-	-	12,881
Due from other governments	-	24,032	118,434	-	142,466
Inventories	165,127	589,751	-	123,601	878,479
Prepaid expenses	-	-	762	-	762
Total current assets	20,397,185	21,105,548	6,143,804	223,861	47,870,398
Noncurrent assets:					
Contractual deposits	100	6,075	-	-	6,175
Restricted deposit for debt service reserve	230,729	-	-	-	230,729
Restricted for TRPA Deposits	94,189	135,951	1,000	-	231,140
Total noncurrent assets	325,018	142,026	1,000	-	468,044
Capital Assets:					
Land	6,715,544	12,315,573	2,304,850	-	21,335,967
Construction in progress	1,498,869	537,741	-	-	2,036,610
Buildings and structures	15,959,753	33,627,523	7,234,499	-	56,821,775
Improvements and Infrastructure	113,353,076	35,896,434	2,038,694	-	151,288,204
Right-to-use assets	-	78,537	-	-	78,537
Equipment and vehicles	3,797,362	12,536,411	529,560	240,596	17,103,929
Total capital assets	141,324,604	94,992,219	12,107,603	240,596	248,665,022
Less: accumulated depreciation	(80,208,266)	(45,929,003)	(3,678,075)	(199,352)	(130,014,696)
Total capital assets (net)	61,116,338	49,063,216	8,429,528	41,244	118,650,326
Total noncurrent assets	61,441,356	49,205,242	8,430,528	41,244	119,118,370
Total assets	81,838,541	70,310,790	14,574,332	265,105	166,988,768
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	582,227	360,569	441,905	52,198	1,436,899
Accrued personnel costs	172,357	529,059	112,466	100,726	914,608
Accrued interest payable	38,837	4,328	71	-	43,236
Due to other funds	-	-	-	192,287	192,287
Due to other governments	-	-	11,939	-	11,939
Unearned revenue	183,519	1,824,668	39,243	-	2,047,430
Deposits payable	-	440,102	-	-	440,102
Current portion of compensated absences	82,417	101,232	9,757	24,774	218,180
Current maturities of long-term debt	569,407	384,429	6,291	-	960,127
Lease payable due within one year	-	30,401	-	-	30,401
Total current liabilities	1,628,764	3,674,788	621,672	369,985	6,295,209
Non-current liabilities:					
Compensated absences	218,510	209,876	17,866	46,010	492,262
Non-current long term debt	2,422,983	-	-	-	2,422,983
Lease payable due in more than one year	-	12,365	-	-	12,365
Total non-current liabilities	2,641,493	222,241	17,866	46,010	2,927,610
Deferred lease inflows	-	1,695,703	-	-	1,695,703
Total liabilities and deferred inflows	4,270,257	5,592,732	639,538	415,995	10,918,522
<b>NET POSITION</b>					
Net investment in capital assets	58,123,948	48,678,787	8,423,237	41,244	115,267,216
Restricted	325,018	142,026	1,000	-	468,044
Unrestricted	19,119,318	15,897,245	5,510,557	(192,134)	40,334,986
Total net position	\$ 77,568,284	\$ 64,718,058	\$ 13,934,794	\$ (150,890)	\$ 156,070,246

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



## EXHIBIT B

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
 FOR THE YEAR ENDED JUNE 30, 2022**

	Utility Fund	Community Services Fund	Beach Fund	Internal Services Fund	Total
<b>OPERATING REVENUES</b>					
Sales and fees	\$ 12,885,588	\$ 18,590,272	\$ 750,123	\$ -	\$ 32,225,983
Recreation fee	-	830,977	5,259,704	-	6,090,681
Operating grants	22,138	17,000	-	-	39,138
Interfund services	122,384	149,813	-	2,594,923	2,867,120
Total operating revenues	13,030,110	19,588,062	6,009,827	2,594,923	41,222,922
<b>OPERATING EXPENSES</b>					
Wages and benefits	4,210,437	9,037,152	1,002,834	1,788,304	16,038,727
Cost of goods sold	10,212	1,305,464	1,652	-	1,317,328
Services and supplies	2,971,167	4,941,072	350,475	947,279	9,209,993
Defensible space	77,969	77,970	-	-	155,939
Central services cost	445,092	999,759	93,956	-	1,538,807
Insurance	211,382	442,932	39,371	15,829	709,514
Utilities	931,759	1,125,484	103,507	9,878	2,170,628
Professional fees	175,021	26,690	4,293	525	206,529
Depreciation	3,285,127	2,960,293	188,686	10,541	6,444,647
Total operating expenses	12,318,166	20,916,816	1,784,774	2,772,356	37,792,112
Operating income (loss)	711,944	(1,328,754)	4,225,053	(177,433)	3,430,810
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment earnings (loss)	(57,286)	(17,441)	(19,005)	(671)	(94,403)
Insurance proceeds	-	97,894	-	-	97,894
Gain on sales of assets	9,096	-	-	-	9,096
Lease revenue	500	131,523	-	-	132,023
Miscellaneous revenue	-	328,456	-	-	328,456
Interest on bond debt	(81,563)	(12,501)	(169)	-	(94,233)
Total nonoperating revenues (expenses)	(129,253)	527,931	(19,174)	(671)	378,833
Income before transfers and contributions	582,691	(800,823)	4,205,879	(178,104)	3,809,643
<b>CAPITAL CONTRIBUTIONS AND TRANSFERS</b>					
Capital Grants	-	47,927	-	-	47,927
Change in net position	582,691	(752,896)	4,205,879	(178,104)	3,857,570
Total net position, July 1, as previously reported	76,985,593	-	-	27,214	77,012,807
Prior Period Adjustment	-	65,470,954	9,728,915	-	75,199,869
Total net position, July 1, as adjusted	76,985,593	65,470,954	9,728,915	27,214	152,212,676
Total net position, June 30	\$ 77,568,284	\$ 64,718,058	\$ 13,934,794	\$ (150,890)	\$ 156,070,246

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

EXHIBIT C

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2022**

	Utility Fund	Community Services Fund	Beach Fund	Internal Services Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers and users	\$ 12,766,774	\$ 20,371,990	\$ 5,974,106	\$ -	\$ 39,112,870
Receipts from interfund services provided	122,384	149,813	-	2,594,923	2,867,120
Payments to suppliers	(4,532,707)	(8,917,646)	(949,796)	(812,612)	(15,212,761)
Payments to employees	(4,070,858)	(8,296,220)	(870,745)	(1,678,828)	(14,916,651)
Net cash provided (used) by operating activities	<u>4,285,593</u>	<u>3,307,937</u>	<u>4,153,565</u>	<u>103,483</u>	<u>11,850,578</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition of capital assets	(715,805)	(2,430,733)	(3,209,295)	(2,552)	(6,358,385)
Proceeds from sale of assets	9,096	-	-	-	9,096
Insurance proceeds	-	97,894	-	-	97,894
Lease proceeds	500	176,871	-	-	177,371
Proceeds from capital grants	-	47,927	-	-	47,927
Payments on capital debt	(553,842)	(370,264)	(6,059)	-	(930,165)
Interest paid on long term debt	(89,292)	(13,500)	(237)	-	(103,029)
Net cash provided (used) by capital and related financing activities	<u>(1,349,343)</u>	<u>(2,491,805)</u>	<u>(3,215,591)</u>	<u>(2,552)</u>	<u>(7,059,291)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Long-term investments matured	1,507,905	760,122	-	-	2,268,027
Investment earnings (losses)	(53,496)	271,192	(19,005)	(671)	198,020
Net cash provided (used) by investing activities	<u>1,454,409</u>	<u>1,031,314</u>	<u>(19,005)</u>	<u>(671)</u>	<u>2,466,047</u>
Net change in cash and cash equivalents	4,390,659	1,847,446	918,969	100,260	7,257,334
Cash and cash equivalents, July 1	14,644,917	17,010,141	5,106,639	-	36,761,697
Cash, cash equivalents and investments, June 30	<u>\$ 19,035,576</u>	<u>\$ 18,857,587</u>	<u>\$ 6,025,608</u>	<u>\$ 100,260</u>	<u>\$ 44,019,031</u>

(Continued)

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

**NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2022**

**2. CASH, CASH EQUIVALENTS AND INVESTMENTS**

At year-end, the carrying amount of the District’s checking deposits was \$14,947,779 while the bank balance was \$15,064,370.92. 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 Equivalents and Investments at June 30, 2022 consist of:

Operating Checking Accounts	\$14,947,779
Petty cash and change funds	45,905
Nevada Local Government Investment Pool (average weighted maturity of 130 days)	
General LGIP Account	15,112,303
US Government Money Market	14,650,116
Government Agency Securities	3,346,240
Certificates of Deposit	<u>1,392,644</u>
Total Cash Equivalents and Investments	<u>\$49,494,987</u>
 Restricted Deposits	 \$ 461,870

Investments at June 30, 2022 consist of:

General LGIP Account	15,112,303
US Government Money Market	14,650,116
Government Agency Securities	3,346,240
Certificates of Deposit	1,392,644
LGIP – Restricted Deposits	<u>461,870</u>
Total Investments	<u>\$34,963,174</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.

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

**NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2022**

Fair Value Measurements as of June 30, 2022

	Quoted Prices Level 1	Observable Inputs Level 2	Unobservable Inputs Level 3	Total
Certificates of Deposit		\$ 1,392,644		\$ 1,392,644
Government Agency Securities		3,346,241		3,346,241
Investments not subject to fair value measurement hierarchy				
Interest Bearing Amounts - Investments				4,738,885
US Government Money Market				14,650,116
LGIP at Net Asset Value (Cash Equivalent)				15,112,303
LGIP Restricted Deposits at Net Asset Value				461,870
<b>Total Fair Value Measurements</b>				<b>\$ 34,963,174</b>

Interest Rate Risk - Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. To the extent possible, the District's portfolio shall remain sufficiently liquid so as to support near-term operating and capital expenditures. In so doing, the portfolio will have limited interest rate risk associated with long-term investments.

Investment Maturities by Investment Type as of June 30, 2022

	2023	2024	2025	2026	2027	Total
Certificates of Deposit	\$ -	\$ -	\$ 469,275	\$ 463,508	\$ 459,861	\$ 1,392,644
Government Agency Securities	980,034	963,324	952,233	450,650	-	3,346,241
US Government Money Market	14,650,116	-	-	-	-	14,650,116
LGIP as Cash Equivalent	15,112,303	-	-	-	-	15,112,303
LGIP - Restricted Deposits	461,870	-	-	-	-	461,870
<b>All Investment Types</b>						<b>\$ 34,963,174</b>

Ratings as of Year End

	Total	AAA	AA+	AA-	A+	A-	Not Rated
Certificates of Deposit *	\$ 1,392,644						\$ 1,392,644
Government Agency Securities **	3,346,241	3,346,241					
US Government Money Market	14,650,116						14,650,116
LGIP as Cash Equivalent	15,112,303						15,112,303
LGIP - Restricted Deposits	461,870						461,870
	\$ 34,963,174	\$ 3,346,241	\$ -	\$ -	\$ -	\$ -	\$ 30,224,289

\* Federally-insured bank CD's

\*\* Moody's assigns government agency debt securities "AAA" rating.

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. Individual CD's are held with a number of banks at or under the FDIC insured

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2022

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. The District has investments with Federal Home Loan Bank that represent approximately 7% of the entire investment portfolio.

3. RESTRICTED DEPOSITS

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.

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 \$230,729. 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, and interest earned is in the account at the District's discretion. The TRPA Project Reserve is in the LGIP Account totaling \$231,140:

Deposit with State of Nevada for Sales Tax	\$ 6,075
Building Deposit held by Parasol Tahoe Foundation	100
LGIP Restricted Deposits (SRF & TRPA)	<u>461,870</u>
Total Restricted Deposits	<u>\$ 468,045</u>

4. LEASES RECEIVABLE

The District is a lessor in 4 cancellable lease for radio tower space rental. The leases require payments of \$933 and \$1,815 monthly and annual payments from \$20,764 to 119,166. The District recognized \$131,178 in lease revenue and \$45,347 in interest revenue during the current fiscal year related to these agreements. As of June 30, 2022, the lease receivable is \$1,749,412 and deferred inflows of resource is \$1,695,703.

not a CE.

to B/S.

30  
January 31, 2023

Why not done!

To: IVGID Board of Trustees and Audit Committee

cc: Paul Navazio and Indra Winquest

Re: Violation of GASB #34 - Improper Reporting of Internal Services Fund as part of Proprietary Funds 1) Statement of Net Position (Exhibit B), 2) Statement of Revenues Expenses and Changes in Net Position (Exhibit C) and 3) Statement of Cash Flows (Exhibit D). Page 24 to 27 of the June 30, 2022 Annual Comprehensive Financial Report.

As odd as this may seem, the Internal Services fund assets, liabilities, and net position are to be reported as part of the governmental activities in the "government wide" Statement of Net Position (Exhibit A) and at the same time the Internal Services Fund financials referred to above should be reported in the Proprietary Funds financials (Exhibits B,C,D). both?

The concern when developing GASB #34 was that Internal Service funds, by their purpose, was to collect enough revenues to cover the costs and expenses and thus took on the characteristics of a Proprietary enterprise fund. On the other hand, many respondents developing GASB #34 felt strongly that an Internal Service fund was a governmental fund. To compromise, internal service funds would be reported as a proprietary fund but would be in a separate column and NOT BE INCLUDED IN THE TOTALS FOR THE PROPRIETARY FUNDS paragraphs 426-428 of GASB #34 (Exhibit E). we included it. (h)

IVGID management failed to comply with GASB #34 and included the internal services fund's amounts within the totals for the proprietary funds financials. DF?

Done properly the proprietary funds totals would match the amounts in the "government wide" Statement of Net position. questionable

I have attached Exhibits F,G & H which are the Proprietary Funds financials for the year ended June 30, 2015, the fiscal year prior to the inappropriate change of IVGID's proprietary funds to governmental funds. As seen, the Internal Service Funds are listed in a separate column on each for the three financials and are not included in the total of the proprietary funds.

This is obviously another case of IVGID staff and the current auditors lacking the appropriate experience to produce proper financial statements. If anyone can find a subsequent GASB pronouncement which would negate the requirements in GASB #34 please let me know.

- Exhibit A - Statement of Net Position (government wide) - June 30, 2022
- Exhibit B - Proprietary Funds Statement of Net Position - June 30, 2022
- Exhibit C - Proprietary Funds Statement of Revenues, Expenses and Changes in Net Position year ending June 30, 2022
- Exhibit D - Proprietary Funds Statement of Cash Flows year ending June 30, 2022
- Exhibit E - Paragraphs 426-428 of GASB #34 Agree.
- Exhibit F - Proprietary Funds Statement of Net Position - June 30, 2015
- Exhibit G - Proprietary Funds Statement of Revenues, Expenses and Changes in Net Position year ending June 30, 2015
- Exhibit H - Proprietary Funds Statement of Cash Flows for year ending June 30, 2015

## INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

STATEMENT OF NET POSITION  
JUNE 30, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash, cash equivalents, and investments	\$ 6,044,259	\$ 43,450,727	\$ 49,494,986
Receivables:			
Accounts receivable, net	349	1,535,411	1,535,760
Lease receivables	-	1,749,412	1,749,412
Interest on investments	11,440	-	11,440
Grants receivable	-	12,881	12,881
Due from other governments	297,791	142,466	440,257
Inventories	123,601	754,878	878,479
Prepaid items	2,394	762	3,156
Restricted assets:			
Restricted deposits	-	468,044	468,044
Capital assets:			
Land	2,669,904	21,335,967	24,005,871
Construction in progress	335,903	2,036,610	2,372,513
Capital assets, net of accumulated depreciation	353,805	95,236,505	95,590,310
Total assets	<u>9,839,446</u>	<u>166,723,663</u>	<u>176,563,109</u>
<b>LIABILITIES</b>			
Accounts payable	322,561	1,384,701	1,707,262
Accrued personnel costs	265,323	813,882	1,079,205
Accrued interest payable	-	43,236	43,236
Due to other governments	-	11,939	11,939
Unearned revenue	39	2,047,430	2,047,469
Refundable deposits	-	440,102	440,102
Noncurrent liabilities:			
Bonds due within one year	-	960,406	960,406
Compensated absences due within one year	187,761	193,406	381,167
Lease payable due within one year	-	30,401	30,401
Claims payable within one year	763,479	-	763,479
Bonds due in more than one year	-	2,422,704	2,422,704
Compensated absences due in more than one year	28,863	446,252	475,115
Lease payable due in more than one year	-	12,365	12,365
Total liabilities	<u>1,568,026</u>	<u>8,806,824</u>	<u>10,374,850</u>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Deferred Inflow related to leases	-	1,695,703	1,695,703
<b>NET POSITION</b>			
Net investment in capital assets	3,359,612	115,225,972	118,585,584
Restricted	-	468,044	468,044
Unrestricted	4,911,808	40,527,120	45,438,928
Total net position	<u>\$ 8,271,420</u>	<u>\$ 156,221,136</u>	<u>\$ 164,492,556</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, 2022**

should not be in total but to the right

	Utility Fund	Community Services Fund	Beach Fund	Internal Services Fund	Total
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 18,710,558	\$ 18,715,561	\$ 6,024,608	\$ 100,260	\$ 43,550,987
Accounts receivable	1,508,619	26,792	-	-	1,535,411
Lease receivable	-	1,749,412	-	-	1,749,412
Grants receivable	12,881	-	-	-	12,881
Due from other governments	-	24,032	118,434	-	142,466
Inventories	165,127	589,751	-	123,601	878,479
Prepaid expenses	-	-	762	-	762
Total current assets	20,397,185	21,105,548	6,143,804	223,861	47,870,398
Noncurrent assets:					
Contractual deposits	100	6,075	-	-	6,175
Restricted deposit for debt service reserve	230,729	-	-	-	230,729
Restricted for TRPA Deposits	94,189	135,951	1,000	-	231,140
Total noncurrent assets	325,018	142,026	1,000	-	468,044
Capital Assets:					
Land	6,715,544	12,315,573	2,304,850	-	21,335,967
Construction in progress	1,498,869	537,741	-	-	2,036,610
Buildings and structures	15,959,753	33,627,523	7,234,499	-	56,821,775
Improvements and Infrastructure	113,353,076	35,896,434	2,038,694	-	151,288,204
Right-to-use assets	-	78,537	-	-	78,537
Equipment and vehicles	3,797,362	12,536,411	529,560	240,596	17,103,929
Total capital assets	141,324,604	94,992,219	12,107,603	240,596	248,665,022
Less: accumulated depreciation	(80,208,266)	(45,929,003)	(3,678,075)	(199,352)	(130,014,696)
Total capital assets (net)	61,116,338	49,063,216	8,429,528	41,244	118,650,326
Total noncurrent assets	61,441,356	49,205,242	8,430,528	41,244	119,118,370
Total assets	81,838,541	70,310,790	14,574,332	265,105	166,988,768
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	582,227	360,569	441,905	52,198	1,436,899
Accrued personnel costs	172,357	529,059	112,466	100,726	914,608
Accrued interest payable	38,837	4,328	71	-	43,236
Due to other funds	-	-	-	192,287	192,287
Due to other governments	-	-	11,939	-	11,939
Unearned revenue	183,519	1,824,668	39,243	-	2,047,430
Deposits payable	-	440,102	-	-	440,102
Current portion of compensated absences	82,417	101,232	9,757	24,774	218,180
Current maturities of long-term debt	569,407	384,429	6,291	-	960,127
Lease payable due within one year	-	30,401	-	-	30,401
Total current liabilities	1,628,764	3,674,788	621,672	369,985	6,295,209
Non-current liabilities:					
Compensated absences	218,510	209,876	17,866	46,010	492,262
Non-current long term debt	2,422,983	-	-	-	2,422,983
Lease payable due in more than one year	-	12,365	-	-	12,365
Total non-current liabilities	2,641,493	222,241	17,866	46,010	2,927,610
Deferred lease inflows	-	1,695,703	-	-	1,695,703
Total liabilities and deferred inflows	4,270,257	5,592,732	639,538	415,995	10,918,522
<b>NET POSITION</b>					
Net investment in capital assets	58,123,948	48,678,787	8,423,237	41,244	115,267,216
Restricted	325,018	142,026	1,000	-	468,044
Unrestricted	19,119,318	15,897,245	5,510,557	(192,134)	40,334,986
Total net position	\$ 77,568,284	\$ 64,718,058	\$ 13,934,794	\$ (150,890)	\$ 156,070,246

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, 2022**

Should not be reported in totals

	Utility Fund	Community Services Fund	Beach Fund	Internal Services Fund	Total
<b>OPERATING REVENUES</b>					
Sales and fees	\$ 12,885,588	\$ 18,590,272	\$ 750,123	\$ -	\$ 32,225,983
Recreation fee	-	830,977	5,259,704	-	6,090,681
Operating grants	22,138	17,000	-	-	39,138
Interfund services	122,384	149,813	-	2,594,923	2,867,120
Total operating revenues	13,030,110	19,588,062	6,009,827	2,594,923	41,222,922
<b>OPERATING EXPENSES</b>					
Wages and benefits	4,210,437	9,037,152	1,002,834	1,788,304	16,038,727
Cost of goods sold	10,212	1,305,464	1,652	-	1,317,328
Services and supplies	2,971,167	4,941,072	350,475	947,279	9,209,993
Defensible space	77,969	77,970	-	-	155,939
Central services cost	445,092	999,759	93,956	-	1,538,807
Insurance	211,382	442,932	39,371	15,829	709,514
Utilities	931,759	1,125,484	103,507	9,878	2,170,628
Professional fees	175,021	26,690	4,293	525	206,529
Depreciation	3,285,127	2,960,293	188,686	10,541	6,444,647
Total operating expenses	12,318,166	20,916,816	1,784,774	2,772,356	37,792,112
Operating income (loss)	711,944	(1,328,754)	4,225,053	(177,433)	3,430,810
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment earnings (loss)	(57,286)	(17,441)	(19,005)	(671)	(94,403)
Insurance proceeds	-	97,894	-	-	97,894
Gain on sales of assets	9,096	-	-	-	9,096
Lease revenue	500	131,523	-	-	132,023
Miscellaneous revenue	-	328,456	-	-	328,456
Interest on bond debt	(81,563)	(12,501)	(169)	-	(94,233)
Total nonoperating revenues (expenses)	(129,253)	527,931	(19,174)	(671)	378,833
Income before transfers and contributions	582,691	(800,823)	4,205,879	(178,104)	3,809,643
<b>CAPITAL CONTRIBUTIONS AND TRANSFERS</b>					
Capital Grants	-	47,927	-	-	47,927
Change in net position	582,691	(752,896)	4,205,879	(178,104)	3,857,570
Total net position, July 1, as previously reported	76,985,593	-	-	27,214	77,012,807
Prior Period Adjustment	-	65,470,954	9,728,915	-	75,199,869
Total net position, July 1, as adjusted	76,985,593	65,470,954	9,728,915	27,214	152,212,676
Total net position, June 30	\$ 77,568,284	\$ 64,718,058	\$ 13,934,794	\$ (150,890)	\$ 156,070,246

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, 2022**

Should not be in total but as a separate column to the right

	Utility Fund	Community Services Fund	Beach Fund	Internal Services Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers and users	\$ 12,766,774	\$ 20,371,990	\$ 5,974,106	\$ -	\$ 39,112,870
Receipts from interfund services provided	122,384	149,813	-	2,594,923	2,867,120
Payments to suppliers	(4,532,707)	(8,917,646)	(949,796)	(812,612)	(15,212,761)
Payments to employees	(4,070,858)	(8,296,220)	(870,745)	(1,678,828)	(14,916,651)
Net cash provided (used) by operating activities	<u>4,285,593</u>	<u>3,307,937</u>	<u>4,153,565</u>	<u>103,483</u>	<u>11,850,578</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition of capital assets	(715,805)	(2,430,733)	(3,209,295)	(2,552)	(6,358,385)
Proceeds from sale of assets	9,096	-	-	-	9,096
Insurance proceeds	-	97,894	-	-	97,894
Lease proceeds	500	176,871	-	-	177,371
Proceeds from capital grants	-	47,927	-	-	47,927
Payments on capital debt	(553,842)	(370,264)	(6,059)	-	(930,165)
Interest paid on long term debt	(89,292)	(13,500)	(237)	-	(103,029)
Net cash provided (used) by capital and related financing activities	<u>(1,349,343)</u>	<u>(2,491,805)</u>	<u>(3,215,591)</u>	<u>(2,552)</u>	<u>(7,059,291)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Long-term investments matured	1,507,905	760,122	-	-	2,268,027
Investment earnings (losses)	(53,496)	271,192	(19,005)	(671)	198,020
Net cash provided (used) by investing activities	<u>1,454,409</u>	<u>1,031,314</u>	<u>(19,005)</u>	<u>(671)</u>	<u>2,466,047</u>
Net change in cash and cash equivalents	4,390,659	1,847,446	918,969	100,260	7,257,334
Cash and cash equivalents, July 1	<u>14,644,917</u>	<u>17,010,141</u>	<u>5,106,639</u>	<u>-</u>	<u>36,761,697</u>
Cash, cash equivalents and investments, June 30	<u>\$ 19,035,576</u>	<u>\$ 18,857,587</u>	<u>\$ 6,025,608</u>	<u>\$ 100,260</u>	<u>\$ 44,019,031</u>

(Continued)

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2022**

	Utility Fund	Community Services Fund	Beach Fund	Internal Services Fund	Total
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>					
Operating income (loss)	\$ 711,944	\$ (1,328,754)	\$ 4,225,053	\$ (177,433)	\$ 3,430,810
Non-cash adjustments -					
Depreciation	3,285,127	2,960,293	188,686	10,541	6,444,647
Increase (decrease) in cash from changes in:					
Accounts receivable	(152,550)	38,173	13,056	-	(101,321)
Grants receivable	-	373,912	-	-	373,912
Due from other governments	-	38,836	(34,709)	-	4,127
Inventories	(4,059)	(170,195)	-	(47,806)	(222,060)
Prepaid expenses	-	197,520	(762)	-	196,758
Accounts payable	293,954	(25,600)	(352,593)	16,418	(67,821)
Accrued personnel costs	(161,348)	429,824	104,466	38,692	411,634
Compensated absences	300,927	311,108	27,623	70,784	710,442
Due to other funds	-	-	-	192,287	192,287
Due to other governments	-	-	(3,187)	-	(3,187)
Misc. Liabilities	-	(8,334)	-	-	(8,334)
Deposits payable	-	(57,133)	-	-	(57,133)
Unearned revenue	11,598	548,287	(14,068)	-	545,817
Total adjustments	3,573,649	4,636,691	(71,488)	280,916	8,419,768
Net cash provided (used) by operating activities	<u>\$ 4,285,593</u>	<u>\$ 3,307,937</u>	<u>\$ 4,153,565</u>	<u>\$ 103,483</u>	<u>\$ 11,850,578</u>

There were no noncash capital, financing, and investing activities

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

GASB #34 - completed in 1999

425. One important aspect of Statement 20 is the continuation of FASB Statement 71 for governmental utilities that are rate regulated. However, the Board agreed that, although many general governments may argue that they are similar to rate-regulated entities, the provisions of Statement 71 should be limited to activities reported in enterprise funds and that meet the three criteria of Statement 71, paragraph 5. As noted in paragraph 62 of that Statement, normal Medicare and Medicaid arrangements with healthcare entities do not establish rates that bind customers for purposes of applying paragraph 5.

#### *Internal Service Funds*

426. Few ED respondents made comments—either supporting or opposing—the internal service fund provisions. Some respondents voiced their concern with the ED's proposal that internal service funds be reported as *proprietary funds* and as *governmental activities* in the government-wide financial statements. This requirement to “reclassify” internal service funds as *governmental activities* in the statement of net assets was the main area of respondent objection, with respondents citing either internal inconsistency or potential reader confusion as reasons for objecting.

427. The Board continues to believe that internal service fund activities should generally be included with governmental activities in the government-wide financial statements. Only a few respondents suggested that internal service fund balances should be included with business-type activities, and those who did argued only for consistency and comparability between “perspectives.” The Board's perception of internal service funds as *governmental* was based on the nature of the activities, not the basis of accounting used in the funds.

428. To address respondent concerns, the Board agreed to simplify the overall model by reducing the perceived complexity. In the revised approach, a separate column is required to be used for internal service funds (that could be presented under a “governmental activities” subheading) to clarify the relationships of both the enterprise funds (similarly, under a “business-type activities” subheading) and the internal service funds to the government-wide financial statements. In this manner, the total enterprise funds column provides the details to the business-type activities balances and transactions in the government-wide statements, and the nonmajor fund data (for enterprise funds) will not be obscured by internal service fund information. In addition, the separate display of the internal service fund data as “governmental activities” provides the details of the reconciling item on the governmental fund financial

statements, avoiding the need to disclose those details in a note to the financial statements. If internal service funds were combined with nonmajor enterprise funds, the details would not be apparent.

### ***Statement of Net Assets***

429. This Statement requires proprietary funds to use a classified format in which current and noncurrent assets and liabilities and restricted assets should be distinguished based on the guidance in ARB 43. Research on user needs indicates a strong user interest in information about the classified assets and liabilities of business-type activities. Respondents to the ED generally agreed with the financial statement display requirements for proprietary funds, including the requirement for using a classified format.

430. The categories of net assets required for proprietary funds are the same as those proposed in the ED. Some respondents suggested that entities should be permitted to continue to distinguish between contributed capital and capital that is generated internally (retained earnings). However, the Board continues to believe that the focus of reporting in government should not be on a historical record of equity transactions, but on reporting net assets available to finance future services. Governments that wish to continue to provide information about the extent to which a particular enterprise fund has received capital subsidies may do so in the notes to the financial statements.

### ***Statement of Revenues, Expenses, and Changes in Fund Net Assets***

#### **Change in net assets versus capital maintenance**

431. As explained in paragraphs 282 through 286, the Board agreed to depart from the “dual-perspective” approach in the ED. As part of that conversion, the Board reexamined other provisions in the ED to identify those that may have been appropriate in a dual-perspective context but would produce inconsistencies within the new model. Of primary concern was the issue of applying a consistent approach throughout the model to financial reporting using the flow of economic resources measurement focus and accrual basis of accounting. The ED contained elements of two different approaches—a “change in net assets” approach and a “capital maintenance” approach. The *change in net assets* concept was most prevalent in the ED, especially in the statement of

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 JUNE 30, 2015

	Business - type Activities - Enterprise Funds				Business-type Activities Internal Service Funds
	Utility Fund	Community Services Fund	Beach Fund	Total Enterprise Funds	
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 340,565	\$ 133,098	\$ 6,494	\$ 480,157	\$ 11,879
Investments	1,000,000	-	500,000	1,500,000	-
Accounts receivable	1,243,419	87,010	5,341	1,335,770	-
Interest receivable	36,757	26,851	713	64,321	9,124
Grants receivable	540,663	195,919	-	736,582	-
Due from other governments	-	203,764	22,171	225,935	-
Inventories	168,056	379,400	-	547,456	76,550
Prepaid expenses	152,923	281,009	23,520	457,452	5,006
Due from other funds	227,972	2,587,246	28,104	2,843,322	330,367
Total current assets	3,710,355	3,894,297	586,343	8,190,995	432,926
Non-current assets:					
Investments - long-term	9,075,250	2,833,437	650,000	12,558,687	1,085,000
Restricted for debt service reserve	214,391	-	-	214,391	-
Restricted for TRPA Deposits	11,044	80,346	-	91,390	-
Restricted State of Nevada Work Comp Deposit	-	-	-	-	101,404
Restricted for State of Nevada Sales Tax	-	6,075	-	6,075	-
	9,300,685	2,919,858	650,000	12,870,543	1,186,404
Capital Assets					
Land	6,530,358	11,107,336	2,304,850	19,942,544	-
Construction in progress	1,904,675	1,319,557	65,605	3,289,837	-
Buildings and structures	10,942,534	28,883,620	2,596,455	42,422,609	-
Improvements and Infrastructure	101,741,489	27,637,630	2,060,793	131,439,912	-
Equipment and vehicles	3,189,572	9,218,501	355,505	12,763,578	281,641
Total capital assets	124,308,628	78,166,644	7,383,208	209,858,480	281,641
Less: accumulated depreciation	(60,377,129)	(33,496,776)	(2,744,061)	(96,617,966)	(184,797)
Total capital assets (net)	63,931,499	44,669,868	4,639,147	113,240,514	96,844
Total non-current assets	73,232,184	47,589,726	5,289,147	126,111,057	1,283,248
Total assets	76,942,539	51,484,023	5,875,490	134,302,052	1,716,174
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	611,317	396,349	99,598	1,107,264	112,842
Accrued personnel costs	293,180	188,412	14,161	495,753	170,593
Accrued interest payable	88,653	33,079	344	122,076	-
Unearned revenue	562,574	838,560	14,454	1,415,588	-
Refundable deposits	1,000	-	-	1,000	-
Current maturities of long-term debt	469,072	1,078,784	5,216	1,553,072	-
Total current liabilities	2,025,796	2,535,184	133,773	4,694,753	283,435
Non-current liabilities:					
Bond discounts, net	-	(11,789)	(192)	(11,981)	-
Bond premium, net	-	80,738	-	80,738	-
Non-current long term debt	6,096,595	4,117,379	40,621	10,254,595	-
Total non-current liabilities	6,096,595	4,186,328	40,429	10,323,352	-
Total liabilities	8,122,391	6,721,512	174,202	15,018,105	283,435
<b>NET POSITION</b>					
Net investment in capital assets	57,365,832	39,404,756	4,593,502	101,364,090	96,844
Restricted by Third Party Agreement	225,435	86,421	-	311,856	101,404
Unrestricted	11,228,881	5,271,334	1,107,786	17,608,001	1,234,491
Total net position	\$ 68,820,148	\$ 44,762,511	\$ 5,701,288	119,283,947	\$ 1,432,739
Adjustment to reflect the consolidation of internal service funds' activities related to Enterprise Funds.				1,432,739	
Net position of Business-Type Activities				\$ 120,716,686	

outside of totals for Proprietary

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, 2015**

	Business - type Activities - Enterprise Funds			Total Enterprise Funds	reported outside of totals for enterprise funds
	Utility Fund	Community Services Fund	Beach Enterprise Fund		Business-type Activities Internal Service Funds
<b>OPERATING REVENUES</b>					
Sales and fees	\$ 10,851,123	\$ 10,860,998	\$ 1,052,579	\$ 22,764,700	\$ 600
Facility fees	-	6,018,616	778,149	6,796,765	-
Parcel Owner discounts on entry fees	-	(470,402)	(62,977)	(533,379)	-
Operating grants	-	17,000	-	17,000	-
Interfund services	-	78,203	-	78,203	2,559,522
Total operating revenues	<u>10,851,123</u>	<u>16,504,415</u>	<u>1,767,751</u>	<u>29,123,289</u>	<u>2,560,122</u>
<b>OPERATING EXPENSES</b>					
Wages and benefits	3,342,258	6,347,788	777,105	10,467,151	1,458,889
Cost of goods sold	6,019	947,647	-	953,666	-
Services and supplies	1,642,031	3,415,632	394,571	5,452,234	727,818
Defensible Space	99,479	99,479	-	198,958	-
Central Services Cost	283,000	745,000	73,000	1,101,000	-
Insurance	120,659	233,228	18,944	372,831	292,552
Utilities	984,438	1,136,738	102,062	2,223,238	8,997
Legal and audit	71,918	91,989	2,746	166,653	5,064
Depreciation	2,865,958	2,342,332	149,427	5,357,717	10,638
Total operating expenses	<u>9,415,760</u>	<u>15,359,833</u>	<u>1,517,855</u>	<u>26,293,448</u>	<u>2,503,958</u>
Operating income	<u>1,435,363</u>	<u>1,144,582</u>	<u>249,896</u>	<u>2,829,841</u>	<u>56,164</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment earnings	81,996	46,153	10,186	138,335	24,672
Gain (loss) on sales of assets	(34,499)	31,576	(27,666)	(30,589)	-
Extraordinary expense	(26,906)	-	-	(26,906)	-
Cell Tower lease income	-	113,684	-	113,684	-
Interest on bond debt	(180,505)	(239,634)	(3,208)	(423,347)	-
Amortization bond discounts & premiums	-	42,487	(27)	42,460	-
Fiscal agent fees	-	(1,500)	-	(1,500)	-
Total nonoperating revenues (expenses)	<u>(159,914)</u>	<u>(7,234)</u>	<u>(20,715)</u>	<u>(187,863)</u>	<u>24,672</u>
Income before contributions	<u>1,275,449</u>	<u>1,137,348</u>	<u>229,181</u>	<u>2,641,978</u>	<u>80,836</u>
Capital Grant Contributions	<u>329,705</u>	<u>235,674</u>	<u>-</u>	<u>565,379</u>	<u>-</u>
Changes in net position	1,605,154	1,373,022	229,181	3,207,357	80,836
Total net position, July 1	<u>67,214,994</u>	<u>43,389,489</u>	<u>5,472,107</u>		<u>1,351,903</u>
Total net position, June 30	<u>\$ 68,820,148</u>	<u>\$ 44,762,511</u>	<u>\$ 5,701,288</u>		<u>\$ 1,432,739</u>
				Adjustment to reflect consolidation of internal service fund activities related to Enterprise Funds	<u>80,836</u>
				Change in net position of Business-Type Activities	<u>\$ 3,288,193</u>

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, 2015**

	Business - type Activities - Enterprise Funds				outside of totals
	Utility Fund	Community Services Fund	Beach Fund	Total Enterprise Funds	Business-type Activities
					Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers and users	\$ 11,009,050	\$ 16,498,005	\$ 1,766,670	\$ 29,273,725	\$ 600
Receipts from interfund services provided	-	78,203	-	78,203	2,559,522
Receipts from operating grants	-	17,000	-	17,000	-
Cell Tower lease income collected & misc.	-	113,684	-	113,684	-
Payments to suppliers	(2,352,388)	(5,810,554)	(426,847)	(8,589,789)	(1,024,525)
Payments to employees	(3,340,710)	(6,371,359)	(783,731)	(10,495,800)	(1,631,275)
Payments for interfund services used	(739,036)	(745,000)	(181,438)	(1,665,474)	(33,829)
Net cash provided (used) by operating activities	4,576,916	3,779,979	374,654	8,731,549	(129,507)
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>					
Extraordinary expense	(26,906)	-	-	(26,906)	-
Due to (from) other funds	744,780	419,187	984,848	2,148,815	43,306
Net cash provided (used) by non-capital financing activities	717,874	419,187	984,848	2,121,909	43,306
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition of capital assets	(2,942,220)	(2,832,606)	(695,822)	(6,470,648)	(21,532)
Proceeds (costs) from sale of assets	8,170	38,521	(4,296)	42,395	-
Payment of fiscal agent fees	-	(1,500)	-	(1,500)	-
Payments on capital debt	(456,276)	(1,513,398)	(270,602)	(2,240,276)	-
Capital contributions	189,092	41,755	-	230,847	-
Interest expense	(186,858)	(248,237)	(5,403)	(440,498)	-
Net cash provided (used) by capital and related financing activities	(3,388,092)	(4,515,465)	(976,123)	(8,879,680)	(21,532)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Restricted investments released (increased)	(250)	(89)	-	(339)	58,868
Investments purchased	(3,860,000)	(250,000)	(1,550,000)	(5,660,000)	-
Long-term investments sold	1,800,000	525,000	1,075,000	3,400,000	-
Investment earnings	67,204	36,052	9,724	112,980	24,532
Net cash provided (used) by investing activities	(1,993,046)	310,963	(465,276)	(2,147,359)	83,400
Net change in cash and cash equivalents	(86,348)	(5,336)	(81,897)	(173,581)	(24,333)
Cash and cash equivalents, July 1	426,913	138,434	88,391	653,738	36,212
Cash and cash equivalents, June 30	\$ 340,565	\$ 133,098	\$ 6,494	\$ 480,157	\$ 11,879
<b>Non-cash capital activities</b>					
Acquisition of 1 easement Note 4	\$ -			\$ -	

(Continued)



**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2015**

	Business - type Activities - Enterprise Funds			Total Enterprise Funds	Business-type Activities Internal Service Funds
	Utility Fund	Community Services Fund	Beach Fund		
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>					
Operating income (loss)	\$ 1,435,363	\$ 1,144,582	\$ 249,896	\$ 2,829,841	\$ 56,164
Non-cash adjustments -					
Depreciation and amortization	2,865,958	2,342,332	149,427	5,357,717	10,638
Increase (decrease) in cash from changes in:					
Accounts receivable	106,768	35,541	(1,166)	141,143	-
Operating Grant Receivable	-	-	-	-	-
Due from other Governments	-	1,927	4,822	6,749	-
Inventory	3,831	577	-	4,408	(22,190)
Prepaid expenses	(20,515)	(2,933)	(4,192)	(27,640)	4,265
Collection of cell tower leases	-	113,684	-	113,684	-
Accounts payable	132,804	116,515	(12,770)	236,549	(5,998)
Accrued personnel costs	1,548	(23,571)	(6,626)	(28,649)	(172,386)
Unearned revenue and customer deposits	51,159	51,325	(4,737)	97,747	-
Total adjustments	3,141,553	2,635,397	124,758	5,901,708	(185,671)
Net cash provided (used) by operating activities	\$ 4,576,916	\$ 3,779,979	\$ 374,654	\$ 8,731,549	\$ (129,507)

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

**MEMORANDUM**

**TO:** Audit Committee

**THROUGH:** Ray Tulloch

**FROM:** Clifford F. Dobler

**SUBJECT:** Effluent Pipeline CIP charges to expense for FY 2020 and 2021

**STRATEGIC**

**PLAN REFERENCE(S):** None

**DATE:** 3-17-2022

*Include on a new master Effects schedule of unadjusted differences*

*Taken in '22?*

*we have taken for 16705  
182  
15 @*

**I. RECOMMENDATION**

The Audit Committee recommends that a charge off to expense of \$182,022 for costs incurred on the Effluent Pipeline during Fiscal years ending June 30, 2020 and 2021. The Audit Committee also recommends that the charge off occur in a restated ACFR for fiscal year 2021.

*to restate.*

**II. BACKGROUND and ANALYSIS**

The Effluent Pipeline Project (excluding the pond) has not progressed beyond preliminary stage activities which include conceptual formulation, evaluation of alternatives, determination of future needs, feasibility studies and development of financing alternatives. According to the Moss Adams report, costs incurred in the preliminary stage activities are typically expensed as they are not directly connected with creating service capacity.

On February 10, 2021, the Audit Committee submitted its report to the Board of Trustees and recommended that \$3,179,000 of costs incurred through June 30, 2019 should be expensed. The Board of Trustees accepted the report but the costs were not charged off in the fiscal year ending June 30, 2020.

*GAAP for this? '21? financing?*

In the fiscal year ending June 30, 2021, after considerable debate, \$3,110,110 was charged off as expense and reported as a prior period adjustment. An explanation of the \$69,000 difference between the AC recommendation and the charge off was never disclosed to the Audit Committee.

During fiscal years ending June 30, 2020 and 2021, additional costs of \$110,790 and \$71,233 have been recorded as Construction in Progress and not been charged off as an expense.

During the current fiscal year ending June 30, 2022, it is anticipated that approximately \$800,000 to \$1,000,000 in costs may be incurred for preliminary stage activities on the Effluent Pipeline and will require charge offs.

Exhibit A - Capital Improvement Report as of June 30, 2020  
Exhibit B - Capital Improvement Report as of June 20, 2021

**III. BID RESULTS**

Not required

**IV. FINANCIAL IMPACT AND BUDGET**

Material weakness in financial reporting.

**V. ALTERNATIVES**

NONE

**VI. COMMENTS**

IGNOR the AC recommendation and continue inconsistency in financial reporting

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

None

**VIII. BUSINESS IMPACT**

Material weakness in financial reporting could lead to higher interest rates on the planned borrowing

*M*

*182*

*outcome?*

*DF: push on agenda - goal.*

Project Description	CIP #	Carry Forward 2019-20	Capital Budget 2019-20	Budget Reallocations	Carry Forward to FY 2020-21	6/30/2019 Balance	Object 8120 & 8105 Additions	Cost Transfers	Asset In Service	6/30/2020 CIP Balance
<i>General Fund</i>										
Administration Fire Panel Replacement	1099BD1803	-	-	-	-	18,000.00	9,466.90	-	27,466.90	-
Check Writer Printer Replacement - 893 Southwood Administration Building	1212OE1601	6,000.00	-	-	-	-	-	-	-	-
Digital Records Management System	1099CO1802	75,000.00	-	-	-	-	-	-	-	-
District Communication Radios	1213CE1701	-	6,000.00	-	-	-	5,779.83	-	5,779.83	-
District Wide PC, Laptops, Peripheral Equipment and Desk Top Printers	1213CO1703	-	95,000.00	-	-	-	59,868.70	-	59,868.70	-
Human Resource Management and Payroll Processing Software	1315CO1801	120,000.00	180,000.00	-	300,000.00	-	-	-	-	-
IT Infrastructure	1213CO1505	-	132,800.00	-	-	-	201,356.60	-	201,356.60	-
IT Master Plan - IT Security Devices	1213CE1101	-	15,000.00	-	-	-	-	-	-	-
Microsoft Exchange Server	1213CO1802	-	28,600.00	-	-	-	-	-	-	-
Microsoft Office Licenses	1213CO1803	-	9,045.00	-	-	-	-	-	-	-
Pavement Maintenance - Administration Building	1099LI1705	-	5,000.00	-	-	-	2,952.00	-	2,952.00	-
Windows Server Operating System	1213CO1804	-	14,000.00	-	-	-	-	-	-	-
		201,000.00	485,445.00	-	300,000.00	18,000.00	279,424.03	-	297,424.03	-
						Fund 990	Fund 100		Fund 990	Fund 990
<i>Utilities</i>										
<i>Public Works</i>										
Household Hazardous Waste Building Improvements	2097BD1802	-	15,000.00	-	-	-	-	-	-	-
Adjust Utility Facilities in RDOT/Washoe County Right of Way	2097DI1401	-	60,000.00	-	-	45,182.00	37,236.23	-	60,557.42	21,860.81
2010 International Vector Truck #638	2097HV1732	-	-	-	-	-	416,563.50	-	416,563.50	-
1996 Peterbilt Dump Truck #299	2097HV1754	-	75,000.00	-	-	-	-	-	-	-
2004 9' Western Snow Plow #542A	2097LE1723	-	9,000.00	-	-	-	-	-	-	-
2015 Sander/Spreader #710	2097LE1724	-	20,000.00	-	-	-	7,829.31	-	7,829.31	0.00
Pavement Maintenance, Utility Facilities	2097LI1401	-	45,000.00	-	-	-	26,384.36	-	26,384.36	-
2004 GMC 1-Ton Flatbed #542 Pipeline Dept.	2097LV1746	-	48,000.00	-	-	-	-	-	-	-
2008 Chevrolet Service Truck #609 Meter Truck	2097LV1747	-	36,000.00	-	-	-	31,158.98	-	31,158.98	-
Water Reservoir Safety and Security Improvements (Moved from Water)	2097DI1701	386,600.00	10,000.00	-	389,395.00	52,529.75	10,709.01	-	-	63,238.76
<i>Water</i>										
Water Pumping Station Improvements	2299DI1102	-	45,000.00	-	-	43,100.00	38,201.84	-	81,301.84	-
Replace Commercial Water Meters, Vaults and Lids	2299DI1103	-	20,000.00	-	-	618.87	10,883.21	-	11,502.08	-
Water Reservoir Coatings and Site Improvements	2299DI1204	-	85,000.00	-	-	-	71,638.39	-	71,638.39	-
Burnt Cedar Water Disinfection Plant Improvements	2299DI1401	-	50,000.00	-	-	-	22,135.00	-	-	22,135.00
Water Pump Station 2-1 Improvements	2299DI1702	791,800.00	-	-	-	45,700.00	332,085.44	-	377,785.44	-
Burnt Cedar Water Disinfection Plant Emergency Generator Fuel Tank Upgrades	2299DI1707	-	200,000.00	-	175,000.00	-	23,928.25	-	-	23,928.25
Watermain Replacement - Martis Peak Road	2299WS1704	-	50,000.00	-	-	-	58,499.12	-	-	58,499.12
Leak Study R2-1 14inch Steel	2299WS1801	-	-	-	-	78,156.08	349.80	-	-	78,505.88
Watermain Replacement - Alder Avenue	2299WS1802	-	-	-	-	37,587.80	-	-	37,587.80	-
<i>Sewer</i>										
Effluent Export Line - Phase II	2524SS1010	2,251,918.00	2,000,000.00	-	11,586,890.00	662,506.59	71,232.93	-	-	733,739.52
Building Upgrades Water Resource Recovery Facility	2599BD1105	-	10,000.00	-	-	-	-	-	-	-
Treatment Plant Fire Panel Replacement	2599BD1802	-	-	-	-	65,000.00	(13,884.00)	-	51,116.00	-
Sewer Pumping Station Improvements	2599DI1104	-	15,000.00	-	-	-	17,265.15	-	17,265.15	-
Sewer Pump Station #1 Improvements	2599DI1703	220,000.00	250,000.00	-	390,866.00	56,098.15	79,750.23	-	-	135,848.38
Wastewater Treatment Plant Improvements	2599SS1102	-	100,000.00	-	-	57,423.18	44,666.99	-	95,623.85	6,466.32
Wetlands Effluent Disposal Facility Improvements	2599SS1103	-	10,000.00	-	-	-	9,654.44	-	9,654.44	-
Replace & Reline Sewer Mains & Manholes	2599SS1203	-	10,000.00	-	-	79,058.77	18,100.36	-	97,159.13	-
WRRF Biosolids Blins	2599SS1702	-	-	-	-	61,300.00	-	-	61,300.00	-
WRRF Aeration System Improvements	2599SS1707	100,000.00	1,200,000.00	466,500.00	1,598,524.00	133,791.30	329,758.73	-	-	463,550.03
UTILITIES SUBTOTALS:		3,750,318.00	4,363,000.00	466,500.00	14,140,676.00	1,418,052.49	1,644,147.27	-	1,454,427.69	1,607,772.08
<i>Golf</i>										
<i>Championship Golf</i>										
Championship Course Greens, Tees and Bunkers	3141GC1202	25,000.00	-	-	-	67,322.36	20,351.66	-	87,674.02	-
Championship Course Greens and Surrounds	3141GC1802	-	15,000.00	-	-	9,468.33	11,874.76	-	21,343.09	-
Venue Signage Enhancement	3141BD1706	20,000.00	40,000.00	-	-	-	-	-	-	-
Champ. Golf Fuel Tank Epoxy Coating - Unbudgeted	3141BD2001	-	Unbudgeted	-	-	-	8,500.00	-	8,500.00	-
Championship Golf Course Bear Boxes	3141FF1903	-	7,000.00	-	-	-	6,654.70	-	6,654.70	-
Irrigation Improvements	3141GC1103	-	30,000.00	-	5,000.00	-	24,057.24	-	24,057.24	E
Maintenance Building Drainage, Washpad and Pavement Improvements	3141GC1501	-	30,000.00	-	-	-	48,092.18	-	-	48,092.18
Championship Course Tees	3141GC1803	-	15,000.00	-	-	-	12,198.40	-	12,198.40	-
Pavement Maintenance of Parking Lots - Champ Course & Chateau	3141LI1201	-	17,500.00	-	-	-	12,891.00	-	12,891.00	-
Pavement Maintenance of Cart Paths - Champ Course	3141LI1202	-	60,000.00	-	-	-	57,074.00	-	57,074.00	-
2005 Carryall Club Car #564	3142LE1733	-	11,000.00	-	-	-	11,468.00	-	11,468.00	-
2005 Carryall Club Car #565	3142LE1734	-	11,000.00	-	-	-	11,468.00	-	11,468.00	-
2005 Carryall Club Car #566	3142LE1735	-	11,000.00	-	-	-	11,468.00	-	11,468.00	-
2005 Carryall Club Car #567	3142LE1736	-	11,000.00	-	-	-	11,468.00	-	11,468.00	-
Replacement of 2010 John Deere 8500 #641	3142LE1760	-	92,000.00	-	92,000.00	-	-	-	-	-
Driving Range Improvements	3143GC1202	-	31,000.00	-	-	-	17,525.19	-	17,525.19	-
Champ Grille Kitchen Equipment	3153FF1204	-	46,200.00	-	-	-	51,611.67	-	51,611.67	-

Summary of CIP Activity by Project for the Fiscal Year Ending 6/30/2020

Project Description	CIP #	Carry Forward	Capital Budget	Budget	Carry Forward	6/30/2019	Object 8120	Cost Transfers	Asset in Service	6/30/2020
		2019-20	2019-20	Reallocations	to FY 2020-21	Balance	& 8105			CIP Balance
1997 1-Ton Dump Truck #419	3197HV1749	-	5,000.00	-	-	-	-	-	-	-
2015 John Deere 1500 Fairway Aerator #716	3197LE1732	-	27,000.00	-	-	-	27,646.86	-	27,646.86	-
2005 John Deere Pro Gator #569	3197LE1740	-	34,500.00	-	-	-	34,507.85	-	34,507.85	-
2015 Greens Roller #715	3197LE1741	-	17,000.00	-	-	-	12,600.00	-	12,600.00	-
2014 Vibratory Greens Roller #696	3197LE1742	-	17,000.00	-	-	-	12,600.00	-	12,600.00	-
2004 John Deere 4410 Tractor #548	3197LE1746	-	40,000.00	-	-	-	27,641.01	-	27,641.01	-
Maintenance Shop Crane and Equipment Lift	3197ME1710	-	30,000.00	-	21,827.00	-	8,173.00	-	-	8,173.00
Championship Golf Printer Copier Replacement 955 Fairway	3199OE1501	-	10,000.00	-	-	-	-	-	-	-
<b>Mountain Golf</b>										
ADA Access to On-course Restrooms	3241BD1402	-	-	-	-	7,687.35	-	-	7,687.35	-
Mtn. Golf Course Remodel On Course Bathrooms, #6 & #13/14	3241BD1503	-	60,000.00	-	-	141,650.17	27,357.70	-	169,007.87	-
Mountain Course Greens, Tees and Bunkers	3241GC1101	-	43,000.00	-	15,000.00	20,561.48	29,436.29	-	49,997.77	Expense
Irrigation Improvements	3241GC1404	-	39,000.00	-	18,000.00	-	20,953.23	-	20,953.23	Expense
Mountain Course Clubhouse and Maintenance Building Water Service Line Replacement	3241GC1802	-	65,000.00	(65,000.00)	-	-	-	-	-	-
Mountain Golf Course Cart Path Retaining Walls	3241LJ1704	-	17,500.00	-	-	7,000.00	2,650.00	-	-	9,650.00
Mountain Golf Cart Path Replacement - Unbudgeted	3241LJ1903	-	-	166,395.00	166,395.00	-	-	-	-	-
Mountain Course 58 Cart Fleet	3241LV1899	-	288,000.00	(166,395.00)	113,985.00	-	-	-	-	-
Mountain Golf Fuel Storage Facility	3241ME1804	-	200,000.00	-	-	-	-	-	-	-
2005 Carryall Club Car #568	3242LE1725	-	11,000.00	-	-	-	11,468.00	-	11,468.00	-
Pavement Maintenance of Parking Lot - Mountain Golf Course	3242LJ1204	-	22,500.00	-	-	-	21,750.00	-	21,750.00	Expense
Pavement Maintenance of Cart Paths - Mountain Golf Course	3242LJ1205	-	40,000.00	-	-	-	36,573.00	-	36,573.00	Expense
Mountain Course Clubhouse and Maintenance Building Replacement	3299BD1403	-	-	-	-	132,203.83	-	-	-	132,203.83
Repair Roof - Mountain Golf Club House	3299BD1702	76,400.00	25,000.00	-	-	8,072.00	114,666.14	-	122,738.14	Cost overrun
Paint Exterior of Mountain Golf Clubhouse	3299BD1705	27,800.00	41,500.00	-	-	-	19,080.00	Expense 2019	19,080.00	-
Mountain Clubhouse Fire Repairs - Unbudgeted	3299BD1902	-	1,464,000.00	65,000.00	-	150,751.45	1,309,027.23	-	1,591,982.51	(132,203.83)
		149,200.00	2,924,700.00	-	432,207.00	544,716.97	2,032,833.11	-	2,511,634.90	65,915.18
<b>Facilities</b>										
Chateau - Replace Carpet	3350BD1103	-	62,000.00	-	-	-	41,745.00	-	-	41,745.00
Replace Hallway Tile at Chateau	3350BD1804	-	65,000.00	-	-	-	-	-	-	-
Repair and Refinish Wood Walls Upstairs at Chateau	3350BD1805	-	10,000.00	-	-	-	9,275.00	-	9,275.00	-
Catering Kitchen Equipment	3350FF1204	-	18,900.00	-	-	-	24,438.84	-	-	24,438.84
Enclose Chateau Exterior Storage Area	3350FF1601	6,500.00	-	-	-	3,875.00	(3,875.00)	Where reclassified?	-	-
Replacement Sod at Aspen Grove	3351LJ1807	-	18,000.00	-	-	-	-	-	-	-
		6,500.00	173,900.00	-	-	3,875.00	71,583.84	-	9,275.00	66,183.84
<b>Ski</b>										
Base Lodge Walk In Cooler and Food Prep Reconfiguration	3453BD1806	-	25,000.00	-	25,000.00	-	-	-	-	-
Replace Main Lodge/Snowflake Lodge Dining Furniture and Fixtures	3453FF1706	-	38,000.00	-	-	-	37,270.00	-	37,270.00	-
Lakeview Ski Lift Maintenance and Improvements	3462HE1702	-	250,000.00	-	239,864.00	-	19,815.60	-	-	19,815.60
Red Fox Ski Lift Maintenance and Improvements	3462HE1712	-	30,000.00	-	-	-	-	-	-	-
Replacement of 2008 Grooming vehicle # 628	3463HE1727	-	390,000.00	-	-	-	374,500.00	-	374,500.00	-
Vehicle Shop/Snowmaking Pumphouse Roof	3464BD1302	-	-	-	-	7,320.00	-	-	7,320.00	-
Resurface Main Lodge Decks	3464BD1403	-	75,200.00	-	-	-	55,337.50	-	55,337.50	-
Replace Snowmaking Air Compressor Microprocessor Control Units	3464HE1902	-	100,000.00	-	-	-	73,120.96	-	73,120.96	-
Ski Resort Snowmobile Fleet Replacement	3464LE1601	-	15,500.00	-	-	-	14,517.98	-	14,517.98	-
2012 Yamaha ATV #683	3464LV1731	-	18,000.00	-	-	-	17,882.57	-	17,882.57	-
Diesel Exhaust Fluid Storage/Dispenser	3464ME1907	-	20,000.00	-	-	-	12,823.44	-	12,823.44	-
Fan Guns Purchase and Refurbishment	3464SI1002	-	130,000.00	-	-	-	117,814.16	-	117,814.16	-
Snowmaking Infrastructure Evaluation and Enhancement	3464SI1104	-	-	-	-	33,500.00	(33,500.00)	-	-	-
Upgrade Popular Snowmaking Power Alignment	3464SI1708	24,000.00	-	-	-	19,324.34	(19,324.34)	-	-	-
Replace Ski Rental Equipment	3468RE0002	135,000.00	200,000.00	-	335,000.00	-	-	-	-	-
Pavement Maintenance, Diamond Peak and Ski Way	3469LJ1105	-	55,000.00	-	-	-	48,235.48	Expense	48,235.48	-
Ski Way and Diamond Peak Parking Lot Reconstruction	3469LJ1805	-	225,000.00	-	220,000.00	43,599.90	(3,320.00)	-	-	40,279.90
Diamond Peak Way Finding Signage Evaluation and Enhancement	3469RS1709	16,550.00	-	-	-	23,450.00	-	-	-	23,450.00
Ski Area Master Plan Update and Summer Activities Assessment	3499BD1399	-	-	-	-	156,029.78	-	-	-	156,029.78
Diamond Peak Facilities Flooring Material Replacement	3499BD1710	-	43,000.00	-	-	-	39,055.18	-	39,055.18	-
Ski Fleet Fire Panel Replacement - Unbudgeted	3499BD1801	-	-	-	-	-	-	-	-	-
Snowflake Lodge Facilities Maintenance and Improvements	3499BD1803	-	-	-	-	4,533.99	-	-	4,533.99	-
Storage Building Replacement Design Evaluation (Net of Grants)	3499BD1804	40,000.00	-	-	-	-	-	-	-	-
Ski Rental Shop Doors	3499BD1904	-	13,000.00	-	-	-	9,362.00	-	9,362.00	-
HVAC Control Changeout	3499BD1905	-	21,000.00	-	-	-	-	-	-	-
Ecommerce / Middleware Software	3499CE1909	-	202,000.00	-	202,000.00	-	-	-	-	-
Skier Services Building Customer Service Counter	3499FF1607	-	12,000.00	-	-	12,985.00	800.00	-	13,785.00	-
Skier Services Administration Printer Copier Replacement 1210 Ski Way	3499OE1502	-	10,000.00	-	-	-	-	-	-	-
Ski Area Master Plan Implementation - Phase 1	3653BD1501	682,600.00	-	-	450,000.00	67,302.73	28,320.00	-	-	95,622.73
		898,150.00	1,872,700.00	-	1,471,864.00	368,045.74	792,710.53	-	825,558.26	335,198.01
<b>Parks</b>										
Aspen Grove Flatscape and Retaining Wall Enhancement and Replacement	4378BD1605	-	55,000.00	-	-	-	-	-	-	-
Rosewood Creek Foot Bridges	4378BD1705	-	8,000.00	-	-	-	-	-	-	-

Summary of CIP Activity by Project for the Fiscal Year Ending 6/30/2020

Project Description	CIP #	Carry Forward	Capital Budget	Budget	Carry Forward	6/30/2019	Object 8120	Cost Transfers	Asset In Service	6/30/2020	
		2019-20	2019-20	Reallocations	to FY 2020-21	Balance	& 8105 Additions			CIP Balance	
Incline Park Fencing Refurbishment	43788D1707	18,000.00	-	-	-	-	-	-	-	-	-
Incline Park Improvements - Unbudgeted	43788D1801	-	-	-	-	120,267.57	-	-	-	120,267.57	expense
Village Green Restroom drainage improvements	43788D1901	-	25,000.00	-	-	-	5,885.28	-	-	5,886.28	-
Incline Park Backflow Device Replacement	43788D1702	18,800.00	32,000.00	-	-	3,817.29	42,179.59	-	45,996.88	-	-
2005 Shatterline Aerifier	4378LE1724	-	8,100.00	-	-	-	8,515.00	-	8,515.00	-	-
2008 JD Pro-Gator #623	4378LE1730	-	35,000.00	-	-	-	34,677.06	-	34,677.06	-	-
2013 Ball Field Groomer #681	4378LE1739	-	17,100.00	-	-	-	21,000.00	-	21,000.00	-	-
2013 Ball Field Mower / Toro 3500D Groundsmaster #582	4378LE1740	-	35,400.00	-	-	-	33,822.19	-	33,822.19	-	-
High School Public Park	4378LI0903	-	-	-	-	77,216.47	(77,216.47)	-	-	-	-
Pavement Maintenance, East & West End Parks	4378LI1207	-	-	-	-	1,100.00	-	-	-	1,100.00	-
Pavement Maintenance, Village Green Parking	4378LI1303	-	5,000.00	-	-	1,910.10	-	-	-	1,910.10	-
Pavement Maintenance, Preston Field	4378LI1403	-	5,000.00	-	-	1,910.10	-	-	-	1,910.10	-
Bocce Courts at Rec Center	4378LI1503	-	-	-	-	8,240.68	-	-	-	8,240.68	-
Incline Creek Restoration Project - Upstream of SR-28 (Net of Grants)	4378LI1504	178,800.00	163,200.00	-	-	-	-	-	-	-	-
Restoration Project - Upstream of SR28	4378LI1504B	36,000.00	-	-	-	71,120.50	346,454.22	-	417,574.72	-	-
Pavement Maintenance, Overflow Parking Lot	4378LI1602	-	5,000.00	-	-	1,910.10	(1,910.10)	-	-	-	-
Pump Track Demonstration	4378LI1604	317,852.00	-	-	-	6,066.92	(6,066.92)	-	-	0.00	-
Pavement Maintenance - Incline Park	4378LI1802	-	7,500.00	-	-	1,500.00	7,250.00	-	8,750.00	-	-
Incline Park Facility Renovations (Net of Grants)	4378LI1803	-	-	-	-	33,330.00	1,435,384.67	-	-	1,468,714.67	-
Bocce Courts at Recreation Center Property Design	4378LI1804	15,000.00	-	115,000.00	-	-	94,836.60	-	-	94,836.60	-
2003 1-Ton Service Truck #520	4378LV1736	-	43,000.00	-	-	-	-	-	-	-	-
		584,452.00	444,300.00	115,000.00	-	328,389.73	1,944,812.12	-	570,335.85	1,702,866.00	-
<b>Tennis</b>											
Tennis Center Renovation	45888D1604	8,450.00	1,285,000.00	(115,000.00)	996,630.00	52,315.00	199,108.19	-	-	251,423.19	-
Pavement Maintenance, Tennis Facility	4588LI1201	-	23,500.00	-	-	3,100.00	20,710.00	-	23,810.00	-	-
Resurface Tennis Courts 3 thru 7	4588RS1402	-	-	-	-	34,965.00	(1,690.00)	-	33,275.00	-	-
Resurface Tennis Courts 1 and 2	4588RS1501	-	47,000.00	-	-	-	15,650.00	-	-	15,650.00	-
Tennis Facility Study	4588RS1605	-	-	-	-	40,142.24	-	-	-	40,142.24	-
		8,450.00	1,355,500.00	(115,000.00)	996,630.00	130,522.24	233,778.19	-	57,085.00	307,215.43	-
<b>Recreation Center</b>											
Rec Center Natatorium Mezzanine - Unbudgeted Project from FY 15/16	48848D1501	-	-	-	-	6,929.10	(6,929.10)	-	-	-	-
Replace Walkway Bollard Lights	48848D1703	54,950.00	55,000.00	-	-	5,550.00	100,503.00	-	-	106,053.00	-
Repair Deck Stairs and Powder Coat All Patio Deck Railings	4884FF1502	-	20,000.00	14,190.00	-	128,660.50	5,669.75	-	134,330.25	-	-
Recreation Center Natatorium Mezzanine Safety Enhancements	48848D1601	-	90,000.00	-	-	-	-	-	-	-	-
External Surveillance Security Cameras for Recreation Center	4884CE1903	-	15,000.00	-	-	-	11,045.28	-	11,045.28	-	-
Pavement Maintenance, Recreation Center Area	4884LI1102	-	57,500.00	-	-	-	27,364.04	-	27,364.04	-	-
Pool Facility Deck/Floor Re-coat	48856D1606	-	34,000.00	(14,190.00)	-	-	19,810.00	-	19,810.00	-	-
Fitness Equipment	4886LE0001	-	44,200.00	-	-	-	17,718.66	-	-	17,718.66	-
Paint Interior of Recreation Center	48998D1305	-	15,500.00	-	-	-	-	-	-	-	-
Paver Install Front Walkway at Recreation Center	48998D1801	-	82,500.00	-	-	-	69,633.00	-	69,633.00	-	-
		54,950.00	413,700.00	-	-	141,139.60	244,814.63	-	262,182.57	123,771.66	-
<b>Community Services Administration</b>											
Parks and Recreation Master Plan Update	4999RS1603	-	-	-	-	261,501.64	(261,501.64)	-	-	-	-
		-	-	-	-	261,501.64	(261,501.64)	-	-	-	-
<b>COMMUNITY SERVICES SUBTOTALS:</b>		1,701,702.00	7,184,800.00	-	2,900,701.00	1,778,190.92	5,059,030.78	-	4,236,071.58	2,601,150.12	-
<b>Beaches</b>											
Burnt Cedar Food & Beverage Customer Improvements	39398D1803	8,650.00	-	-	-	1,750.00	(1,750.00)	-	-	-	-
Burnt Cedar Swimming and Toddler Pool Resurface and Mechanical Improvements	39708D2601	-	800,000.00	-	-	119,497.56	30,496.25	-	-	149,993.81	-
Kayak Rack Enhancements	3972LI1801	-	-	-	-	23,032.32	-	-	23,032.32	-	-
Incline Beach Facility Study	3973LI1302	29,400.00	-	-	-	210,631.84	5,500.00	-	-	216,131.84	-
Incline Beach Shade Structure - Unbudgeted Project from FY 15/16	39998D1507	-	-	-	-	6,000.00	-	-	-	6,000.00	-
Pavement Maintenance, Ski Beach	39728D1301	-	11,000.00	-	-	-	11,496.87	-	11,496.87	-	-
Beaches Flatscape and Retaining Wall Enhancement and Replacement	39728D1501	-	55,000.00	-	-	-	16,925.00	-	16,925.00	-	-
Burnt Cedar Dumpster enclosure	39728D1707	-	10,000.00	-	-	-	1,300.00	-	-	1,300.00	-
Beach Furnishings	3972FF1704	20,000.00	-	-	-	-	18,041.00	-	18,041.00	-	-
Pavement Maintenance, Burnt Cedar Beach	3972LI1202	50,000.00	6,000.00	-	-	-	-	-	-	-	-
		108,050.00	882,000.00	-	-	360,911.72	82,009.12	-	69,495.19	373,425.65	-
<b>Grand Total</b>		5,761,070.00	12,915,245.00	466,500.00	17,341,377.00	3,575,155.13	7,064,611.20	-	6,057,418.49	4,582,347.85	-

EXHIBIT B

Incline Village General Improvement District		Capital Improvement Projects Report to the Board of Trustees			For the Fourth Quarter - Fiscal Year Ending June 30, 2021				Fiscal Year			
DESCRIPTION	PROJECT #	Prior Year	Current Year	Projects Cancelled	Adjustments	Reallocation	Future Year	FY2020/21	Fiscal Year		Status	
		Carry Forward	Budgeted				Reservation Fund Balance	Adjusted Budget	Expenditures As of 6/30/21	Variance		
<b>General Fund:</b>												
IT Master Plan - IT Security Devices	1213CE1101		15,000					15,000		15,000		
District Wi-Fi Installation Update	1213CE1501		40,000					40,000		16,382	23,618	Completed
District Communication Radios	1213CE1701		6,000					6,000		5,827	173	Completed
District Wide Update to Voice Over Internet Phone System	1213CE1901		60,000					60,000		55,596	4,404	Completed
IT Infrastructure	1213CO1505		91,800			(33,700)		58,100		0	58,100	Completed
District Wide PC, Laptops, Peripheral Equipment and Desk Top Printers	1213CO1703		97,050					97,050		57,053	39,997	On-going
Microsoft Office Licenses	1213CO1803		9,300		(9,300)			-		-	-	Re-allocation
Windows Server Operating System	1213CO1804		14,000		43,000			57,000		56,547	453	Completed
Admin Roof Repairs	1099BD1501		12,000					12,000		12,000	-	Delayed
Pavement Maintenance - Administration Building	1099LI1705		5,000					5,000		700	4,300	On-going
Human Resources Management and Payroll Processing	1315CO1801		300,000					300,000		237,353	62,647	In Progress
<b>Total General Fund</b>			<b>\$ 309,090</b>		<b>\$ 350,150</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 659,150</b>	<b>\$ 429,458</b>	<b>\$ 229,692</b>
<b>Utility Fund:</b>												
Arc Flash Study - Utilities	2097BD2001			60,000				60,000		44,839	15,161	Completed
Public Works Billing Software Replacement	2097CO2101			10,000				10,000		-	10,000	Delayed
Adjust Utility Facilities in NDOT/Washoe County Right of Way	2097DH1401			25,000				25,000		21,874	3,126	On-going
Water Reservoir Safety and Security Improvements	2097DH1701	389,395	200,000		(3,505)			585,891		518,815	67,076	In Progress
2011 Chevrolet Service Truck #647 Treatment	2097LV1749		45,000					45,000		43,036	1,964	Completed
2004 9' Western Snow Plow #542A	2097LE1723					9,000		9,000		9,000	-	Completed
2004 GMC 1-Ton Flatbed #542 Pipeline Dept.	2097LV1745					48,000		48,000		52,283	(4,283)	Completed
1995 Peterbilt Dump Truck #299	2097HV1754					75,000		75,000		70,808	4,192	Completed
Pavement Maintenance, Utility Facilities	2097LI1401					22,763		22,763		17,900	4,863	On-going
<b>Utility Shared Projects</b>			<b>389,395</b>	<b>340,000</b>		<b>151,258</b>		<b>880,654</b>		<b>778,355</b>	<b>101,699</b>	
Water Pumping Station Improvements	2299DH1102			70,000				70,000		46,999	23,001	In Progress
Replace Commercial Water Meters, Vaults and Lids	2299DH1103			55,000				55,000		48,818	6,182	On-going
Water Reservoir Coatings and Site Improvements	2299DH1204			85,000				85,000		-	85,000	Delayed
Burnt Cedar Water Disinfection Plant Improvements	2299DH1204			25,000				25,000		7,347	17,653	In Progress
Watermain Replacement - Marks Peak Road vicinity	2299WS1704			990,000		(353,910)		636,090		588,790	47,300	Completed
Watermain Replacement - Sloop Pk Ct	2299WS1706			-		45,000		45,000		26,575	18,425	In Progress
Burnt Cedar Water Disinfection Plant Emergency Generator Fuel Tank Upgrades	2299DH1707		175,000			1,072		176,072		1,728	174,344	In Progress
Unallocated Capital Project Funding								308,910		308,910	-	
<b>Water</b>			<b>175,000</b>	<b>1,225,000</b>		<b>1,072</b>		<b>1,401,072</b>		<b>722,257</b>	<b>678,815</b>	
Effluent Export Pipeline Project	2524SS1010		11,586,890	2,000,000			(11,586,890)	2,000,000		110,790	1,889,210	Multi-Year In Progress
Effluent - Pond Lining	2599SS2010			-				-		-	-	In Progress
Building Upgrades Water Resource Recovery Facility	2599BD1105			80,000				80,000		52,726	27,274	In Progress
Sewer Pumping Station Improvements	2599DH1104			70,000				70,000		48,263	21,737	In Progress
Sewer Pump Station #1 Improvements	2599DH1703		390,866	650,000		(816)		1,040,250		1,225	1,039,025	Delayed
Water Resource Recovery Facility Improvements	2599SS1102			125,000				125,000		102,149	22,851	In Progress
Wetlands Effluent Disposal Facility Improvements	2599SS1103			16,500				16,500		16,340	160	Completed
Replace & Refine Sewer Mains, Manholes and Appurtenances	2599SS1203			80,000				80,000		69,270	10,730	On-going
WRRF Aeration System Improvements	2599SS1707		1,598,524			(161,783)		1,436,741		1,405,889	31,072	Completed
<b>Sewer</b>			<b>13,576,280</b>	<b>3,021,500</b>		<b>(162,399)</b>		<b>(11,586,890)</b>		<b>4,848,491</b>	<b>1,806,432</b>	<b>3,042,059</b>
<b>Total Utility Fund</b>			<b>\$ 14,140,676</b>	<b>\$ 4,586,500</b>		<b>\$ (10,069)</b>		<b>\$ (11,586,890)</b>		<b>\$ 7,130,217</b>	<b>\$ 3,307,644</b>	<b>\$ 3,822,573</b>
<b>Internal Service:</b>												
Replace 2004 Pick-up Truck 4X4 (1/2-ton) #540 Used Internal	5394LV1722			5,000				5,000			5,000	
<b>Total Internal Service</b>			<b>\$ -</b>	<b>\$ 5,000</b>		<b>\$ -</b>		<b>\$ -</b>		<b>\$ 5,000</b>	<b>\$ -</b>	<b>\$ 5,000</b>
<b>Championship Golf Course:</b>												
Championship Golf Course												
Champ Golf Exterior Ice-maker Replacement	3141FF1804			10,500				10,500		7,558	2,944	
Championship Golf Course Bear Boxes	3141FF1903			6,000				6,000		5,845	155	Completed
Irrigation Improvements	3141GG1103	5,000	15,000			943		20,943		18,714	2,229	Completed
Maintenance Building Drainage, Washpad and Pavement	3141GG1501		700,000				(121,567)	578,433		548,258	30,175	Completed
Pavement Maintenance of Parking Lots - Champ Course & Chateau	3141LI1201		55,000					55,000		48,394	6,606	Completed
Pavement Maintenance of Cart Paths - Champ Course	3141LI1202		62,500					62,500		2,525	59,975	In Progress
Championship Golf Course Electric Cart Fleet and GPS	3141LV1898		378,000					378,000		-	378,000	Delayed
2006 Carryall Club Car #569	3142LE1737		13,000					13,000		-	13,000	In Progress
2006 Carryall Club Car #590	3142LE1738		13,000					13,000		-	13,000	In Progress
2006 Carryall Club Car #591	3142LE1739		13,000					13,000		-	13,000	In Progress
2016 Bar Cart #724	3142LE1741		17,000					17,000		-	17,000	Delayed
2016 Bar Cart #725	3142LE1742		17,000					17,000		-	17,000	Delayed
Replacement of 2010 John Dere 8500 #641	3142LE1760		92,000					92,000		-	92,000	Delayed
Driving Range Nets	3143GC1201			90,000				90,000		96,000	(6,000)	Completed
2008 Planetair HDS0 #616	3197LE1731			38,000				38,000		27,000	11,000	Completed
2017 TORO Procore 854 Aerator #747	3197LE1735			28,000				28,000		28,595	(595)	Completed
2017 Deep Tine Aerator #763	3197LE1752			27,000				27,000		27,102	(102)	Completed
Graden Sand Injection Verifier	3197LE1902			18,500				18,500		16,450	2,050	Completed
2017 TORO Procore 854 Aerator #756	3197LE2004			33,500				33,500		34,453	(953)	Completed
Maintenance Shop Crane and Equipment L11	3197ME1710		21,827					21,827		-	21,827	Completed
Unallocated Capital Project Funding								121,567		121,567	-	
<b>Total Championship Golf Course</b>			<b>\$ 118,827</b>	<b>\$ 1,535,000</b>		<b>\$ 943</b>		<b>\$ 1,654,770</b>		<b>\$ 860,893</b>	<b>\$ 793,877</b>	
<b>Mountain Golf Course:</b>												
Mountain Course Greens, Tees and Bunkers	3241GC1101		15,000	8,000		(1,435)		21,564		19,513	2,051	Completed
Irrigation Improvements	3241GC1404		18,000			47		18,047		17,809	241	Completed
Mountain Course 58 Cart Fleet acquired by lease	3241LV1899		113,985					113,985		-	113,985	In Progress
Mountain Golf Cart Path Replacement	3241H1903		166,395					166,395		88,946	77,450	Multi-Year
2016 Bar Cart #728	3242LE1726			20,000				20,000		-	20,000	Delayed
Pavement Maintenance of Parking Lot - Mountain Golf Course	3242LI1204			8,000				8,000		1,100	4,900	On-going
<b>Total Mountain Golf Course</b>			<b>\$ 313,380</b>	<b>\$ 34,000</b>		<b>\$ (1,388)</b>		<b>\$ 345,991</b>		<b>\$ 127,365</b>	<b>\$ 218,626</b>	

Incline Village General Improvement District		Capital Improvement Projects Report to the Board of Trustees						For the Fourth Quarter - Fiscal Year Ending June 30, 2021		Fiscal Year		Fiscal Year	
DESCRIPTION	PROJECT #	Prior Year		Current Year			Future Year Reservation Fund Balance	FY2020/21 Adjusted Budget	Fiscal Year Expenditures As of 6/30/21	Variance	Status		
		Carry Forward	Budgeted	Projects Cancelled	Adjustments	Reallocation							
<b>Chateau:</b>													
Resurface Patio Deck - Chateau	3350BD1302		36,000					36,000	17,300	18,700	Completed		
Replace Air Walls Chateau	3350BD1704		56,500					56,500	3,150	53,350	Completed		
Retofit Chateau Ventilation Ducts	3350ME2001		7,500					7,500	6,600	900	Completed		
Catering Kitchen Equipment	3350FF1204									(3,288)	Completed		
		\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ 23,762	\$ 76,238			
<b>Diamond Peak Ski Resort:</b>													
Base Lodge Walk in Cooler and Food Prep Reconfiguration	3453BD1806	25,000	15,000					40,000	-	40,000	Delayed		
Crystal Express Ski Lift Maintenance and Improvements	3462HE1502		55,000					55,000	34,793	20,207	In Progress		
Lakeview Ski Lift Maintenance and Improvements	3462HE1702	239,864	25,000		(9,680)			255,184	199,720	55,464	Completed		
Ridge Ski Lift Maintenance and Improvements	3462HE1903		45,000					45,000	33,450	11,550	Completed		
Ski Resort Snowmobile Fleet Replacement	3464LE1601		16,000					16,000	14,452	1,548	Completed		
2013 Yamaha Rhino (ATV) #674	3464LV1732		21,000					21,000	-	21,000	In Progress		
Replace Ski Rental Equipment	3468RE0602	335,000	200,000					535,000	-	535,000	In Progress		
Replace 2010 Shuttle Bus #635	3468HE1736		140,000					140,000	-	140,000	Delayed		
Replace 2010 Shuttle Bus #636	3468HE1740		140,000					140,000	-	140,000	Delayed		
Pavement Maintenance, Diamond Peak and Ski Way	3468LI1105		25,000					25,000	21,335	3,665	On-going		
Ski Way and Diamond Peak Parking Lot Reconstruction	3468LI1805	220,000	300,000		8,320			528,320	19,500	508,820	Delayed		
Diamond Peak Facilities Flooring Material Replacement	3468BD1710		55,000					55,000	-	55,000	Delayed		
Arc Flash Study - Ski	3468BD2002		20,000					20,000	13,600	6,400	Completed		
Ecommerce/Middleware Software	3468CE1905	202,000						202,000	100,000	102,000	Completed		
Replace Staff Uniforms	3468OE1205		135,000					135,000	-	135,000	In Progress		
Ski Master Plan Implementation (Entitlements)	3653BD1501	450,000						50,000	2,760	47,240	Delayed		
		\$ 1,471,864	\$ 1,192,000	\$ -	\$ (1,360)	\$ -	\$ (400,000)	\$ 2,262,504	\$ 429,510	\$ 1,832,995			
<b>Parks:</b>													
Resurface and Coat Incline Park Bathroom Floors	4378BD1603		13,940					13,940	4,730	9,210	Delayed		
Rosewood Creek Pool Bridges	4378BD1705		8,000					8,000	11,066	(3,066)	Completed		
Preston Field Retaining Wall Replacement	4378BD1801		10,000					10,000	6,573	3,427	On-going		
2008 JD Pro-Gator #624	4378LE1731		36,000					36,000	35,170	830	Completed		
2015 Ball Field Groomer #706	4378LE1742		24,000					24,000	-	24,000	Cancel		
Maintenance, East & West End Parks	4378LI1207		7,000					7,000	3,110	3,890	In Progress		
Pavement Maintenance, Village Green Parking	4378LI1303		7,500					7,500	100	7,400	Delayed		
Pavement Maintenance, Preston Field	4378LI1403		5,000					5,000	1,630	3,370	In Progress		
Pavement Maintenance, Overflow Parking Lot	4378LI1602		5,000					5,000	100	4,900	Delayed		
Pump Truck	4378LI1604		-					-	250	(250)			
Pavement Maintenance - Incline Park	4378LI1802		3,500					3,500	1,050	2,450	Delayed		
2004 Pick-up Truck 4x4 (1-Ton) #541	4378LV1737		45,000					45,000	43,623	1,377	Completed		
Replace Playgrounds - Preston	4378RS1601		7,500					7,500	-	7,500	Delayed		
Incline Park Facility Renovations (Net of Grants)	4378LI1803		-					-	86,005	(86,005)	Prior Year		
2003 1-Ton Service Truck #520	4378LV1736		-					-	43,083	(43,083)	Prior Year		
		\$ -	\$ 172,440	\$ -	\$ 43,063	\$ -	\$ -	\$ 215,603	\$ 236,472	\$ (20,869)			
<b>Tennis:</b>													
Paint All Court Fences and Light Poles, Replace Wind Screens	4588BD1602		26,000					26,000	-	26,000	Delayed		
Tennis Center Renovation	4588BD1604	996,630	-					996,630	654,440	342,190	Completed		
Pavement Maintenance, Tennis Facility	4588LI1201		5,000					5,000	-	5,000	Delayed		
Resurface Tennis Courts B-9-10-11	4588RS1401		17,600				(17,600)	-	-	-			
Tennis Center Pickle Ball Court Conversion	4588RS2101		-				17,600	17,600	17,600	-	Completed		
		\$ 996,630	\$ 48,600	\$ -	\$ -	\$ -	\$ -	\$ 1,045,230	\$ 872,640	\$ 172,590			
<b>Recreation Center:</b>													
Recreation Center Upstairs Lobby Restrooms Remodel	4884BD1902		170,000					170,000	45,067	124,933	In Progress		
Pavement Maintenance, Recreation Center Area	4884LI1102		62,500					62,500	63,005	(505)	Completed		
Fitness Equipment	4886LE0001		45,000					45,000	45,481	(481)	Completed		
Rec Center Locker Room Improvements	4889FF1202		60,000					60,000	65,807	(5,807)	In Progress		
Recreation Center Elevator Modernization	4889ME2001		97,500					97,500	87,681	9,819	Completed		
Recreation Center Printer Copier Replacement 980 Incline Way	4889OE1607		20,000					20,000	6,870	13,130	Completed		
Repair Deck Stairs and Powder Coat All Patio Deck Railings	4884FF1502		-			24,200		24,200	24,200	-	Completed		
		\$ -	\$ 455,000	\$ -	\$ 24,200	\$ -	\$ -	\$ 479,200	\$ 340,112	\$ 139,088			
<b>Community Services Administration:</b>													
Arc Flash Study - Community Services	4998BD2001		10,000					10,000	7,000	3,000	In Progress		
Web Site Redesign and Upgrade	4998OE1389		80,000					80,000	-	80,000	Delayed		
		\$ -	\$ 90,000	\$ -	\$ -	\$ -	\$ -	\$ 90,000	\$ 7,000	\$ 83,000			
<b>Community Services Total</b>									\$ 2,907,255				
<b>Beach:</b>													
Burnt Cedar Swimming Pool Improvements	3970BD2601		225,000		1,258,289			1,483,289	1,226,710	256,579	In Progress		
Pavement Maintenance, Ski Beach	3972BD1301		8,000					8,000	1,200	6,800	On-going		
Beaches Landscape and Retaining Wall Enhancement and Replacement	3972BD1501		55,000					55,000	35,000	20,000	Delayed		
Burnt Cedar Dumpster enclosures	3972BD1707		35,000					35,000	5,860	29,140	Delayed		
Beach Furnishings	3972FF1704		7,000					7,000	6,535	465	Completed		
Pavement Maintenance, Incline Beach	3972LI1201		6,500					6,500	4,700	1,800	On-going		
Pavement Maintenance, Burnt Cedar Beach	3972LI1202		12,500					12,500	200	12,300	On-going		
Replace Playgrounds - Beaches	3972RS1701		7,500					7,500	-	7,500	On-going		
Incline Beach Facility Replacement	3973LI1302		100,000					100,000	-	100,000	Delayed		
		\$ -	\$ 454,500	\$ -	\$ 1,258,289	\$ -	\$ -	\$ 1,712,789	\$ 1,245,205	\$ 467,584			
<b>District-wide Total</b>		\$ 17,341,377	\$ 9,023,190	\$ -	\$ 1,313,677	\$ -	\$ (11,985,890)	\$ 15,651,364	\$ 7,889,650	\$ 7,761,715			



**MEMORANDUM**

**TO:** Audit Committee

**THROUGH:** Ray Tulloch

**FROM:** Clifford F. Dobler

**SUBJECT:** Effluent Pipeline CIP charges to expense for FY 2020 and 2021

**STRATEGIC**

**PLAN REFERENCE(S):** None

**DATE:** 3-17-2022

*Include on a new master Effects schedule of unadjusted differences*

*Taken in '22?*

*we have taken 167,051  
182  
25 @*

**I. RECOMMENDATION**

The Audit Committee recommends that a charge off to expense of \$182,022 for costs incurred on the Effluent Pipeline during Fiscal years ending June 30, 2020 and 2021. The Audit Committee also recommends that the charge off occur in a restated ACFR for fiscal year 2021.

*to restate.*

**II. BACKGROUND and ANALYSIS**

The Effluent Pipeline Project (excluding the pond) has not progressed beyond preliminary stage activities which include conceptual formulation, evaluation of alternatives, determination of future needs, feasibility studies and development of financing alternatives. According to the Moss Adams report, costs incurred in the preliminary stage activities are typically expensed as they are not directly connected with creating service capacity.

On February 10, 2021, the Audit Committee submitted its report to the Board of Trustees and recommended that \$3,179,000 of costs incurred through June 30, 2019 should be expensed. The Board of Trustees accepted the report but the costs were not charged off in the fiscal year ending June 30, 2020.

*GAAP for this? '21? financing?*

In the fiscal year ending June 30, 2021, after considerable debate, \$3,110,110 was charged off as expense and reported as a prior period adjustment. An explanation of the \$69,000 difference between the AC recommendation and the charge off was never disclosed to the Audit Committee.

During fiscal years ending June 30, 2020 and 2021, additional costs of \$110,790 and \$71,233 have been recorded as Construction in Progress and not been charged off as an expense.

During the current fiscal year ending June 30, 2022, it is anticipated that approximately \$800,000 to \$1,000,000 in costs may be incurred for preliminary stage activities on the Effluent Pipeline and will require charge offs.

Exhibit A - Capital Improvement Report as of June 30, 2020  
Exhibit B - Capital Improvement Report as of June 20, 2021

**III. BID RESULTS**

Not required

**IV. FINANCIAL IMPACT AND BUDGET**

Material weakness in financial reporting.

**V. ALTERNATIVES**

NONE

**VI. COMMENTS**

IGNOR the AC recommendation and continue inconsistency in financial reporting

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

None

**VIII. BUSINESS IMPACT**

Material weakness in financial reporting could lead to higher interest rates on the planned borrowing

*M*

*182*

*outcome ?*

*DF: push on agenda - goal.*

Project Description	CIP #	Carry Forward 2019-20	Capital Budget 2019-20	Budget Reallocations	Carry Forward to FY 2020-21	6/30/2019 Balance	Object 8120 & 8105 Additions	Cost Transfers	Asset In Service	6/30/2020 CIP Balance
<i>General Fund</i>										
Administration Fire Panel Replacement	1099BD1803	-	-	-	-	18,000.00	9,466.90	-	27,466.90	-
Check Writer Printer Replacement - 893 Southwood Administration Building	1212OE1601	6,000.00	-	-	-	-	-	-	-	-
Digital Records Management System	1099CO1802	75,000.00	-	-	-	-	-	-	-	-
District Communication Radios	1213CE1701	-	6,000.00	-	-	-	5,779.83	-	5,779.83	-
District Wide PC, Laptops, Peripheral Equipment and Desk Top Printers	1213CO1703	-	95,000.00	-	-	-	59,868.70	-	59,868.70	-
Human Resource Management and Payroll Processing Software	1315CO1801	120,000.00	180,000.00	-	300,000.00	-	-	-	-	-
IT Infrastructure	1213CO1505	-	132,800.00	-	-	-	201,356.60	-	201,356.60	-
IT Master Plan - IT Security Devices	1213CE1101	-	15,000.00	-	-	-	-	-	-	-
Microsoft Exchange Server	1213CO1802	-	28,600.00	-	-	-	-	-	-	-
Microsoft Office Licenses	1213CO1803	-	9,045.00	-	-	-	-	-	-	-
Pavement Maintenance - Administration Building	1099U1705	-	5,000.00	-	-	-	2,952.00	-	2,952.00	-
Windows Server Operating System	1213CO1804	-	14,000.00	-	-	-	-	-	-	-
		201,000.00	485,445.00	-	300,000.00	18,000.00	279,424.03	-	297,424.03	-
						Fund 990	Fund 100		Fund 990	Fund 990
<i>Utilities</i>										
<i>Public Works</i>										
Household Hazardous Waste Building Improvements	2097BD1802	-	15,000.00	-	-	-	-	-	-	-
Adjust Utility Facilities in RDOT/Washoe County Right of Way	2097DI1401	-	60,000.00	-	-	45,182.00	37,236.23	-	60,557.42	21,860.81
2010 International Vector Truck #638	2097HV1732	-	-	-	-	-	416,563.50	-	416,563.50	-
1996 Peterbilt Dump Truck #299	2097HV1754	-	75,000.00	-	-	-	-	-	-	-
2004 9' Western Snow Plow #542A	2097LE1723	-	9,000.00	-	-	-	-	-	-	-
2015 Sander/Spreader #710	2097LE1724	-	20,000.00	-	-	-	7,829.31	-	7,829.31	0.00
Pavement Maintenance, Utility Facilities	2097LI1401	-	45,000.00	-	-	-	26,384.36	-	26,384.36	-
2004 GMC 1-Ton Flatbed #542 Pipeline Dept.	2097LV1746	-	48,000.00	-	-	-	-	-	-	-
2008 Chevrolet Service Truck #609 Meter Truck	2097LV1747	-	36,000.00	-	-	-	31,158.98	-	31,158.98	-
Water Reservoir Safety and Security Improvements (Moved from Water)	2097DI1701	386,600.00	10,000.00	-	389,395.00	52,529.75	10,709.01	-	-	63,238.76
<i>Water</i>										
Water Pumping Station Improvements	2299DI1102	-	45,000.00	-	-	43,100.00	38,201.84	-	81,301.84	-
Replace Commercial Water Meters, Vaults and Lids	2299DI1103	-	20,000.00	-	-	618.87	10,883.21	-	11,502.08	-
Water Reservoir Coatings and Site Improvements	2299DI1204	-	85,000.00	-	-	-	71,638.39	-	71,638.39	-
Burnt Cedar Water Disinfection Plant Improvements	2299DI1401	-	50,000.00	-	-	-	22,135.00	-	-	22,135.00
Water Pump Station 2-1 Improvements	2299DI1702	791,800.00	-	-	-	45,700.00	332,085.44	-	377,785.44	-
Burnt Cedar Water Disinfection Plant Emergency Generator Fuel Tank Upgrades	2299DI1707	-	200,000.00	-	175,000.00	-	23,928.25	-	-	23,928.25
Watermain Replacement - Martis Peak Road	2299WS1704	-	50,000.00	-	-	-	58,499.12	-	-	58,499.12
Leak Study R2-1 14inch Steel	2299WS1801	-	-	-	-	78,156.08	349.80	-	-	78,505.88
Watermain Replacement - Alder Avenue	2299WS1802	-	-	-	-	37,587.80	-	-	37,587.80	-
<i>Sewer</i>										
Effluent Export Line - Phase II	2524SS1010	2,251,918.00	2,000,000.00	-	11,586,890.00	662,506.59	71,232.93	-	-	733,739.52
Building Upgrades Water Resource Recovery Facility	2599BD1105	-	10,000.00	-	-	-	-	-	-	-
Treatment Plant Fire Panel Replacement	2599BD1802	-	-	-	-	65,000.00	(13,884.00)	-	51,116.00	-
Sewer Pumping Station Improvements	2599DI1104	-	15,000.00	-	-	-	17,265.15	-	17,265.15	-
Sewer Pump Station #1 Improvements	2599DI1703	220,000.00	250,000.00	-	390,866.00	56,098.15	79,750.23	-	-	135,848.38
Wastewater Treatment Plant Improvements	2599SS1102	-	100,000.00	-	-	57,423.18	44,666.99	-	95,623.85	6,466.32
Wetlands Effluent Disposal Facility Improvements	2599SS1103	-	10,000.00	-	-	-	9,654.44	-	9,654.44	-
Replace & Reline Sewer Mains & Manholes	2599SS1203	-	10,000.00	-	-	79,058.77	18,100.36	-	97,159.13	-
WRRF Biosolids Blins	2599SS1702	-	-	-	-	61,300.00	-	-	61,300.00	-
WRRF Aeration System Improvements	2599SS1707	100,000.00	1,200,000.00	466,500.00	1,598,524.00	133,791.30	329,758.73	-	-	463,550.03
UTILITIES SUBTOTALS:		3,750,318.00	4,363,000.00	466,500.00	14,140,676.00	1,418,052.49	1,644,147.27	-	1,454,427.69	1,607,772.08
<i>Golf</i>										
<i>Championship Golf</i>										
Championship Course Greens, Tees and Bunkers	3141GC1202	25,000.00	-	-	-	67,322.36	20,351.66	-	87,674.02	-
Championship Course Greens and Surrounds	3141GC1802	-	15,000.00	-	-	9,468.33	11,874.76	-	21,343.09	-
Venue Signage Enhancement	3141BD1706	20,000.00	40,000.00	-	-	-	-	-	-	-
Champ. Golf Fuel Tank Epoxy Coating - Unbudgeted	3141BD2001	-	Unbudgeted	-	-	-	8,500.00	-	8,500.00	-
Championship Golf Course Bear Boxes	3141FF1903	-	7,000.00	-	-	-	6,654.70	-	6,654.70	-
Irrigation Improvements	3141GC1103	-	30,000.00	-	5,000.00	-	24,057.24	-	24,057.24	E
Maintenance Building Drainage, Washpad and Pavement Improvements	3141GC1501	-	30,000.00	-	-	-	48,092.18	-	-	48,092.18
Championship Course Tees	3141GC1803	-	15,000.00	-	-	-	12,198.40	-	12,198.40	-
Pavement Maintenance of Parking Lots - Champ Course & Chateau	3141LI1201	-	17,500.00	-	-	-	12,891.00	-	12,891.00	-
Pavement Maintenance of Cart Paths - Champ Course	3141LI1202	-	60,000.00	-	-	-	57,074.00	-	57,074.00	-
2005 Carryall Club Car #564	3142LE1733	-	11,000.00	-	-	-	11,468.00	-	11,468.00	-
2005 Carryall Club Car #565	3142LE1734	-	11,000.00	-	-	-	11,468.00	-	11,468.00	-
2005 Carryall Club Car #566	3142LE1735	-	11,000.00	-	-	-	11,468.00	-	11,468.00	-
2005 Carryall Club Car #567	3142LE1736	-	11,000.00	-	-	-	11,468.00	-	11,468.00	-
Replacement of 2010 John Deere 8500 #641	3142LE1760	-	92,000.00	-	92,000.00	-	-	-	-	-
Driving Range Improvements	3143GC1202	-	31,000.00	-	-	-	17,525.19	-	17,525.19	-
Champ Grille Kitchen Equipment	3153FF1204	-	46,200.00	-	-	-	51,611.67	-	51,611.67	-

Summary of CIP Activity by Project for the Fiscal Year Ending 6/30/2020

Project Description	CIP #	Carry Forward	Capital Budget	Budget	Carry Forward	6/30/2019	Object 8120	Cost Transfers	Asset in Service	6/30/2020
		2019-20	2019-20	Reallocations	to FY 2020-21	Balance	& 8105			CIP Balance
1997 1-Ton Dump Truck #419	3197HV1749	-	5,000.00	-	-	-	-	-	-	-
2015 John Deere 1500 Fairway Aerator #716	3197LE1732	-	27,000.00	-	-	-	27,646.86	-	27,646.86	-
2005 John Deere Pro Gator #569	3197LE1740	-	34,500.00	-	-	-	34,507.85	-	34,507.85	-
2015 Greens Roller #715	3197LE1741	-	17,000.00	-	-	-	12,600.00	-	12,600.00	-
2014 Vibratory Greens Roller #696	3197LE1742	-	17,000.00	-	-	-	12,600.00	-	12,600.00	-
2004 John Deere 4410 Tractor #548	3197LE1746	-	40,000.00	-	-	-	27,641.01	-	27,641.01	-
Maintenance Shop Crane and Equipment Lift	3197ME1710	-	30,000.00	-	21,827.00	-	8,173.00	-	-	8,173.00
Championship Golf Printer Copier Replacement 955 Fairway	3199OE1501	-	10,000.00	-	-	-	-	-	-	-
<b>Mountain Golf</b>										
ADA Access to On-course Restrooms	3241BD1402	-	-	-	-	7,687.35	-	-	7,687.35	-
Mtn. Golf Course Remodel On Course Restrooms, #6 & #13/14	3241BD1503	-	60,000.00	-	-	141,650.17	27,357.70	-	169,007.87	-
Mountain Course Greens, Tees and Bunkers	3241GC1101	-	43,000.00	-	15,000.00	20,561.48	29,436.29	-	49,997.77	Expense
Irrigation Improvements	3241GC1404	-	39,000.00	-	18,000.00	-	20,953.23	-	20,953.23	Expense
Mountain Course Clubhouse and Maintenance Building Water Service Line Replacement	3241GC1802	-	65,000.00	(65,000.00)	-	-	-	-	-	-
Mountain Golf Course Cart Path Retaining Walls	3241LJ1704	-	17,500.00	-	-	7,000.00	2,650.00	-	-	9,650.00
Mountain Golf Cart Path Replacement - Unbudgeted	3241LJ1903	-	-	166,395.00	166,395.00	-	-	-	-	-
Mountain Course 58 Cart Fleet	3241LV1899	-	288,000.00	(166,395.00)	113,985.00	-	-	-	-	-
Mountain Golf Fuel Storage Facility	3241ME1804	-	200,000.00	-	-	-	-	-	-	-
2005 Carryall Club Car #568	3242LE1725	-	11,000.00	-	-	-	11,468.00	-	11,468.00	-
Pavement Maintenance of Parking Lot - Mountain Golf Course	3242LJ1204	-	22,500.00	-	-	-	21,750.00	-	21,750.00	Expense
Pavement Maintenance of Cart Paths - Mountain Golf Course	3242LJ1205	-	40,000.00	-	-	-	36,573.00	-	36,573.00	Expense
Mountain Course Clubhouse and Maintenance Building Replacement	3299BD1403	-	-	-	-	132,203.83	-	-	-	132,203.83
Repair Roof - Mountain Golf Club House	3299BD1702	76,400.00	25,000.00	-	-	8,072.00	114,666.14	-	122,738.14	Cost overrun
Paint Exterior of Mountain Golf Clubhouse	3299BD1705	27,800.00	41,500.00	-	-	-	19,080.00	Expense 2019	19,080.00	-
Mountain Clubhouse Fire Repairs - Unbudgeted	3299BD1902	-	1,464,000.00	65,000.00	-	150,751.45	1,309,027.23	-	1,591,982.51	(132,203.83)
		149,200.00	2,924,700.00	-	432,207.00	544,716.97	2,032,833.11	-	2,511,634.90	65,915.18
<b>Facilities</b>										
Chateau - Replace Carpet	3350BD1103	-	62,000.00	-	-	-	41,745.00	-	-	41,745.00
Replace Hallway Tile at Chateau	3350BD1804	-	65,000.00	-	-	-	-	-	-	-
Repair and Refinish Wood Walls Upstairs at Chateau	3350BD1805	-	10,000.00	-	-	-	9,275.00	-	9,275.00	-
Catering Kitchen Equipment	3350FF1204	-	18,900.00	-	-	-	24,438.84	-	-	24,438.84
Enclose Chateau Exterior Storage Area	3350FF1601	6,500.00	-	-	-	3,875.00	(3,875.00)	Where reclassified?	-	-
Replacement Sod at Aspen Grove	3351LJ1807	-	18,000.00	-	-	-	-	-	-	-
		6,500.00	173,900.00	-	-	3,875.00	71,583.84	-	9,275.00	66,183.84
<b>Ski</b>										
Base Lodge Walk In Cooler and Food Prep Reconfiguration	3453BD1806	-	25,000.00	-	25,000.00	-	-	-	-	-
Replace Main Lodge/Snowflake Lodge Dining Furniture and Fixtures	3453FF1706	-	38,000.00	-	-	-	37,270.00	-	37,270.00	-
Lakeview Ski Lift Maintenance and Improvements	3462HE1702	-	250,000.00	-	239,864.00	-	19,815.60	-	-	19,815.60
Red Fox Ski Lift Maintenance and Improvements	3462HE1712	-	30,000.00	-	-	-	-	-	-	-
Replacement of 2008 Grooming vehicle # 628	3463HE1727	-	390,000.00	-	-	-	374,500.00	-	374,500.00	-
Vehicle Shop/Snowmaking Pumphouse Roof	3464BD1302	-	-	-	-	7,320.00	-	-	7,320.00	-
Resurface Main Lodge Decks	3464BD1403	-	75,200.00	-	-	-	55,337.50	-	55,337.50	-
Replace Snowmaking Air Compressor Microprocessor Control Units	3464HE1902	-	100,000.00	-	-	-	73,120.96	-	73,120.96	-
Ski Resort Snowmobile Fleet Replacement	3464LE1601	-	15,500.00	-	-	-	14,517.98	-	14,517.98	-
2012 Yamaha ATV #683	3464LV1731	-	18,000.00	-	-	-	17,882.57	-	17,882.57	-
Diesel Exhaust Fluid Storage/Dispenser	3464ME1907	-	20,000.00	-	-	-	12,823.44	-	12,823.44	-
Fan Guns Purchase and Refurbishment	3464SI1002	-	130,000.00	-	-	-	117,814.16	-	117,814.16	-
Snowmaking Infrastructure Evaluation and Enhancement	3464SI1104	-	-	-	-	33,500.00	(33,500.00)	-	-	-
Upgrade Popular Snowmaking Power Alignment	3464SI1708	24,000.00	-	-	-	19,324.34	(19,324.34)	-	-	-
Replace Ski Rental Equipment	3468RE0002	135,000.00	200,000.00	-	335,000.00	-	-	-	-	-
Pavement Maintenance, Diamond Peak and Ski Way	3469LJ1105	-	55,000.00	-	-	-	48,235.48	Expense	48,235.48	-
Ski Way and Diamond Peak Parking Lot Reconstruction	3469LJ1805	-	225,000.00	-	220,000.00	43,599.90	(3,320.00)	-	-	40,279.90
Diamond Peak Way Finding Signage Evaluation and Enhancement	3469RS1709	16,550.00	-	-	-	23,450.00	-	-	-	23,450.00
Ski Area Master Plan Update and Summer Activities Assessment	3499BD1399	-	-	-	-	156,029.78	-	-	-	156,029.78
Diamond Peak Facilities Flooring Material Replacement	3499BD1710	-	43,000.00	-	-	-	39,055.18	-	39,055.18	-
Ski Fleet Fire Panel Replacement - Unbudgeted	3499BD1801	-	-	-	-	-	-	-	-	-
Snowflake Lodge Facilities Maintenance and Improvements	3499BD1803	-	-	-	-	4,533.99	-	-	4,533.99	-
Storage Building Replacement Design Evaluation (Net of Grants)	3499BD1804	40,000.00	-	-	-	-	-	-	-	-
Ski Rental Shop Doors	3499BD1904	-	13,000.00	-	-	-	9,362.00	-	9,362.00	-
HVAC Control Changeout	3499BD1905	-	21,000.00	-	-	-	-	-	-	-
Ecommerce / Middleware Software	3499CE1909	-	202,000.00	-	202,000.00	-	-	-	-	-
Skier Services Building Customer Service Counter	3499FF1607	-	12,000.00	-	-	12,985.00	800.00	-	13,785.00	-
Skier Services Administration Printer Copier Replacement 1210 Ski Way	3499OE1502	-	10,000.00	-	-	-	-	-	-	-
Ski Area Master Plan Implementation - Phase 1	3653BD1501	682,600.00	-	-	450,000.00	67,302.73	28,320.00	-	-	95,622.73
		898,150.00	1,872,700.00	-	1,471,864.00	368,045.74	792,710.53	-	825,558.26	335,198.01
<b>Parks</b>										
Aspen Grove Flatscape and Retaining Wall Enhancement and Replacement	4378BD1605	-	55,000.00	-	-	-	-	-	-	-
Rosewood Creek Foot Bridges	4378BD1705	-	8,000.00	-	-	-	-	-	-	-

Summary of CIP Activity by Project for the Fiscal Year Ending 6/30/2020

Project Description	CIP #	Carry Forward	Capital Budget	Budget	Carry Forward	6/30/2019	Object 8120	Cost Transfers	Asset In Service	6/30/2020	expense
		2019-20	2019-20	Reallocations	to FY 2020-21	Balance	& 8105 Additions			CIP Balance	
Incline Park Fencing Refurbishment	43788D1707	18,000.00	-	-	-	-	-	-	-	-	-
Incline Park Improvements - Unbudgeted	43788B1801	-	-	-	-	120,267.57	-	-	-	120,267.57	-
Village Green Restroom drainage improvements	43788D1901	-	25,000.00	-	-	-	5,885.28	-	-	5,885.28	-
Incline Park Backflow Device Replacement	43788D1702	18,800.00	32,000.00	-	-	3,817.29	42,179.59	-	45,996.88	-	-
2005 Shatterline Aerifier	4378LE1724	-	8,100.00	-	-	-	8,515.00	-	8,515.00	-	-
2008 JD Pro-Gator #623	4378LE1730	-	35,000.00	-	-	-	34,677.06	-	34,677.06	-	-
2013 Ball Field Groomer #681	4378LE1739	-	17,100.00	-	-	-	21,000.00	-	21,000.00	-	-
2013 Ball Field Mower / Toro 3500D Groundsmaster #582	4378LE1740	-	35,400.00	-	-	-	33,822.19	-	33,822.19	-	-
High School Public Park	4378LI0903	-	-	-	-	77,216.47	(77,216.47)	-	-	-	-
Pavement Maintenance, East & West End Parks	4378LI1207	-	-	-	-	1,100.00	-	-	-	1,100.00	-
Pavement Maintenance, Village Green Parking	4378LI1303	-	5,000.00	-	-	1,910.10	-	-	-	1,910.10	-
Pavement Maintenance, Preston Field	4378LI1403	-	5,000.00	-	-	1,910.10	-	-	-	1,910.10	-
Bocce Courts at Rec Center	4378LI1503	-	-	-	-	8,240.68	-	-	-	8,240.68	-
Incline Creek Restoration Project - Upstream of SR-28 (Net of Grants)	4378LI1504	178,800.00	163,200.00	-	-	-	-	-	-	-	-
Restoration Project - Upstream of SR28	4378LI1504B	36,000.00	-	-	-	71,120.50	346,454.22	-	417,574.72	-	-
Pavement Maintenance, Overflow Parking Lot	4378LI1602	-	5,000.00	-	-	1,910.10	(1,910.10)	-	-	-	-
Pump Track Demonstration	4378LI1604	317,852.00	-	-	-	6,066.92	(6,066.92)	-	-	0.00	-
Pavement Maintenance - Incline Park	4378LI1802	-	7,500.00	-	-	1,500.00	7,250.00	-	8,750.00	-	-
Incline Park Facility Renovations (Net of Grants)	4378LI1803	-	-	-	-	33,330.00	1,435,384.67	-	-	1,468,714.67	-
Bocce Courts at Recreation Center Property Design	4378LI1804	15,000.00	-	115,000.00	-	-	94,836.60	-	-	94,836.60	-
2003 1-Ton Service Truck #520	4378LV1736	-	43,000.00	-	-	-	-	-	-	-	-
		584,452.00	444,300.00	115,000.00	-	328,389.73	1,944,812.12	-	570,335.85	1,702,866.00	-
<b>Tennis</b>											
Tennis Center Renovation	45888D1604	8,450.00	1,285,000.00	(115,000.00)	996,630.00	52,315.00	199,108.19	-	-	251,423.19	-
Pavement Maintenance, Tennis Facility	4588LI1201	-	23,500.00	-	-	3,100.00	20,710.00	-	23,810.00	-	-
Resurface Tennis Courts 3 thru 7	4588RS1402	-	-	-	-	34,965.00	(1,690.00)	-	33,275.00	-	-
Resurface Tennis Courts 1 and 2	4588RS1501	-	47,000.00	-	-	-	15,650.00	-	-	15,650.00	-
Tennis Facility Study	4588RS1605	-	-	-	-	40,142.24	-	-	-	40,142.24	-
		8,450.00	1,355,500.00	(115,000.00)	996,630.00	130,522.24	233,778.19	-	57,085.00	307,215.43	-
<b>Recreation Center</b>											
Rec Center Natatorium Mezzanine - Unbudgeted Project from FY 15/16	48848D1501	-	-	-	-	6,929.10	(6,929.10)	-	-	-	-
Replace Walkway Bollard Lights	48848D1703	54,950.00	55,000.00	-	-	5,550.00	100,503.00	-	-	106,053.00	-
Repair Deck Stairs and Powder Coat All Patio Deck Railings	4884FF1502	-	20,000.00	14,190.00	-	128,660.50	5,669.75	-	134,330.25	-	-
Recreation Center Natatorium Mezzanine Safety Enhancements	48848D1601	-	90,000.00	-	-	-	-	-	-	-	-
External Surveillance Security Cameras for Recreation Center	4884CE1903	-	15,000.00	-	-	-	11,045.28	-	11,045.28	-	-
Pavement Maintenance, Recreation Center Area	4884LI1102	-	57,500.00	-	-	-	27,364.04	-	27,364.04	-	-
Pool Facility Deck/Floor Re-coat	48856D1606	-	34,000.00	(14,190.00)	-	-	19,810.00	-	19,810.00	-	-
Fitness Equipment	4886LE0001	-	44,200.00	-	-	-	17,718.66	-	-	17,718.66	-
Paint Interior of Recreation Center	48998D1305	-	15,500.00	-	-	-	-	-	-	-	-
Paver Install Front Walkway at Recreation Center	48998D1801	-	82,500.00	-	-	-	69,633.00	-	69,633.00	-	-
		54,950.00	413,700.00	-	-	141,139.60	244,814.63	-	262,182.57	123,771.66	-
<b>Community Services Administration</b>											
Parks and Recreation Master Plan Update	4999RS1603	-	-	-	-	261,501.64	(261,501.64)	-	-	-	-
		-	-	-	-	261,501.64	(261,501.64)	-	-	-	-
<b>COMMUNITY SERVICES SUBTOTALS:</b>		<b>1,701,702.00</b>	<b>7,184,800.00</b>	<b>-</b>	<b>2,900,701.00</b>	<b>1,778,190.92</b>	<b>5,059,030.78</b>	<b>-</b>	<b>4,236,071.58</b>	<b>2,601,150.12</b>	<b>-</b>
<b>Beaches</b>											
Burnt Cedar Food & Beverage Customer Improvements	39398D1803	8,650.00	-	-	-	1,750.00	(1,750.00)	-	-	-	-
Burnt Cedar Swimming and Toddler Pool Resurface and Mechanical Improvements	39708D2601	-	800,000.00	-	-	119,497.56	30,496.25	-	-	149,993.81	-
Kayak Rack Enhancements	3972LI1801	-	-	-	-	23,032.32	-	-	23,032.32	-	-
Incline Beach Facility Study	3973LI1302	29,400.00	-	-	-	210,631.84	5,500.00	-	-	216,131.84	-
Incline Beach Shade Structure - Unbudgeted Project from FY 15/16	39998D1507	-	-	-	-	6,000.00	-	-	-	6,000.00	-
Pavement Maintenance, Ski Beach	39728D1301	-	11,000.00	-	-	-	11,496.87	-	11,496.87	-	-
Beaches Flatscape and Retaining Wall Enhancement and Replacement	39728D1501	-	55,000.00	-	-	-	16,925.00	-	16,925.00	-	-
Burnt Cedar Dumpster enclosure	39728D1707	-	10,000.00	-	-	-	1,300.00	-	-	1,300.00	-
Beach Furnishings	3972FF1704	20,000.00	-	-	-	-	18,041.00	-	18,041.00	-	-
Pavement Maintenance, Burnt Cedar Beach	3972LI1202	50,000.00	6,000.00	-	-	-	-	-	-	-	-
		108,050.00	882,000.00	-	-	360,911.72	82,009.12	-	69,495.19	373,425.65	-
<b>Grand Total</b>		<b>5,761,070.00</b>	<b>12,915,245.00</b>	<b>466,500.00</b>	<b>17,341,377.00</b>	<b>3,575,155.13</b>	<b>7,064,611.20</b>	<b>-</b>	<b>6,057,418.49</b>	<b>4,582,347.85</b>	<b>-</b>



Incline Village General Improvement District		Capital Improvement Projects Report to the Board of Trustees						For the Fourth Quarter - Fiscal Year Ending June 30, 2021		Fiscal Year		Fiscal Year	
DESCRIPTION	PROJECT #	Prior Year		Current Year			Future Year Reservation Fund Balance	FY2020/21 Adjusted Budget	Fiscal Year Expenditures As of 6/30/21	Variance	Status		
		Carry Forward	Budgeted	Projects Cancelled	Adjustments	Reallocation							
<b>Chateau:</b>													
Resurface Patio Deck - Chateau	3350BD1302		36,000					36,000		17,300	18,700	Completed	
Replace Air Walls Chateau	3350BD1704		56,500					56,500		3,150	53,350	Completed	
Retofit Chateau Ventilation Ducts	3350ME2001		7,500					7,500		6,600	900	Completed	
Catering Kitchen Equipment	3350FF1204									(3,288)	3,288	Completed	
		\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ 23,762	\$ 76,238		
<b>Diamond Peak Ski Resort:</b>													
Base Lodge Walk in Cooler and Food Prep Reconfiguration	3453BD1806	25,000	15,000					40,000		-	40,000	Delayed	
Crystal Express Ski Lift Maintenance and Improvements	3462HE1502		55,000					55,000		34,793	20,207	In Progress	
Lakeview Ski Lift Maintenance and Improvements	3462HE1702	239,864	25,000		(9,680)			255,184		199,720	55,464	Completed	
Ridge Ski Lift Maintenance and Improvements	3462HE1903		45,000					45,000		33,450	11,550	Completed	
Ski Resort Snowmobile Fleet Replacement	3464LE1601		16,000					16,000		14,452	1,548	Completed	
2013 Yamaha Rhino (ATV) #674	3464LV1732		21,000					21,000		-	21,000	In Progress	
Replace Ski Rental Equipment	3468RE0602	335,000	200,000					535,000		-	535,000	In Progress	
Replace 2010 Shuttle Bus #635	3468HE1736		140,000					140,000		-	140,000	Delayed	
Replace 2010 Shuttle Bus #636	3468HE1740		140,000					140,000		-	140,000	Delayed	
Pavement Maintenance, Diamond Peak and Ski Way	3468LI1105		25,000					25,000		21,335	3,665	On-going	
Ski Way and Diamond Peak Parking Lot Reconstruction	3468LI1805	220,000	300,000		8,320			528,320		19,500	508,820	Delayed	
Diamond Peak Facilities Flooring Material Replacement	3468BD1710		55,000					55,000		-	55,000	Delayed	
Arc Flash Study - Ski	3468BD2002		20,000					20,000		13,600	6,400	Completed	
Ecommerce/Middleware Software	3468CE1905	202,000						202,000		100,000	102,000	Completed	
Replace Staff Uniforms	3468OE1205		135,000					135,000		-	135,000	In Progress	
Ski Master Plan Implementation (Entitlements)	3653BD1501	450,000						50,000	(400,000)	50,000	2,760	47,240	Delayed
		\$ 1,471,864	\$ 1,192,000	\$ -	\$ (1,360)	\$ -	\$ (400,000)	\$ 2,262,504	\$ 2,262,504	\$ 429,510	\$ 1,822,995		
<b>Parks:</b>													
Resurface and Coat Incline Park Bathroom Floors	4378BD1603		13,940					13,940		4,730	9,210	Delayed	
Rosewood Creek Pool Bridges	4378BD1705		8,000					8,000		11,066	(3,066)	Completed	
Preston Field Retaining Wall Replacement	4378BD1801		10,000					10,000		6,573	3,427	On-going	
2008 JD Pro-Gator #624	4378LE1731		36,000					36,000		35,170	830	Completed	
2015 Ball Field Groomer #706	4378LE1742		24,000					24,000		-	24,000	Cancel	
Maintenance, East & West End Parks	4378LI1207		7,000					7,000		3,110	3,890	In Progress	
Pavement Maintenance, Village Green Parking	4378LI1303		7,500					7,500		100	7,400	Delayed	
Pavement Maintenance, Preston Field	4378LI1403		5,000					5,000		1,630	3,370	In Progress	
Pavement Maintenance, Overflow Parking Lot	4378LI1602		5,000					5,000		100	4,900	Delayed	
Pump Truck	4378LI1604		-					-		250	(250)		
Pavement Maintenance - Incline Park	4378LI1802		3,500					3,500		1,050	2,450	Delayed	
2004 Pick-up Truck 4x4 (1-Ton) #541	4378LV1737		45,000					45,000		43,623	1,377	Completed	
Replace Playgrounds - Preston	4378RS1601		7,500					7,500		-	7,500	Delayed	
Incline Park Facility Renovations (Net of Grants)	4378LI1803		-					-		86,005	(86,005)	Prior Year	
2003 1-Ton Service Truck #520	4378LV1736		-					-		43,083	(43,083)	Prior Year	
		\$ -	\$ 172,440	\$ -	\$ 43,063	\$ -	\$ -	\$ 215,503	\$ 215,503	\$ 236,472	\$ (20,969)		
<b>Tennis:</b>													
Paint All Court Fences and Light Poles, Replace Wind Screens	4588BD1602		26,000					26,000		-	26,000	Delayed	
Tennis Center Renovation	4588BD1604	996,630	-					996,630		854,440	142,190	Completed	
Pavement Maintenance, Tennis Facility	4588LI1201		5,000					5,000		-	5,000	Delayed	
Resurface Tennis Courts B-9-10-11	4588RS1401		17,600				(17,600)	-		-	-		
Tennis Center Pickle Ball Court Conversion	4588RS2101		-				17,600	17,600		17,600	-	Completed	
		\$ 996,630	\$ 48,600	\$ -	\$ -	\$ -	\$ -	\$ 1,045,230	\$ 1,045,230	\$ 872,640	\$ 173,190		
<b>Recreation Center:</b>													
Recreation Center Upstairs Lobby Restrooms Remodel	4884BD1902		170,000					170,000		45,067	124,933	In Progress	
Pavement Maintenance, Recreation Center Area	4884LI1102		82,500					82,500		63,005	(505)	Completed	
Fitness Equipment	4886LE0001		45,000					45,000		45,481	(481)	Completed	
Rec Center Locker Room Improvements	4889FF1202		60,000					60,000		65,807	(5,807)	In Progress	
Recreation Center Elevator Modernization	4889ME2001		97,500					97,500		87,681	9,819	Completed	
Recreation Center Printer Copier Replacement 980 Incline Way	4889OE1607		20,000					20,000		6,870	11,130	Completed	
Repair Deck Stairs and Powder Coat All Patio Deck Railings	4884FF1502		-				24,200	24,200		24,200	-	Completed	
		\$ -	\$ 465,000	\$ -	\$ 24,200	\$ -	\$ -	\$ 479,200	\$ 479,200	\$ 340,112	\$ 139,088		
<b>Community Services Administration:</b>													
Arc Flash Study - Community Services	4998BD2001		10,000					10,000		7,000	3,000	In Progress	
Web Site Redesign and Upgrade	4998OE1389		80,000					80,000		-	80,000	Delayed	
		\$ -	\$ 90,000	\$ -	\$ -	\$ -	\$ -	\$ 90,000	\$ 90,000	\$ 7,000	\$ 83,000		
<b>Community Services Total</b>									\$ 2,907,255				
<b>Beach:</b>													
Burnt Cedar Swimming Pool Improvements	3970BD2601		225,000		1,258,289			1,483,289		1,226,710	256,579	In Progress	
Pavement Maintenance, Ski Beach	3972BD1301		8,000					8,000		1,200	4,800	On-going	
Beaches Landscape and Retaining Wall Enhancement and Replacement	3972BD1501		55,000					55,000		35,000	20,000	Delayed	
Burnt Cedar Dumpster enclosures	3972BD1707		35,000					35,000		5,860	29,140	Delayed	
Beach Furnishings	3972FF1704		7,000					7,000		6,535	465	Completed	
Pavement Maintenance, Incline Beach	3972LI1201		6,500					6,500		4,700	1,800	On-going	
Pavement Maintenance, Burnt Cedar Beach	3972LI1202		12,500					12,500		299	12,300	On-going	
Replace Playgrounds - Beaches	3972RS1701		7,500					7,500		-	7,500	On-going	
Incline Beach Facility Replacement	3973LI1302		100,000					100,000		-	100,000	Delayed	
		\$ -	\$ 454,500	\$ -	\$ 1,258,289	\$ -	\$ -	\$ 1,712,789	\$ 1,712,789	\$ 1,245,205	\$ 467,584		
<b>District-wide Total</b>		\$ 17,341,377	\$ 9,023,190	\$ -	\$ 1,313,677	\$ -	\$ (11,985,890)	\$ 15,651,364	\$ 15,651,364	\$ 7,889,650	\$ 7,801,796		

Some has been  
written off.

Part of  
167

~~Some~~

Gov. vs.

Enterprise  
dep

Fully  
dep ?

50-100  
game, + some  
was written.



June 1, 2021

- 21 CAFR

Chronic problem. What is the ask?

9

To: TVGID Audit Committee

cc: Indra Winqwest and Paul Navazio

From: Clifford F. Dobler

Re: Golf Courses Irrigation, Greens, Tees and Bunkers ect. Expenses rather than capital assets

IVGID management has established ongoing capital projects for various costs to maintain or improve the irrigation system and other costs for Greens, Tees and Bunkers at the Championship and Mountain Golf Courses. Over the past six years, an average of \$103,366 per year has been spent and accounted for as capital assets as opposed to operating expenses. EXHIBIT A provides a summary for each course and type of cost.

According to the 1/14/2021 report by Moss Adams LLP regarding best practices for capitalization, a key criteria to consider: "do the costs increase the service capacity".

While it is unknown exactly what has been accomplished, I am aware of the following items at the Championship Golf Course.

too much judgement.

- Irrigation - Replacement of the irrigation apparatuses are always being repaired or replaced with new and better products, but do these replacements actually increase capacity?
- Greens - I am unaware of any major changes to the Greens.
- Tees - An additional set of tees on most holes were installed to provide shorter lengths and it is possible that service capacity could have been increased by more beginners playing golf. Expansion of the tee boxes on Hole #7 (upper level) and #17 have been completed. The costs to expand hole #17 was \$25,531. Service capacity would not be increased but the expansion was probably done to provide a larger area as the many divots made the original tees boxes somewhat unattractive.
- Bunkers- There are two parts. First part - Several bunkers were removed or made smaller to make the course easier to play. Second part - Some years past, sand was purchased from an Idaho supplier and installed in each bunker, however, the sand had pebbles. After several complaints by seasoned golfers, the sand was removed, sifted through grates and then reinstalled. The unanticipated result was the sand became a "hard pan" and not acceptable for proper bunker play. Over the past 3 to 4 years, and still ongoing, a higher grade of sand has been and continues to be installed. Prior to the installation, existing sand had to be removed and new drainage lines inside the bunkers were installed. The service capacity was not increased and the costs, if capitalized, were to correct a mishap in purchasing. Sand will always need to be installed as bunker play normally scatters sand outside the bunkers which is meshed into the fairways.
- Last year, a small one foot high split log fence was installed around certain tees and greens. These costs may have been capitalized, but did not increase service capacity and the objective may have been an effort for beautification.

**Conclusion and Recommendation** - These costs should be considered ongoing maintenance expenses similar to maintaining cart paths and parking lots. Beautification costs should be expensed as the results are similar to a marketing expense.

Recommendation would be to expense these historical costs in fiscal year 2021, consistent with the look back time period determined for the "Prior Year Adjustments" of \$514,254 made in fiscal year ending June 30, 2021 for previously capitalized costs for paving repairs and painting at the District various venues.

EXHIBIT A - Summary of Costs capitalized for Irrigation, Greens Tees and Bunkers - Golf Courses

?

EXHIBIT A

**Incline Village General Improvement District**

Capitalized Maintenance Costs which should have been expensed

Golf Courses

Fiscal years - 2015 to 2020

Six year time period

<u>Type of Maintenance</u>	<u>Championship</u>		<u>Mountain</u>		<u>Total Annual Avg</u>
	<u>Total Costs</u>	<u>Annual Average</u>	<u>Total Costs</u>	<u>Annual Average</u>	
Irrigation	160,023	26,671	48,953	8,159	34,829
Greens, Tees and Bunkers	212,352	35,392	151,874	25,312	60,704
Hole 17 rebuild	25,531	4,255			4,255
Drainage enhancements	7,982	1,330		-	1,330
Cart Path Retaining Walls			13,481	2,247	2,247
<b>Total</b>	<u>\$ 405,888</u>	<u>67,648</u>	<u>214,308</u>	<u>35,718</u>	<u>\$ 103,366</u>

**MEMORANDUM**

**TO:** Audit Committee

*Closed.*

**THROUGH:** Ray Tulloch

**FROM:** Clifford F. Dobler

**SUBJECT:** Lack of disclosure of Claims Payable - Note 13 and Restricted Funds - Note 14 in the 2021 Annual Comprehensive Financial Report

**STRATEGIC PLAN REFERENCE(S):** None

*Fixed in '23*

**DATE:** 3-29-2022

**I. RECOMMENDATION**

The Audit Committee recommends that Note 13 Claims Payable in the 2021 Annual Comprehensive Financial Report ("ACFR") be expanded to provide more information of the Claims. In the 2020 CAFR there is no indication of any Claims Payable in the Statement of Net Position or the Footnotes. As such, Note 13 is not factual. While the claim may have been included in accounts payable there was no claims payable. The expansion should provide detailed information on what was the nature, the terms, any interest and the IVGID fund which is responsible for the Claim.

*?*

The Audit Committee also recommends that Note 14 - Restricted Funds is unclear as to the purpose or the decision to restrict funds according to GASB Statement #34. The information contained in Note 14 should have been part of Note 13 relating to the Claims Payable. There is no cross reference other than a dollar amount.

*Done in '22*

In addition, there are other restricted funds which have not been disclosed in Note 14 which include \$141,727 in the Community Services Special Revenue Fund, \$1,000 in the Beach Special Revenue Fund, and \$324,306 in the Utility Fund.

*Why not?  
for '22?*

**II. BACKGROUND and ANALYSIS**

IVGID was required by a settlement reached in August 2020 between Washoe County and property owners within the IVGID boundaries, to refund a portion of property taxes collected in prior years. IVGID proportional share of the refunds is reported to be \$1,359,757.

The Claims Payable is effectively a debt obligation and disclosure of the Claims and its terms should be included under Long Term Debt Obligations since the Claims extend beyond one year.

The Washoe County, Nevada Notes to Financial Statements June 30, 2021 (page 63) refers to the claim as a Property Tax Refund and is included in Long Term Debt Obligations.

Exhibit A - Note 13 and 14 of the 2021 ACFR  
Exhibit B - Statement of Net Position 2021 ACFR  
Exhibit C - Statement of Net Position 2020 CAFR  
Exhibit D - Page 63, Washoe County Nevada Notes to the Financial Statements June 30, 2021

**III. BID RESULTS**

Not required

**IV. FINANCIAL IMPACT AND BUDGET**

Weakness in Financial Reporting

**V. ALTERNATIVES**

NONE

**VI. COMMENTS**

NONE

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

None

**VIII. BUSINESS IMPACT**

Possible risk premium of interest rates on borrowings as a result of material weakness in financial reporting.

? How is this related to prior 2 pages?

## EXHIBIT A

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.

The District has elected to participate in the Nevada Public Agency Compensation Trust (NVPACT) to provide workers compensation coverage for all employees. The District pays quarterly assessments. The assessments are based on actuarial estimates provided by NVPACT utilizing covered payroll data for the most recent calendar year. A portion of each member's assessment goes into the Loss Fund and the remainder pays for the excess insurance premiums and administrative expenses. This amount may vary each year.

### 13. CLAIMS PAYABLE

Claims payable are as follows for the last two fiscal years:

	<u>Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>End of Year</u>
FY2020	\$ -	\$1,359,757	\$ -	\$1,359,757
FY2021	1,359,757	-	-	1,359,757

### 14. RESTRICTED FUNDS

The General Fund reflects a restriction of \$1,359,736 to reflect the District's obligation under the terms of settlement of the property tax dispute filed against Washoe County et al, Nevada State Board of Equalization and the Department of Taxation by the Village League to Save Incline Assers, Inc. As the terms of the settlement are finalized, this amount is recorded as a liability at June 30, 2021 in the government-wide Statement of Net Position.

### 15. COMMITTED FUNDS

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 committed for the purpose of recreation privileges utilizing the assessed facility fee. Furthermore, fund balances within the Community Services Capital Fund and Beach Capital Fund are further committed for the purpose of future planned capital improvement projects. These funds generally represent revenues collected through the Recreation and Beach Facility fees allocated specifically to capital projects.

Exhibit B

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

STATEMENT OF NET POSITION  
JUNE 30, 2021

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<b>ASSETS</b>			
Cash, cash equivalents, and investments	\$ 28,903,510	\$ 15,828,516	\$ 44,732,026
Receivables:			
Accounts receivable, net	78,021	1,356,069	1,434,090
Interest on investments	16,415	3,790	20,205
Grants receivable	373,912	12,881	386,793
Due from other governments	505,377	-	505,377
Inventories	495,351	161,068	656,419
Prepaid items	779,979	-	779,979
Restricted assets:			
Restricted deposits	142,727	324,306	467,033
Capital assets:			
Land	17,290,327	6,715,544	24,005,871
Construction in progress	1,939,563	1,035,834	2,975,397
Buildings, structures, improvements, infrastructure, equipment and vehicles, net of accumulated depreciation	39,552,343	55,934,282	95,486,625
Total assets	<u>90,077,525</u>	<u>81,372,290</u>	<u>171,449,815</u>
<b>LIABILITIES</b>			
Accounts payable	1,379,102	288,273	1,667,375
Accrued personnel costs	1,397,480	333,705	1,731,185
Accrued interest payable	8,465	46,566	55,031
Due to other governments	17,678	-	17,678
Unearned revenue	2,201,964	171,921	2,373,885
Noncurrent liabilities:			
Bonds due within one year	378,000	573,891	951,891
Claims payable within one year	355,507	-	355,507
Bonds due in more than one year	389,043	2,972,341	3,361,384
Claims payable in more than one year	1,004,229	-	1,004,229
Total liabilities	<u>7,131,468</u>	<u>4,386,697</u>	<u>11,518,165</u>
<b>NET POSITION</b>			
Net investment in capital assets	58,015,190	60,139,428	118,154,618
Restricted	142,727	324,306	467,033
Unrestricted	24,788,140	16,521,859	41,309,999
Total net position	<u>\$ 82,946,057</u>	<u>\$ 76,985,593</u>	<u>\$ 159,931,650</u>

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

# Exhibit C

## INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

### STATEMENT OF NET POSITION JUNE 30, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 16,600,567	\$ 9,415,167	\$ 26,015,734
Short term investments	4,801,614	3,791,702	8,593,316
Receivables:			
Accounts receivable, net	7,165	1,268,002	1,275,167
Interest on investments	33,822	17,560	51,382
Taxes and Fees from Washoe County	38,914	-	38,914
Grants Receivable	371,079	12,881	383,960
Due from other governments	466,730	-	466,730
Inventories	557,257	151,327	708,584
Prepaid items	175,449	-	175,449
Long term investments	3,598,620	1,537,061	5,135,681
Restricted assets:			
Restricted Deposits	385,160	322,895	708,055
Capital assets:			
Land	17,290,327	6,715,544	24,005,871
Construction in progress	2,974,576	1,607,772	4,582,348
Buildings, Structures, Improvements, Infrastructure, Equipment and Vehicles, net of accumulated depreciation	<u>38,532,744</u>	<u>58,963,987</u>	<u>97,496,731</u>
Total assets	<u>85,834,024</u>	<u>83,803,898</u>	<u>169,637,922</u>
<b>LIABILITIES</b>			
Accounts payable	2,215,584	355,031	2,570,615
Accrued personnel costs	1,587,807	444,160	2,031,967
Accrued interest payable	11,235	54,080	65,315
Due to other governments	17,517	-	17,517
Unearned revenue	1,361,285	167,926	1,529,211
Noncurrent liabilities:			
Due within one year	368,000	538,707	906,707
Due in more than one year	763,685	3,546,231	4,309,916
Total liabilities	<u>6,325,113</u>	<u>5,106,135</u>	<u>11,431,248</u>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Deferred Inflow	<u>243,026</u>	<u>-</u>	<u>243,026</u>
<b>NET POSITION</b>			
Net investment in capital assets	57,665,962	63,202,365	120,868,327
Restricted	142,134	322,895	465,029
Unrestricted	<u>21,457,789</u>	<u>15,172,503</u>	<u>36,630,292</u>
Total net position	<u>\$ 79,265,885</u>	<u>\$ 78,697,763</u>	<u>\$ 157,963,648</u>

no claims payable

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



# Exhibit D

## WASHOE COUNTY, NEVADA NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2021 (CONTINUED)

Outstanding balances at June 30, 2021 is as follows:

	Governmental Activities	Business-type Activities	Total
<b>Washoe County:</b>			
Vacation	\$ 15,990,386	\$ 269,206	\$ 16,259,592
Sick Leave	10,327,919	156,818	10,484,737
Compensatory Leave	6,658,955	110,240	6,769,195
Benefits	475,219	7,776	482,995
Total Compensated Absences	\$ 33,452,479	\$ 544,040	\$ 33,996,519

### Net Other Postemployment Benefits Obligation

Prior to May 11, 2010, when the County established the Washoe County, Nevada OPEB Trust (Note 15), the County financed their net other postemployment benefits obligation on the pay-as-you-go basis with the funds accumulated in the Pre-Funded Retiree Health Benefits Fund. Currently, the OPEB Trust is funded from the General fund.

### Due to other Governments – Business Type Activities

The Utilities fund has a liability to an outside government agency in the amount of \$17,581 which is not due within 12 months.

### Pollution Remediation Obligation

The pollution remediation activities of the Central Truckee Meadows Remediation District (CTMRD) are paid for through an annual charge billed directly to residents and businesses within its boundaries. Accordingly, the CTMRD's pollution remediation obligation is limited to the net position accumulated by the fund for payment of future remediation related expenditures. All of the assets of CTMRD are held for remediation and are offset by a long-term liability for remediation. As of June 30, 2021, the remediation liability for net position held in CTMRD was \$4,770,578.

### Claims and Judgments

The claims and judgments liability of \$23,030,000 consists of pending property and liability claims, workers' compensation claims, and unprocessed health benefits claims. These claims will be liquidated through the Risk Management and Health Benefits Internal Service Funds (Note 16). The Risk Management and Health Benefits Funds finance the payment of claims by charging other funds based on management's assessment of the relative insurance risk that should be assumed by individual funds or, as needed, through transfers from the General Fund.

### Property Tax Refunds

The County was 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 vigorously defends the Assessor's valuations; however, in August 2020 the Board of County Commissioners approved a settlement agreement that would dismiss the case resulting in a roll back of property values and subsequent refunds in the amount of \$23,800,000. These property owner's claims will be paid starting July 1, 2021 by charging other funds based on management's assessment of the original property taxes paid that should be assumed by individual funds or, as needed, through transfers from the General Fund.

### Discretely Presented Component Unit:

L ?

### General obligation bonds

Truckee Meadow Fire Protection District (TMFPD) issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities and equipment. General obligation bonds are direct obligations and pledge the full faith and credit of TMFPD and are additionally secured by a pledge of 15% of certain proceeds of liquor taxes, tobacco taxes, real property transfer taxes, basic governmental services tax and basic and supplemental sales taxes. During the fiscal year 2021, principal and interest paid on the bonds totaled \$156,635 and pledged revenues totaled \$1,559,487.

TMFPD issued general obligation capital improvement bonds in the year ended June 30, 2021 to provide funds for fire station projects. These bonds will be repaid from all legally available funds of TMFPD, including its capital projects fund and its general fund. The bonds have a stated rate of interest of 1.53% and are payable in equal installments over the next 15 years.

**MEMORANDUM**

**TO:** Audit Committee

*Miss Adams -*

**THROUGH:** Ray Tulloch

**FROM:** Clifford F. Dobler

**SUBJECT:** Expensing net costs which were historically capitalized relating to 3 ongoing projects in the Utility Fund .

**STRATEGIC PLAN REFERENCE(S):** None

*Expensed in '22 ACFR ?*

**DATE:** 3-17-2022

**I. RECOMMENDATION**

The Audit Committee recommends that \$1,169,230 in costs net of accumulated depreciation for 3 ongoing Utility Fund projects be ~~EXPENSED~~. The costs are for the fiscal years ending June 30, 2015 to 2021 (Exhibit A). It is recommend that the charge off and expense be incorporated in a revised Annual Comprehensive Financial Report as of June 30, 2021. The amount of accumulated depreciation must be determined.

*low late-effects schedule ?*

**II. BACKGROUND and ANALYSIS**

Several years ago, IVGID established 3 capital projects as follows:

- E* 1) Adjust Utility Facilities in NDOT/Washoe County Right of Way (Exhibit B)
- E* 2) Replace Commercial Water Meters, Vaults and Lids (Exhibit C)
- 3) Replace and Reline Sewer Mains, Manholes and Appurtenances (Exhibit D)

*SOS  
NBV  
1  
CP  
1:2*

The first project is mandated by various state agencies when public streets are being repaved. Normally the paving occurs annually. A contract is entered into with NDOT with estimates of cost of each manhole, vaults, or lid which are less than \$2,500 each and IVGID is responsible to complete the task .

*CD: could cap. 2 open. break down list*

The second project is the maintenance of 85 commercial water meters and 26 pressure reducing valve stations.

The third project is the replacement and rehabilitation of sewer mains , manholes and appurtenances . The District maintains 1,800 manholes, 100 miles of gravity sewer mains, 32 miles of force sewer mains and 79 air release valves. These do not include the Effluent Pipeline..

Some of the repairs and maintenance are accomplished by in house personnel. and larger projects may be contracted out.

The Moss Adams report dated 1-27-2021 - page 27 states: (Exhibit E)

***"Governments often expend resources on existing capital assets. Most often, these expenditures simply preserve the asset's utility and are expensed as routine repairs and maintenance. Any outlay that does no more than return a capital to its original condition, regardless of the amount expended should be classified as maintenance and repairs. Since maintenance and repairs provide no additional value, their cost should be recognized as expense when incurred. (GAAFR 23-10)"***

In addition, Board Policy 9.1.0 has set a capitalization threshold of \$5,000 based on individual items

Lastly, the current draft Capital Improvement Budget for fiscal year 2022-2023 has listed \$155,000 for the three projects to be EXPENSED.

- Exhibit A - Expensing the net costs which were historically capitalized relating to 3 ongoing projects in the Utility Fund
- Exhibit B - Project Summary 2907DI1401A Adjust Utility Facilities in NDOT/Washoe County Right away
- Exhibit C - Project Summary 2299DI1103 Replace Commercial Water Meters Vaults
- Exhibit D - Replace & Reline Sewer Mains, Manholes and Appurtenances
- Exhibit E - Moss Adams report page 27

**BID RESULTS**

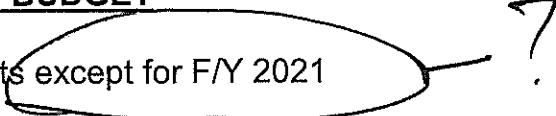
Not required

*Why the change?*

*Corrected in '22.*

**IV. FINANCIAL IMPACT AND BUDGET**

Additional prior period adjustments except for F/Y 2021



**V. ALTERNATIVES**

Do not comply with Board approved decisions regarding expensing past capital asset and have inconsistencies in the reporting of the annual financial reports. .

**VI. COMMENTS**

None

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

None

**VIII. BUSINESS IMPACT**

Consistency with Board Policies and the Moss Adams recommendations provide for financial statements which are consistent from year to year and are fair and reasonable.

*Clearly under \$1 m,  
depr.*

## EXHIBIT A

**Incline Village General Improvement District  
Expensing Utility Fund Capital Assets for water and sewer items  
Fiscal year 2015 to 2021**

<u>Type of Capital Assets to be expensed</u>	<u>Account Num</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>Total</u>
Adjust Utility Facilities in NDOT/Washoe County Right of Way	2097DI1401	\$ 3,458	136,548	24,354	71,248	60,027	30,376	21,874	\$ 347,885
Replace Commercial water meters, vaults and lids	2299DI1103	123,149	94,548	68,934	23,278	47,386	10,883	48,818	416,996
Replace & Reline Sewer Mains, Manholes & Appurtenances	2599SS1203	22,779	21,285	103,985	102,351	66,559	18,120	69,270	404,349
<b>Total</b>		<b>\$ 149,386</b>	<b>252,381</b>	<b>197,273</b>	<b>196,877</b>	<b>173,972</b>	<b>59,379</b>	<b>139,962</b>	<b>\$ 1,169,230</b>

Source - Capital Project Reports 2015 to 2021

DOES NOT INCLUDE ACCUMULATED DEPRECIATION



## Project Summary

<b>Project Number:</b>	2097DI1401
<b>Title:</b>	Adjust Utility Facilities in NDOT/Washoe County Right of Way
<b>Project Type:</b>	E - Capital Maintenance
<b>Division:</b>	97 - Public Works Shared
<b>Budget Year:</b>	2021
<b>Finance Option:</b>	
<b>Asset Type:</b>	DI - Distribution Infrastructure
<b>Active:</b>	Yes

### Project Description

Adjust manholes and valve box covers in public streets in conjunction with Washoe County, RTC and Nevada Department of Transportation (NDOT) projects, including Environmental Improvement Projects (EIP). The scope of annual projects are not known until spring of each year and is based on the Washoe County Public Works, RTC and NDOT preliminary estimates of work. In addition to the valves and manholes within Washoe County's project limits, IVGID will adjust some of the miscellaneous valves and manholes that are out of specifications if discovered. On occasion, NDOT and County projects can require utility relocation of a scope beyond simply adjusting manholes and valve box covers. The budget provided in this data sheet will also be utilized to cover the design costs associated with utility relocation on such projects.

### Project Internal Staff

Engineering will do the contract administration, bidding, and inspection. Work is done by outside contractors.

### Project Justification

As a requirement of our use of public rights-of-way for Utility improvements the District must adjust our structures to comply with the requirements of public infrastructure projects. Washoe County's CIP includes money for road and EIP work in Incline Village and Crystal Bay generally every year. In May 2021 Washoe Co. is expected to begin work on their Lower Wood Creek EIP likely affecting IVGID utilities. In 2021 NDOT anticipates extensive work along both SR28 and Mount Rose Highway. In prior years, the District has spent between \$30,000 and \$70,000 each year to complete this work. Certain projects can include complete relocation of sewer and water mains to avoid conflict with the infrastructure to be installed by the County or NDOT.

### Forecast

Budget Year	Total Expense	Total Revenue	Difference
<b>2021</b>			
Internal Services	10,000	0	10,000
Raise Manholes & Valve Boxes	15,000	0	15,000
Year Total	25,000	0	25,000
<b>2022</b>			
Internal Services	10,000	0	10,000
NDOT projects	60,000	0	60,000
Raise Manholes & Valve Boxes	15,000	0	15,000
Washoe County projects	95,000	0	95,000
Year Total	180,000	0	180,000
<b>2023</b>			
Internal Services	10,000	0	10,000
Raise Manholes & Valve Boxes	15,000	0	15,000
Washoe County projects	35,000	0	35,000
Year Total	60,000	0	60,000

<b>2024</b>			
Internal Services	10,000	0	10,000
Raise Manholes & Valve Boxes	15,000	0	15,000
Washoe County projects	35,000	0	35,000
Year Total	60,000	0	60,000
<b>2025</b>			
Internal Services	10,000	0	10,000
Raise Manholes & Valve Boxes	15,000	0	15,000
Washoe County projects	35,000	0	35,000
Year Total	60,000	0	60,000
<b>2026</b>			
Internal Services	10,000	0	10,000
Raise Manholes & Valve Boxes	15,000	0	15,000
Washoe County projects	35,000	0	35,000
Year Total	60,000	0	60,000
<b>2027</b>			
Internal Services	10,000	0	10,000
Raise Manholes & Valve Boxes	15,000	0	15,000
Washoe County projects	35,000	0	35,000
Year Total	60,000	0	60,000
<b>2028</b>			
Internal Services	10,000	0	10,000
Raise Manholes & Valve Boxes	15,000	0	15,000
Washoe County projects	35,000	0	35,000
Year Total	60,000	0	60,000
<b>2029</b>			
Internal Services	10,000	0	10,000
NDOT projects	100,000	0	100,000
Raise Manholes & Valve Boxes	5,000	0	5,000
Washoe County projects	100,000	0	100,000
Year Total	215,000	0	215,000
<b>2030</b>			
Internal Services	10,000	0	10,000
Raise Manholes & Valve Boxes	15,000	0	15,000
Washoe County projects	35,000	0	35,000
Year Total	60,000	0	60,000
<b>2031</b>			
Internal Services	10,000	0	10,000

Raise Manholes & Valve Boxes	15,000	0	15,000
Washoe County projects	35,000	0	35,000
Year Total	60,000	0	60,000
2032			
Internal Services	10,000	0	10,000
Raise Manholes & Valve Boxes	15,000	0	15,000
Washoe County projects	35,000	0	35,000
Year Total	60,000	0	60,000
2033			
Internal Services	10,000	0	10,000
Raise Manholes & Valve Boxes	15,000	0	15,000
Washoe County projects	35,000	0	35,000
Year Total	60,000	0	60,000
2034			
Internal Services	10,000	0	10,000
Washoe County projects	50,000	0	50,000
Year Total	60,000	0	60,000
2035			
Internal Services	10,000	0	10,000
Washoe County projects	50,000	0	50,000
Year Total	60,000	0	60,000
2036			
Internal Services	10,000	0	10,000
Washoe County projects	50,000	0	50,000
Year Total	60,000	0	60,000
	1,200,000	0	1,200,000

Year Identified	Start Date	Est. Completion Date	Manager	Project Partner
2012	Jul 1, 2020	Jun 30, 2021	Senior Engineer	





### Project Summary

<b>Project Number:</b>	2299DI1103
<b>Title:</b>	Replace Commercial Water Meters, Vaults and Lids
<b>Project Type:</b>	E - Capital Maintenance
<b>Division:</b>	99 - General Administration - Water
<b>Budget Year:</b>	2021
<b>Finance Option:</b>	
<b>Asset Type:</b>	DI - Distribution Infrastructure
<b>Active:</b>	Yes

<b>Project Description</b>				
The District owns and maintains 85 commercial water meters installed in heavy duty meter vaults and 26 pressure reducing valve stations. This project will continue the replacement of these commercial water meters and PRV vaults and or lids. Current useful life of a commercial meter is 20-50 years dependent on use, pressure and flows. Vault life can be approximately the same time period depending on location, traffic and the elements. These meters, vaults and lids have been put on our replacement list by priority but the list can change from year to year depending on the needs. These meters are in various configurations ranging in size from 4 to 10 inch. In coming years there will be continued replacement needed for meters, vaults and lids.				
<b>Project Internal Staff</b>				
Public Works staff will order and purchase the meters, vaults and lids, and bid and oversee the installations. Contractors will install the meters and replace vaults and lids.				
<b>Project Justification</b>				
Replacement of the commercial water meters will increase accuracy in meter reading and increase revenue. As meters age, they become less accurate and will measure water usage below actual, as is required by AWWA standards. Commercial water meters can last 20-50 years. Typically old meters are not worth repairing because parts are unavailable and newer meters meet the water demand profiles of our customers. Many meter vaults and lids are also in disrepair and need replacement for public and crew safety reasons and ease of accessibility for testing. This project allows for radio reading of all the commercial and residential meters combined. This project is programmed to replace the meter, vaults and lids using a just-in-time approach to maximize use prior to failure. In 2020-21, the District will be replacing all the large meter transponders from radio transponders to cellular transponders to improve data collection, enhance customer service and provide rel water usage tracking for these large revenue meters. Staff has received a quote of \$38,000 from Badger Meter for the materials. Staff would install during meter calibration and testing of these meters.				
<b>Forecast</b>				
<b>Budget Year</b>	<b>Total Expense</b>	<b>Total Revenue</b>	<b>Difference</b>	
2021				
Transponder and Register Head Replacement	40,000	0	40,000	
Trimble Unit	10,000	0	10,000	
Vaults, structures and lids replacement	5,000	0	5,000	
Year Total	55,000	0	55,000	
2022				
Vaults, structures and lids replacement	40,000	0	40,000	
Year Total	40,000	0	40,000	
2023				
Vaults, structures and lids replacement	40,000	0	40,000	
Year Total	40,000	0	40,000	
2024				
Vaults, structures and lids replacement	40,000	0	40,000	
Year Total	40,000	0	40,000	
	175,000	0	175,000	
<b>Year Identified</b>	<b>Start Date</b>	<b>Est. Completion Date</b>	<b>Manager</b>	<b>Project Partner</b>
2012	Jul 1, 2020	Jun 30, 2021	Collection/Distribution Supervisor	



**Project Summary**

<b>Project Number:</b>	2599SS1203
<b>Title:</b>	Replace & Reline Sewer Mains, Manholes and Appurtenances
<b>Project Type:</b>	E - Capital Maintenance
<b>Division:</b>	99 - General Administration - Sewer
<b>Budget Year:</b>	2021
<b>Finance Option:</b>	
<b>Asset Type:</b>	SS - Sewer System
<b>Active:</b>	Yes

**Project Description**

This project includes the replacement and rehabilitation of sewer mains, manhole and appurtenances. Sections of sewer line, manholes and air relief valve rehabilitation have been identified for replacement. A priority list has been developed by Public Works staff. In addition to regular maintenance, sewer rehabilitation projects help the District to stay in compliance with Nevada Department of Environmental Protection (NDEP) permits and avoid sanitary sewer overflows. The District maintains approximately 1,800 manholes, 100 miles of gravity mains, 32 miles of force main and 79 air relief valves.

**Project Internal Staff**

Public Works staff will perform design, bid, contract administration and inspection. Larger projects will be contracted out while smaller projects will be performed by Public Works staff.

**Project Justification**

Line blockages and ground water intrusion increases the District's operating costs and puts the District at risk of violating its (NDEP) permit and potentially incur fines. Typically older clay sewers exhibit poor performance and are likely candidates for blockages and increased maintenance activities mainly due to root intrusion. There are manholes throughout the service area that require rehabilitation to prevent groundwater intrusion, which can also cause the concrete structure to deteriorate and to possibly collapse. By keeping close track if line blockages, customer complaints and closed circuit television (CCTV) inspection results, a priority list has been established for replacement or relining of sewer mains and manholes. The priority is based on a score, flow, proximity to streams and/or the lake. Older air release valves (arv's) can be difficult to access and unsafe to work on. Parts for these valves are obsolete. By repairing faulty mains and manholes, we also reduce the potential for sewer overflows in storm events while reducing the flows to the wastewater treatment plant. This works in conjunction with a strong preventative maintenance program of line cleaning and CCTV work. Extensive sewer main rehabilitation work was done in 2014 by CIPP lining and future projects are planned for anticipated failures as pipes age. ARV replacements are ongoing by IVGID crews.

**Forecast**

Budget Year	Total Expense	Total Revenue	Difference
<b>2021</b>			
Internal Services	5,000	0	5,000
Manhole and Wet Well Rehabilitation	75,000	0	75,000
Year Total	80,000	0	80,000
<b>2022</b>			
Internal Services	10,000	0	10,000
Manhole and Wet Well Rehabilitation	50,000	0	50,000
Year Total	60,000	0	60,000
<b>2023</b>			
Internal Services	5,000	0	5,000
Manhole and Wet Well Rehabilitation	50,000	0	50,000
Year Total	55,000	0	55,000

2024			
Internal Services	5,000	0	5,000
Manhole and Wet Well Rehabilitation	50,000	0	50,000
Replace Air Relief Valves and Appurtenances	50,000	0	50,000
Year Total	105,000	0	105,000
2025			
Internal Services	5,000	0	5,000
Manhole and Wet Well Rehabilitation	50,000	0	50,000
Year Total	55,000	0	55,000
2026			
Internal Services	5,000	0	5,000
Manhole and Wet Well Rehabilitation	50,000	0	50,000
Sewer Main Rehabilitation	500,000	0	500,000
Year Total	555,000	0	555,000
2027			
Internal Services	5,000	0	5,000
Manhole and Wet Well Rehabilitation	50,000	0	50,000
Year Total	55,000	0	55,000
2028			
Construction Inspection & Testing	5,000	0	5,000
Internal Services	5,000	0	5,000
Manhole and Wet Well Rehabilitation	100,000	0	100,000
Replace Air Relief Valves and Appurtenances	50,000	0	50,000
Year Total	160,000	0	160,000
2029			
Internal Services	5,000	0	5,000
Manhole and Wet Well Rehabilitation	50,000	0	50,000
Year Total	55,000	0	55,000
2030			
Internal Services	5,000	0	5,000
Manhole and Wet Well Rehabilitation	50,000	0	50,000
Year Total	55,000	0	55,000
2031			
Internal Services	5,000	0	5,000

Manhole and Wet Well Rehabilitation	50,000	0	50,000
Year Total	55,000	0	55,000
<b>2032</b>			
Construction Inspection & Testing	5,000	0	5,000
Internal Services	5,000	0	5,000
Sewer Main Rehabilitation	100,000	0	100,000
Year Total	110,000	0	110,000
<b>2033</b>			
Construction Inspection & Testing	40,000	0	40,000
Internal Services	50,000	0	50,000
Manhole and Wet Well Rehabilitation	150,000	0	150,000
Sewer Main Rehabilitation	1,000,000	0	1,000,000
Year Total	1,240,000	0	1,240,000
<b>2034</b>			
Manhole and Wet Well Rehabilitation	150,000	0	150,000
Sewer Main Rehabilitation	1,000,000	0	1,000,000
Year Total	1,150,000	0	1,150,000
<b>2038</b>			
Replace Air Relief Valves and Appurtenances	50,000	0	50,000
Year Total	50,000	0	50,000
	<b>3,840,000</b>	<b>0</b>	<b>3,840,000</b>

Year Identified	Start Date	Est. Completion Date	Manager	Project Partner
2012	Jul 1, 2020	Jun 30, 2021	Senior Engineer	



## Moss Adams Report

machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible and intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period. Infrastructure assets are long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets including roads, bridges, tunnels, drainage water and sewer systems. (GASB Cod Sec 1400.103)

Accepted practice includes recognition of the different stages of a project including preliminary, construction, and post-construction. Preliminary stage activities include conceptual formulation and evaluation of alternatives, determination of future needs, feasibility studies, and development of financing alternatives. Construction stage includes the engineering and design work on the chosen alternative, actual construction costs, direct payroll of employees working on the project along with certain overhead, and ancillary charges necessary to get the asset in working condition. Post construction stage includes, among other costs, training of employees on use of a particular asset. (GASB Cod Sec 1400.143-149)

Costs incurred in the preliminary and post-construction stages are typically expensed as they are not directly connected with creating service capacity of a particular asset. A project is not considered to enter the construction stage until an actual project alternative has been selected, it is determined the selected alternative will meet the intended needs and objectives, financing for the project has been identified, and the entity establishes in some meaningful way it is committed to proceed with the project such as, for example, including the financing sources and necessary expenditures in the budget. (GAAFR 23-7 to 9)

Governments often expend resources on existing capital assets. Most often, these expenditures simply preserve the asset's utility and are expensed as routine repairs and maintenance. Any outlay that does no more than return a capital asset to its original condition, regardless of the amount expended, should be classified as maintenance and repairs. Since maintenance and repairs provide no additional value, their cost should be recognized as expense when incurred. (GAAFR 23-10)

Best practices to consider for inclusion in policies and practices include:

- The different stages of a project and the types of costs incurred in the different stages.
- The accounting treatment of costs incurred in the different stages.
- What elements or criteria need to be met for expenditures associated with a repair project to be eligible for capitalization based on the concept of service capacity in addition to the extension of useful life of an asset.
- Provide for a different dollar threshold for the different classifications of capital assets. (GFOA best practices)

### Evaluation of the District's current capitalization practices.

We find that the District's practice of capitalizing expenditures incurred in what would meet the definition of the preliminary stage of a project as noted above is inconsistent with the accepted practice. Examples include payments to external consultants and internal staff payroll costs to develop master plans, feasibility studies, and related engineering and overall system planning. Current established practice includes the capitalization of certain costs incurred in a preliminary stage such as engineering, architectural, and design for projects that are actually constructed to the extent those costs would have been necessary for the project in any event.

**MEMORANDUM**

**TO:** Audit Committee

**THROUGH:** Ray Tolloch

**FROM:** Clifford F. Dobler

**SUBJECT:** Note 22 - Prior Period Adjustment - Annual Comprehensive Financial Report. as of June 30, 2021 (ACFR)

**STRATEGIC PLAN REFERENCE(S):** None

**DATE:** 3-17-2022

*MD -*

**I. RECOMMENDATION**

That the Audit Committee make a recommendation to the Board of Trustees to retract the Prior Period Adjustment transferring \$1,637,400 from the Community Services Special Revenue Fund to the Capital Project Fund. In addition it is recommended that the required transfer of \$1,742,843 from the Community Services Special Revenue Fund to the Capital Project Fund be enacted and restated in the 2021 ACFR.. The proper transfer is required to fund the necessary resources necessary to pay for the actual expenditures incurred during fiscal year 2020-2021. In addition, disclosure of the transfer is required in Note 7 - Interfund Accounts and Transfers of the 2021 ACFR.

*\$ 106K increase*

**II. BACKGROUND and ANALYSIS**

Annually the District Board of Trustees adopts a Facility Fee for Community Services which is allocated separately into operations (special revenue fund) capital projects and debt service. The total amount allocated to each fund was improperly recorded as revenues in the Special Revenue Fund and subsequent transfers were made to the Capital Project Fund and Debt Services. The transfers, however, exceeded that amount of facility fees allocated resulting in

*adj for this?*

additional transfers from the Special Revenue Fund. These excess transfers did not comply with requirements of GASB #54.

All expenditures from 2016 to 2021 were funded by resources from capital asset sales, grants and enough resources from the Special Revenue Fund. Exhibit A provides evidence that no additional resources were required from 2016 to 2021 to justify a prior period adjustment. It is unknown the rationale of the prior period adjustment of \$1,637,400.

*Staff to explain*

However, in 2021, The Board of Trustees authorized only \$536,571 of Facility Fees for the Community Service Capital Project Fund which was far below the actual expenditures of \$2,907,254 recorded. Additional resources of \$90,005 from capital grants and sale of capital assets were obtained and for some unknown reason only \$537,835 was transferred from the Community Services Special Revenue Fund. As a result, the resources required to pay for the expenditures was short \$1,742,843. This shortage could only be obtained from the Community Services Special Revenue Fund or possibly the General Fund.

For some reason only \$537,835 was transferred from the Special Revenue Fund leaving another \$1,742,843 to be transferred.

The unsubstantiated prior period adjustment of \$1,637,400 was used to cover most of the 2021 expenditures but a remaining balance of \$105,443 was not covered. This shortage could possibly be considered non-compliance with NRS 354.626 "Unlawful expenditures of money in excess of amounts appropriated". It is unclear why a transfer for the full amount of expenditures was not made since the budget for F/Y 2021 provided \$5,594,546 to be transferred from the Special Revenue Fund to the Capital Project Fund. Exhibit B & C).

Another matter which cannot be corrected is the \$3,131,381 transfers (other than transfers of facility Fees) from the Community Services Special Revenue Fund to the Community Services Capital Project Fund in violation of GASB #54 paragraph 30 Exhibit E. Including the AC recommendation the total transfers would be \$4,874,224 for the 6 year period (Exhibit D)

**"Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects."**

*Why-  
impact?*

*= 4,874,224*



## Exhibits

- A - Note 22 of the Annual Comprehensive Financial Report as of June 30, 2021
- B - 2021 ACFR - Community Services Special Revenue Fund - Schedule of Revenues, Expenditures and Change in Fund Balance - Budget and Actual
- C - 2021 ACFR - Community Services Capital Project Fund - Schedule of Revenues, Expenditures and Change in Fund Balance - Budget and Actual
- D. History of Expenditures and Resources of the Community Services Capital Project Fund - FY 2016 to 2021.
- E. GASB #54 Definition of Special Revenue Funds

**III. BID RESULTS**

*Not required*

**IV. FINANCIAL IMPACT AND BUDGET****V. ALTERNATIVES**

NONE

**VI. COMMENTS**

See above

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

None

**VIII. BUSINESS IMPACT**

Improper financial reporting

## EXHIBIT A

General Fund	\$ 66,947
Utility Fund	3,341,387
Community Services Fund	2,110,924
Beach Fund	453,019

### Budgeting for the Fiscal Year Ending June 30, 2022:

The District's budgeting for the fiscal year ending June 30, 2022 anticipates a reduction in Fund Balance and Net Position caused by completion of capital projects. The identified reductions include; General Fund by \$217,063 including implementation of a new Human Resources Management and Payroll System; Community Services reduction of \$3,757,491 (including \$550,000 for the Mountain Golf Course Path Replacement Project, \$800,000 for the Recreation Center Locker Room Improvement Project). The Beach Fund has a reduction of \$2,066,683 related to renovation of the Burnt Cedar Pool as well as Incline Beach Facility Improvements. The Utility Fund capital plan anticipates a draw-down in Net Position primarily due to advancing the Effluent Export Pipeline Project.

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

Contractor	Project	Contract Amount	Completed (6/30/21)	Remaining Amount
CORE West, Inc	Burnt Cedar Pool Imp	\$3,845,865	\$773,143	\$3,072,722
Avail Enterprises, LLC	Rec Center Lobby	159,832	-	159,832
Ward-Young Architects	Rec Center Lobby	39,724	16,237	20,487
Granit Construction	Effluent Pipeline	369,218	25,618	343,600

### 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 \$41,360.

### 22. PRIOR PERIOD ADJUSTMENT

The Governmental Funds Statement of Revenues, Expenditures, and Change in Fund Balance has three prior period adjustments. The first is a transfer between the Community Services Special Revenue Fund and the Community Services Capital Projects Fund that was reported in the prior year \$1,637,400 lower than the entry in the financial reports. The second adjustment is for the \$243,512 that was reported as unavailable revenue but should have been recorded as revenue when received in prior years. There were several assets capitalized in prior years that the auditors determined should not have been capitalized. The total affect to the financial reports was \$3,267,861. \$3,166,966 was in the Utilities fund, including \$3,100,110 of the Effluent Pipeline project that was written off. Governmental activities had \$100,895 in book value of assets written off as a prior period adjustment.

EXHIBIT B

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, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Charges for Services				
Championship Golf	\$ 3,391,290	\$ 3,391,291	\$ 3,214,950	\$ (176,341)
Mountain Golf	818,834	818,834	809,745	(9,089)
Facilities	1,440,299	1,440,299	790,683	(649,616)
Ski	10,148,735	10,148,734	10,206,918	58,184
Community Programming	1,007,900	1,007,900	1,014,837	6,937
Parks	38,700	26,600	22,350	(4,250)
Tennis	100,400	100,400	156,631	56,231
Recreation Administration	(317,830)	(317,830)	(123,602)	194,228
Facility Fee:				
Championship Golf	32,812	32,812	33,019	207
Mountain Golf	221,481	221,481	222,882	1,401
Facilities	41,015	41,015	41,275	\$1,735,612 260
Ski	(1,640,400)	(1,640,400)	(1,650,784)	(10,384)
Community Programming	1,222,098	1,222,098	1,229,835	7,737
Parks	729,978	729,978	734,600	4,622
Tennis	114,828	114,828	115,555	727
Recreation Administration	1,041,833	1,041,833	1,009,230	(32,603)
Operating Grants	17,000	17,000	17,000	
Interfund Services	98,849	98,849	91,769	(7,080)
Intergovernmental Services	21,700	21,700	36,997	15,297
Investment Earnings	52,500	52,500	4,471	(48,029)
Miscellaneous	118,130	130,230	119,697	(10,533)
Total revenues	<u>18,700,152</u>	<u>18,700,152</u>	<u>18,098,058</u>	<u>(602,094)</u>
<b>EXPENDITURES</b>				
Culture and Recreation - All Functions:				
Function Summary (see next page)	18,149,871	18,149,869	15,289,187	2,860,682
Total expenditures	<u>18,149,871</u>	<u>18,149,869</u>	<u>15,289,187</u>	<u>2,860,682</u>
Excess (deficiency) of revenues over expenditures	<u>550,281</u>	<u>550,283</u>	<u>3,808,871</u>	<u>2,258,588</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Assets			52,250	52,250
Transfers In - This should be a transfer out			(537,835)	(537,835)
Transfers Out - Capital Projects	(5,594,546)			
Net change in fund balance	<u>(5,044,265)</u>	<u>550,283</u>	<u>2,323,286</u>	<u>1,773,003</u>
Fund Balance, July 1, as reported	15,280,913	15,280,913	15,280,913	
Prior period adjustment	(1,637,400)	(1,637,400)	(1,637,400)	
Fund balance, July 1 as adjusted	<u>13,643,513</u>	<u>13,643,513</u>	<u>13,643,513</u>	
Fund balance, June 30	<u>\$ 8,599,248</u>	<u>\$ 14,193,796</u>	<u>\$ 15,966,799</u>	<u>\$ 1,773,003</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. Incorrect Statement. The Facility Fee was allocated to individual funds and not transferred

See notes to required supplementary information

*difference ?*

EXHIBIT C

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, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Sales of Assets and Intangibles	\$ -	\$ -	\$ 1,500	\$ 1,500
Facility Fees	533,195	533,195	536,571	3,376
Capital Grants	-	-	88,505	88,505
Total revenues	533,195	533,195	626,576	93,381
<b>EXPENDITURES</b>				
Championship Golf	1,653,827	1,653,381	860,893	792,488
Mountain Golf	347,380	347,380	127,365	220,015
Facilities	100,000	100,000	23,762	76,238
Ski	2,263,864	2,262,504	439,610	1,822,894
Community Programming	455,000	531,756	340,112	191,644
Parks	172,440	215,503	236,472	(20,969)
Tennis	1,045,230	1,045,230	872,040	173,190
Comm. Serv. Administration	90,000	90,000	7,000	83,000
Total expenditures	6,127,741	6,245,754	2,907,254	3,338,500
Excess (deficiency) of revenues over expenditures	(5,594,546)	(5,712,559)	(2,280,678)	3,431,881
<b>OTHER FINANCING SOURCES</b>				
Transfers In	5,594,546	5,594,546	537,835	(5,056,711)
Transfers Out	-	-	-	-
Total other financing sources	5,594,546	5,594,546	537,835	(5,056,711)
Net change in fund balance	-	(118,013)	(1,742,843)	(1,624,830)
Fund Balance, July 1, as reported	-	-	-	-
Prior period adjustment	1,637,400	1,637,400	1,637,400	-
Fund balance, July 1 as adjusted	1,637,400	1,637,400	1,637,400	-
Fund balance, June 30	\$ 1,637,400	\$ 1,519,387	\$ (105,443)	\$ (1,624,830)

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. **Incorrect statement. The Facility Fee was allocated to individual funds and not transferred. See above**

EXHIBIT D

**Incline Village General Improvement District  
Community Services Capital Projects fund  
Fiscal Years 2016 to 2021  
Source CAFR & 2016 to 2021**

	2016	2017	2018	2019	2020	2021
<b>Expenditures</b>	(2,344,198)	(3,633,210)	(3,905,926)	(6,043,500)	(5,059,031)	(2,907,254)
<b>Resources</b>						
Grants and Sale of Capital Assets	625,064	176,567	158,755	37,550	1,637,399	90,005
Facility Fee recored directly						536,571
Transfer in from Special Revenue Fund	3,780,675	3,818,908	3,650,842	3,678,473	3,421,632	537,835
Fund Balance	2,061,541	362,265	(96,329)	(2,327,477)	-	(1,742,843)
Cumulative Fund Balance	2,061,541	2,423,806	2,327,477	-	-	<b>(1,742,843)</b>
Prior period adjustment - There was no need to provide additional resources from 2016 to 2020						<b>1,637,400</b>
The \$1,637,400 is NOTHING MORE than a current year transfer from the Special Revenue Fund						
Unfunded Expenditures - Possible violation of NRS 354.626 Unlawful expenditure of money in excess of amount appropriated						<b>(105,443)</b>

**Transfers in from Special Revenue Fund  
in excess of Facility Fees**

Transfers in from Special Rvenue Fund	3,780,675	3,818,908	3,650,842	3,678,473	3,421,632	537,835
Facility Fees Authorized by Board	(2,524,818)	(2,619,078)	(3,612,400)	(3,678,473)	(3,322,215)	in revenues
Transfers in excess of Facility Fees	1,255,857	1,199,830	38,442	-	99,417	537,835
Cumulated	1,255,857	2,455,687	2,494,129	2,494,129	2,593,546	3,131,381
<b>Recommended Adjustment by AC</b>						<b>1,742,843</b>
Special Revenue Fund resources cannot be used for Capital Projects. GASB #54						<b>4,874,224</b>

## EXHIBIT E

### **Governmental Fund Type Definitions**

28. Governmental fund types include the general fund, special revenue funds, capital projects funds, debt service funds, and permanent funds, as discussed in paragraphs 29–35.

#### ***General Fund***

29. The general fund should be used to account for and report all financial resources not accounted for and reported in another fund.

#### ***Special Revenue Funds***

30. Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term *proceeds of specific revenue sources* establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund. Those specific restricted or committed revenues may be initially received in another fund and subsequently distributed to a special revenue fund. Those amounts should not be recognized as revenue in the fund initially receiving them; however, those inflows should be recognized as revenue in the special revenue fund in which they will be expended in accordance with specified purposes. Special revenue funds should not be used to account for resources held in trust for individuals, private organizations, or other governments.

31. The restricted or committed proceeds of specific revenue sources should be expected to continue to comprise a substantial portion of the inflows reported in the fund.<sup>2</sup> Other

---

<sup>2</sup>For revolving loan arrangements that are initially funded with restricted grant revenues, the consideration may be whether those restricted resources continue to comprise a substantial portion of the *fund balance* in the fund's balance sheet.

resources (investment earnings and transfers from other funds, for example) also may be reported in the fund if those resources are restricted, committed, or assigned to the specified purpose of the fund. Governments should discontinue reporting a special revenue fund, and instead report the fund's remaining resources in the general fund, if the government no longer expects that a substantial portion of the inflows will derive from restricted or committed revenue sources.

32. Governments should disclose in the notes to the financial statements the purpose for each major special revenue fund—identifying which revenues and other resources are reported in each of those funds.

### ***Capital Projects Funds***

33. Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

### ***Debt Service Funds***

34. Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated. Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in debt service funds.

12b

**MEMORANDUM**

**TO:** Audit Committee

**THROUGH:** Ray Tolloch

**FROM:** Clifford F. Dobler

**SUBJECT:** Improper disclosure of a prior period adjustment of \$243,512 - Note 22 Prior Period Adjustments - 2021 Annual Comprehensive Financial Report (ACFR)

**STRATEGIC PLAN REFERENCE(S):** None

**DATE:** 3-18-2022

**I. RECOMMENDATION**

The Audit Committee recommends that the disclosure regarding the \$243,512 prior period adjustment indicated in Note 22 of the 2021 Annual Comprehensive Financial Report (Exhibit A) should be restated to reflect actual information.

Suggested revision

\$243,512 was received by IVGID in 2017 to satisfy a judgment against an individual. The payment was reported as a restricted deposit and a deferred inflow until all appeals by the individual were concluded. Appeals were finally resolved in 2020 wherein the restriction deposit and deferred inflow should have unwound and reported as General Fund revenue in fiscal year 2020.

**II. BACKGROUND and ANALYSIS**

For several years, a lawsuit involving an individual and IVGID resulted in a judgment in favor of IVGID for \$243,512. In 2017 the cash was received by IVGID and recorded as a Restricted Deposit and a Deferred Inflow of Resources until all appeals of the judgment were resolved. In 2020, a final order by the Nevada Supreme Court was rendered in favor of IVGID, and the cash

E/S?



was no longer required to be a restricted deposit and a deferred inflow and should have been unwound and reported as General Fund Revenue.

The prior period adjustment stated "the second adjustment is for the \$243,512 that was reported as unavailable revenue but should have been recorded as revenue when received in prior years."

The Audit Committee deems the description to be inaccurate.

1) The recording and reporting was a deferred inflow of revenue not an "unavailable resource". (Exhibit B)

2) When the money was received in 2017 it had to be restricted until all appeals were resolved so the statement that the amount "should have been recorded as revenue when received" is inaccurate. The cash was received in 2017 but did not become revenues until 2020.

3) There was no indication that the revenues were received in the General Fund

This amount included interest earned since 2017.

Exhibit A - Note 22. Prior Period Adjustment - 2021 ACFR

Exhibit B - Note 20 - 2020 CAFR

**III. BID RESULTS**

*Not required*

**IV. FINANCIAL IMPACT AND BUDGET**

Weakness in Financial Reporting

**V. ALTERNATIVES**

NONE

**VI. COMMENTS**

NONE

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

None

**VIII. BUSINESS IMPACT**

None

*20*  
*21-20*

## EXHIBIT A

General Fund	\$ 66,947
Utility Fund	3,341,387
Community Services Fund	2,110,924
Beach Fund	453,019

### Budgeting for the Fiscal Year Ending June 30, 2022:

The District's budgeting for the fiscal year ending June 30, 2022 anticipates a reduction in Fund Balance and Net Position caused by completion of capital projects. The identified reductions include; General Fund by \$217,063 including implementation of a new Human Resources Management and Payroll System; Community Services reduction of \$3,757,491 (including \$550,000 for the Mountain Golf Course Path Replacement Project, \$800,000 for the Recreation Center Locker Room Improvement Project). The Beach Fund has a reduction of \$2,066,683 related to renovation of the Burnt Cedar Pool as well as Incline Beach Facility Improvements. The Utility Fund capital plan anticipates a draw-down in Net Position primarily due to advancing the Effluent Export Pipeline Project.

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

Contractor	Project	Contract Amount	Completed (6/30/21)	Remaining Amount
CORE West, Inc	Burnt Cedar Pool Imp	\$3,845,865	\$773,145	\$3,072,722
Avail Enterprises, LLC	Rec Center Lobby	159,832	-	159,832
Ward-Young Architects	Rec Center Lobby	39,724	16,237	20,487
Granit Construction	Effluent Pipeline	369,218	25,618	343,600

### 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 \$41,360.

### 22. PRIOR PERIOD ADJUSTMENT

The Governmental Funds Statement of Revenues, Expenditures, and Change in Fund Balance has three prior period adjustments. The first is a transfer between the Community Services Special Revenue Fund and the Community Services Capital Projects Fund that was reported in the prior year \$1,637,400 lower than the entry in the financial reports. The second adjustment is for the \$243,512 that was reported as unavailable revenue but should have been recorded as revenue when received in prior years. There were several assets capitalized in prior years that the auditors determined should not have been capitalized. The total affect to the financial reports was \$3,267,861. \$3,166,966 was in the Utilities fund, including \$3,100,110 of the Effluent Pipeline project that was written off. Governmental activities had \$100,895 in book value of assets written off as a prior period adjustment.

## Exhibit B

### 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 2020 services. As of June 30, 2020, \$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	\$ 300,000
Utility Fund	2,533,786
Community Services Fund	2,502,701
Beach Fund	-

#### Budgeting for the Fiscal Year Ending June 30, 2021:

The District's budgeting for the fiscal year ending June 30, 2021 anticipates a reduction in Net Position caused by completion of capital projects. The identified reductions include; General Fund by \$650,150 including \$300,000 for a new Human Resources Management and Payroll System; Community Services reduction of \$6,127,741 including \$996,630 for the Tennis Center Renovation, \$700,000 for Championship Golf Course Maintenance Building improvements, \$520,000 for Ski Way and Diamond Peak Parking Lot Reconstruction, \$264,864 for Lakeview Ski Lift Improvements, and \$166,395 for the Mountain Golf Cart Path Replacement. The Beach Fund has a reduction of \$454,500 related to work on Burnt Cedar Pool and Incline Beach Facility Improvements.

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

		Contract Amount	Completed at June 30, 2020	Remaining Commitment
<i>Utility Fund:</i>				
Paso Robles Tank, Inc.	Water Reservoir Safety and Security Improvements	\$ 109,000	\$ -	\$ 109,000
<i>Community Services Capital Fund</i>				
Daniel Fraiman Construction	Tennis Center Renovation Project	709,000	9,680	699,320
Mission Controls, Inc.	Lakeview Charlift Control Panels	96,800	-	96,800
Cruz Construction	Maintenance Building Drainage & Washpad	475,433	-	475,433

### 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 fees 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. An appeal was filed with Nevada Supreme Court, and a final order was issued in favor of the District in November 2020.

**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 YEAR ADJUSTMENTS**

The District’s financial statements for the year ended June 30, 2020 reflect prior year adjustments related to (1) unearned revenues from Golf Passes recorded in the prior year (\$138,505), (2) to restate as expenses \$289,660 for selected Construction in Progress items that were reported as assets in the financial statements for the year ended June 30, 2019, as well as (3) restate as expense \$514,254 for selected items that were reported as capital assets in the financial statements for the year ended June 30, 2019.

Construction in Progress items restated as expense include \$212,044 related to development of a Parks Master Plan and \$77,216 related to improvements planned at Incline Village Ballfield. Management has determined that no future capital asset(s) are expected to be constructed as a result of the preliminary design work that had been included in prior year’s Construction in Progress.

Capital Asset items restated as expense include items determined to qualify as reporting as repairs and maintenance, consistent with established Board policy and practices. Examples include pavement maintenance, parking lot repairs, and painting projects. This determination should have been made in prior year(s).

As a result, a total of \$665,009 is recorded as a prior year adjustment in the governmental activities of the government-wide financial statements and a total of \$138,505, is recorded as a prior year adjustment in the Community Services Special Revenue Fund in the governmental funds financial statements.

	Government-wide	Community Services
	<u>Statement of Activities</u>	<u>Special Revenue Fund</u>
Net position / Fund Balance July 1, 2019, as previously reported	\$ 75,655,473	\$ 13,333,953
Prior Period Adjustment – Golf Passes	138,505	138,505
Prior Period Adjustment – Construction in Process	(289,260)	-
Prior Period Adjustment – Capital Assets	<u>(514,254)</u>	<u>-</u>
Net Position / Fund Balance, July 1, 2019, as adjusted	\$ 74,990,464	\$ 13,472,458

November 23, 2021

22 ACFR

To: IVGID Board of Trustees, IVGID Audit Committee, Counsel Josh Nelson and Director of Finance Paul Navazio

From: Clifford F. Dobler

THIS MEMORANDUM REPLACES MY AUGUST 2, 2021 MEMORANDUM IN ITS ENTIRETY

Subject: Non-compliance with NRS 354: Issuing contracts for the Burnt Cedar Pool construction in excess of available resources with the possible intent to mislead the public and the Board of Trustees in order to obtain approval of these contracts.

### Executive Summary

At the April 29, 2021 Board of Trustees meeting, IVGID senior staff requested approval and appropriation of \$4,042,045 for 5 contracts to construct a new Burnt Cedar Pool without having available resources as defined in NRS 354.410 (Exhibit A) which may have violated provisions of NRS 354.626 "UNLAWFUL EXPENDITURE OF MONEY IN EXCESS OF AMOUNT APPROPRIATED; PENALTIES; EXCEPTIONS." (Exhibit B)

The Board of Trustees approved the following contracts according to the meeting minutes (Exhibit C):

- CORE Construction - Guaranteed Maximum Price \$3,749,404
- CORE Construction - Alternates #1,#2,#3,#4, 96,461
- TSK Architects - Construction Administration 105,680
- TRI Sage - Construction Inspection Services 69,500
- Reno Tahoe Geo Associates, Inc. 21,000

Total Contracts \$4,042,045

### Available Resources

According to NRS 354.410, available resources for a capital projects fund would be the unappropriated ending fund balance based on the 2020/2021 budget submitted to the State on Form 4404LGF. The budgeted ending fund balance for the Beach Capital Projects Fund was \$2,753,172 (Exhibit D). On December 20, 2020, \$258,289 was appropriated for additional design work and Resolution 1882 (Exhibit E) was also approved and submitted to the Nevada Department of Taxation. As a result, the available resources were reduced to \$2,494,883 from the Beach Capital Projects appropriations of the Beach Facility Fees.

### Appropriations exceeding Available resources

The Board of Trustees approving contracts for \$4,042,045 exceeded Available Resources and the appropriations in the Beach Capital Projects Fund by \$1,547,162. The approval appears to directly violate NRS 354.626 which states:

"No governing body or member thereof, officer, office, department or agency may, during any fiscal year, expend or contract to expend any money or incur any liability or enter into any contract which by its terms involves the expenditure of money in excess of the amounts appropriated for that function..."

When contracts are issued there must be available resources and appropriations to cover the contracts. Contracts are commitments against resources. Logic should have prevailed that if there were not available resources, then contracts in excess of available resources could not be issued no matter when expenditures under the contracts take place. The

NRS does not require this

presumption that since only \$1,000,000 of the \$4,045,045 would be spent in fiscal year 2020/2021 does not render NRS 354.626 irrelevant and exempt the District from compliance.

## Resolution 1886 - Deficient in so many ways

On April 29, 2021, Mr. Navazio presented Resolution 1886 (**Exhibit F**) to the Board of Trustees to appropriate and provide a budget augmentation of only \$1,000,000 from available resources of the Beach Capital Projects Fund in order to provide funding for commencement of construction work in the current fiscal year ending June 30, 2021. The Resolution was unanimously approved by the Board of Trustees.

### Issues

According to NRS 354.626, the Board of Trustees could not issue contracts exceeding the available resources in the Beach Capital Projects Fund. Appropriating only \$1,000,000 would not satisfy the requirements of NRS 354.626. According to the 4/29/2021 Board meeting minutes (**Exhibit G**), Mr. Navazio made the following statement: "There is sufficient funds available in the fund balance, we are not asking nor is it required that the Board appropriate the entire amount of the contract, this is an early opening and that is what we clarified with the State of Nevada Department of Taxation just earlier this week." A request for public records did not provide any evidence that the Department of Taxation ("DoT") was informed of the dollar amount that contract commitments exceeded available resources. According to Mr. Navazio, the only guidance provided by the DoT (**Exhibit H**), which was included as a supplemental to the 4/29/2021 Board of Trustees agenda, was that the District may use unappropriated current year revenues and projected fund balance as an "available resource" as defined in NRS 354.410. Nothing was evidenced by the DoT regarding only appropriating a PORTION of the funds needed for fulfillment of the contracts issued to satisfy NRS 354.626.

Mr. Navazio continues: "so the funding plan is to advance no more than \$1 million that would be spent on this contract, and the small risk that the Board absolutely needs to be aware of is that the recommendation to proceed with the contract tonight presumes that the Board is going to approve next year's capital budget that will include the balance of the funding that is needed for the project." This statement circumvents the requirements of NRS 354.626. It is quite apparent that Mr. Navazio was well aware that available resources were not adequate and NRS 354.626 was not being complied with.

After approval by the Board of Trustees, the DoT may have accepted Resolution 1886 augmenting the 2020/2021 budget for only \$1,000,000 based upon incomplete information. There is no written record demonstrating that Staff provided the DoT with the total amount of money of the Board approved contracts exceeding available resources in the Beach Capital Projects Fund and the DoT permitting only \$1,000,000 to satisfy the requirements of NRS 354.626.

Within Resolution 1886 (**Exhibit I**) the following statement was made: "**WHEREAS**, the funding for construction phase of the Burnt Cedar Pool Renovation-Project in the amount of \$4,350,000 is included in the District's Capital Improvement Program for FY 2021/22." This is a factually incorrect statement as the 5 year plan for 2021 to 2025, approved on 5/27/2021, only provided \$2,700,000 for fiscal year 2021/2022 (**Exhibit J**) and when the 2021/2022 capital budget was approved on May 27, 2021 (**Exhibit K**), there was only \$3,350,000 budgeted for the Burnt Cedar Pool project.

On September 15, 2021, in a verbal conversation with IVGID Counsel Josh Nelson, I had indicated that NRS 354.626 had been violated by issuing contracts in excess of available resources. He stated the following:

- Since the CORE contract has a "Owner May Terminate for Convenience" clause (**Exhibit L**), then IVGID would always have available resources since, if resources were not available, the contract could be cancelled.
- NRS 354.626 has never been tested in the courts.
- We will try to do better next time.

## Inaccurate information on Available Budget, Estimated Project Budget and false Project Summary provided to the Board of Trustees on April 29, 2021 with the possible intent to deceive.

At the April 29, 2021 Board of Trustees meeting, a memorandum dated April 21, 2021 provided inaccurate information on the Total Available Budget, the Estimated Project Budget and a false Project Summary for the Burnt Cedar Pool Project (**Exhibit M**) as follows:

### Total Available Budget

• FY 20/21 Funds	\$225,000
• FY 20/21 Budget Augmentation - Resolution 1882	258,289
• FY 21/22 Funds	4,350,000
Total	\$4,833,289

### Estimated Project Budget

• Design and District Staff time - Previously appropriated	\$475,130
• Construction Contracts - Construction and Support	4,071,365
• District Staff Time during Construction	75,000
• Construction Reserve (permits, furnishing, etc)	175,000
Total	\$4,767,175

For the record, the project budget and subsequent augmentation for fiscal year 2020/2021 was only \$483,289 (\$225,000 and \$258,289) and an additional \$2,700,000 was planned in fiscal year 2021/2022 and approved by the Board of Trustees. As such, the estimated costs of \$4,767,175 were \$1,583,886 higher than what was contemplated.

Stating that the Available Budget was \$4,833,289 was entirely false and directly violated NRS 354.410 as the \$4,350,000 for FY21/22 budget did not exist, and therefore, could not be available.

Rather than reporting the actual facts, a false unapproved Project Summary (**EXHIBIT M**) was included. It stated that the capital budget for fiscal 2021/2022 was \$4,350,000 when the actual plan was only \$2,700,000.

This may indicate intent to deceive the public and the Board that the approved capital plan provided adequate funds for the project and the funds were available.

During the entire period of time from August 2020 until April 2021, the Board was made aware that the Beach Capital Projects Fund did not have adequate resources to fund the estimated costs. As early as August 12, 2020, the project estimate was \$5,623,480 and suggestions were made to 1) increase the current Beach Facility Fee, or 2) keep the Beach Facility Fee high for the next fiscal year, or 3) borrow money.

As the estimated costs settled into \$4.8 million, the existing budget and the large cost overrun was never discussed.

On May 5, 2021, the Board of Trustees, aware that since the Community Services Funds had a substantial amount of excess fund balance above appropriate levels, agreed to allocate a major portion (\$5.3 million = 87%) of the 2021/2022 Facility Fees to the Beach Fund, with the understanding that approximately \$1,100,000 would be used to fund operations and the remaining \$4,200,000 would be used to fund some small capital projects and provide funds for a new building at Incline Beach. However, because the Burnt Cedar Pool project was over the original budget by almost \$1.6 million, nothing was allocated in

the 2021/2022 capital budget or in the five year capital plan for a new building at Incline Beach. Thus, by ignoring the requirements of NRS 354.626, the increased costs of the Burnt Cedar Pool were never addressed.

## Conclusions

1. Violation of NRS 354.626 - Issuing contracts without available resources.
2. Inference that the Nevada Department of Taxation provided IVGID with a "green light" to augment the 2020/2021 budget for only \$1,000,000 when approved contracts exceeded available resources.
3. The Board of Trustees and the public were deceived by representations that the 5 year capital plan for fiscal year 2021/2022 had \$4,350,000 budgeted for the Burnt Cedar Pool project when the plan only had \$2,700,000.
4. The 2021/2022 budgeted Facility Fees of \$5.8 million was understood to be substantially allocated for Beach operating activities shortfalls and to provide funds for a new building at Incline Beach but instead a major portion (40%) was directed to cover estimated cost overruns of the Burnt Cedar Pool.

## Requests and Recommendations

1. The Department of Taxation must be notified that contracts were issued for the Burnt Cedar Pool in excess of Available Resources and request what corrective actions should be taken.
2. IVGID Counsel Josh Nelson should submit his 9-15-2021 verbal comments to me in writing and provide his opinion on how IVGID had not violated NRS 354.626.
3. Davis Farr LLC should be notified that a violation of NRS 354.626 may have occurred. Certain disclosure requirements must be made in the Notes to the Financial Statements for the June 30, 2021 Comprehensive Annual Financial Report (now known as the Annual Comprehensive Financial Report "ACFR").

- not NRS

what - GAAP

Generally not a financial reporting matter.



 **EXHIBITS**

- A. NRS 354.410
- B. NRS 354.626
- C. Excerpt of Board of Trustees meeting minutes of April 29, 2021 approving contracts and augmenting the Beach Capital Projects Fund budget by \$1,000,000 for fiscal year 2020/2021
- D. Beach Capital Projects Fund Budget for fiscal year 2020/2021 - Form 4404LGF
- E. Resolution 1882 - Augmenting Beach Capital Projects Fund Budget for \$258,289 to increase design contracts
- F. Resolution 1886 - Augmenting Beach Capital Projects Fund Budget for \$1,000,000 to fund construction costs until the end of fiscal year 2020/2021
- G. Excerpt of Board of Trustees meeting minutes of April 29, 2021 regarding statements made by Paul Navazio
- H. Guidance provided by the Department of Taxation - April 26, 2021 - Available Resources
- I. Resolution 1886 - Error in reporting the 2021/2022 budget of \$4,350,000 which was not approved by Board of Trustees
- J. Five Year Capital Plan and Project Summary for the Burnt Cedar Pool for fiscal year 2021/2022 indicating only \$2,700,000 was approved by Board of Trustees
- K. Capital Improvement Project Summary Report Budget for 2021/2022 indicating only \$3,350,000 was approved on May 27, 2021
- L. Excerpt of Core Construction Contract: "Owner May Terminate for Convenience" clause
- M. Excerpt of a 4/21/2021 memorandum to Board of Trustees of the Total Available Budget and the Estimated Project Budget for Burnt Cedar Pool submitted to the Board of Trustees on April 29, 2021

# EXHIBIT A

**NAC 354.410 Available resources. (NRS 354.107, 354.594, 354.598005)**

1. An unappropriated ending balance of any governmental fund, except a fund for capital projects, is not an available resource. Available resources are:

- (a) An opening balance which is larger than anticipated;
- (b) Revenues in excess of those budgeted;
- (c) Revenues generated from previously unbudgeted sources; or
- (d) An unappropriated ending balance of a fund for capital projects.

2. The difference between the total of the original budgeted resources and the total of the revised resources is the amount available for budget augmentation.

[Tax Comm'n, Local Gov't Reg. part No. 10, eff. 1-13-72; A 2-7-76; 1-14-82]—(NAC A 8-2-90; A by Com. on Local Gov't Finance by R201-01, 4-5-2002)

## EXHIBIT B

### **NRS 354.626 Unlawful expenditure of money in excess of amount appropriated; penalties; exceptions.**

1. No governing body or member thereof, officer, office, department or agency may, during any fiscal year, expend or contract to expend any money or incur any liability, or enter into any contract which by its terms involves the expenditure of money, in excess of the amounts appropriated for that function, other than bond repayments, medium-term obligation repayments and any other long-term contract expressly authorized by law. Any officer or employee of a local government who willfully violates NRS 354.470 to 354.626, inclusive, is guilty of a misdemeanor and upon conviction thereof ceases to hold his or her office or employment. Prosecution for any violation of this section may be conducted by the Attorney General or, in the case of incorporated cities, school districts or special districts, by the district attorney.

2. Without limiting the generality of the exceptions contained in subsection 1, the provisions of this section specifically do not apply to:

(a) Purchase of coverage and professional services directly related to a program of insurance which require an audit at the end of the term thereof.

(b) Long-term cooperative agreements as authorized by chapter 277 of NRS.

(c) Long-term contracts in connection with planning and zoning as authorized by NRS 278.010 to 278.630, inclusive.

(d) Long-term contracts for the purchase of utility service such as, but not limited to, heat, light, sewerage, power, water and telephone service.

(e) Contracts between a local government and an employee covering professional services to be performed within 24 months following the date of such contract or contracts entered into between local government employers and employee organizations.

(f) Contracts between a local government and any person for the construction or completion of public works, money for which has been or will be provided by the proceeds of a sale of bonds, medium-term obligations or an installment-purchase agreement and that are entered into by the local government after:

(1) Any election required for the approval of the bonds or installment-purchase agreement has been held;

(2) Any approvals by any other governmental entity required to be obtained before the bonds, medium-term obligations or installment-purchase agreement can be issued have been obtained; and

(3) The ordinance or resolution that specifies each of the terms of the bonds, medium-term obligations or installment-purchase agreement, except those terms that are set forth in subsection 2 of NRS 350.165, has been adopted.

↳ Neither the fund balance of a governmental fund nor the equity balance in any proprietary fund may be used unless appropriated in a manner provided by law.

(g) Contracts which are entered into by a local government and delivered to any person solely for the purpose of acquiring supplies, services and equipment necessarily ordered in the current fiscal year for use in an ensuing fiscal year and which, under the method of accounting adopted by the local government, will be charged against an appropriation of a subsequent fiscal year. Purchase orders evidencing such contracts are public records available for inspection by any person on demand.

(h) Long-term contracts for the furnishing of television or FM radio broadcast translator signals as authorized by NRS 269.127.

(i) The receipt and proper expenditure of money received pursuant to a grant awarded by an agency of the Federal Government.

(j) The incurrence of obligations beyond the current fiscal year under a lease or contract for installment purchase which contains a provision that the obligation incurred thereby is extinguished by the failure of the governing body to appropriate money for the ensuing fiscal year for the payment of the amounts then due.

(k) The receipt by a local government of increased revenue that:

(1) Was not anticipated in the preparation of the final budget of the local government; and

(2) Is required by statute to be remitted to another governmental entity.

(l) An agreement authorized pursuant to NRS 277A.370.

(Added to NRS by 1965, 736; A 1969, 801; 1971, 1016, 1345; 1973, 68, 1155; 1975, 40, 279, 711; 1981, 1769; 1985, 648; 1987, 1720; 1995, 1908; 1997, 573; 1999, 833; 2001, 1812, 2324; 2003, 162, 802; 2005, 579; 2009, 432, 852; 2011, 1690, 2728; 2013, 2715)

**NRS 354.529 “Function” defined.** “Function” means a group of related activities aimed at accomplishing a major service or regulatory program for which a governmental unit is responsible, including, without limitation, general government, public safety, public works, health, welfare, culture and recreation, conservation of natural resources, urban redevelopment and housing, economic development and assistance, economic opportunity and activities relating to the judiciary.

(Added to NRS by 1981, 1756; A 2001, 1797)

# EXHIBIT C

Minutes  
Meeting of April 29, 2021  
Page 9

General Manager Winquest said that he will follow up with the Director of Finance on the parcels as well as follow up on professional services. Yes, it is beneficial for Staff to know what the Board would like to see in the memorandums as that would help Staff to get that feedback. Trustee Dent said he likes that idea and that he has three items to be added to the long range calendar that are coming through Audit Committee – meeting minutes of 3/11/2021 - page 89, consultant re: employee benefits; page 91, price all venues for non-profits; and then an item that was passed at today's meeting – interviews dates and times for next Audit Committee member appointment which will be for a two-year term. Trustee Wong said she thought we needed to reschedule one of the May meetings. District General Manager Winquest said we are going to keep the May 26 meeting because of noticing, etc. of the public hearing.

G. **DISTRICT GENERAL COUNSEL UPDATE** *(for possible action)*

There is no District General Counsel update for this agenda.

H. **REPORTS TO THE BOARD\*** - Reports are intended to inform the Board and/or the public.

H.1. **Audit Committee Chairman Matthew Dent – Verbal Report on Audit Committee Meeting of April 29, 2021**

Audit Committee Chairman Dent said that the Audit Committee reviewed the whistleblower program draft and that we are getting there. This item will be coming back to us in June and then it will be forwarded to the Trustees. On internal controls, we are making a little progress, Audit Committee At-Large Member Derrek Aaron is the liaison and that he has just started on this effort and that there was no update as he wasn't present for today's meeting. We also had the engagement letter with Davis Farr and the Audit Committee had a discussion with Jennifer Farr and we are awaiting an audit work plan. The next Audit Committee meeting is scheduled for June 9, 2021 at 4 p.m.

I. **CONSENT CALENDAR** *(for possible action)*

There are no Consent Calendar items for this agenda.

J. **GENERAL BUSINESS** *(for possible action)*

J.1. Review, discuss, and possibly authorize or approve:

- (A) **Four contracts for the Burnt Cedar Swimming Pool and Site Improvement Project - Fund: Beaches; Project 3970BD2601. Vendor: CORE Construction in the amount of \$3,845,865 which includes adding alternates #1, #2, #3, #4, Tri-Sage Consulting in the amount of \$69,500, Reno Tahoe Geo Associates, Inc. in the amount of \$21,000, TSK Architects in the amount of \$105,680;**
- (B) **Resolution Number 1886 authorizing a budget augmentation of \$1,000,000 from available funds within the Beach Capital Fund (Fund 590) in support of the Burnt Cedar Swimming Pool Renovation Project**

**(Requesting Staff Member: Engineering Manager Nathan Chorey)**

District General Manager Winqest said we got guidance from the Department of Taxation that is why we had the change to this item. Engineering Manager Chorey introduced CORE Construction representatives Travis Coombs and Daniel Salego, who gave a brief overview of the submitted material. Engineering Manager Chorey gave an overview of the submitted materials. Trustee Schmitz said, on agenda packet pages 167G and 167H, related to CMAR contingency, will any savings or approved value engineering be added to the contingency? On agenda packet 167G, it says CORE has say on the use and does the District have a change order process so we have some control as it says it is used at CORE's discretion so she is asking to have that modified so the District has more decision making on some of those things. Director of Public Works Brad Underwood said we have had that decision with CORE and there is an approval process so that oversight is included and that yes, we can have some modification to that language. Trustee Schmitz asked District General Counsel Nelson if that change could be made; District General Counsel Nelson said yes, we can make that change. Trustee Schmitz said on agenda packet page 21, on the cost sheet, there is a line item in the amount of \$175,000. It talks about it being reserves however it appears to be for things outside the construction project. Can this potentially be removed from this project because this is supposed to be about the pool? The painting of the building is part of maintenance and the fact that it says reserves, well, she needs clarification please. Engineering Manager Chorey said all the funds are for this project as we don't want to paint the building but the Tahoe Regional Planning Agency (TRPA) is requiring us to improve the value and it is a direct requirement of this project by TRPA. Trustee Schmitz said so it is not reserves but it is for other construction costs. Trustee Schmitz said

she does have questions about financing. We have to set aside the funds for the entire project and that she is concerned about what our fund balance is and are we still in compliance or below for our policy relative to the beach fund? Trustee Dent said agenda packet page 201 says it is time and material with a not-to-exceed – is that correct? Engineering Manager Chorey said yes, that is correct, time and material with a not-to-exceed. Trustee Schmitz asked if the bid sheets were acceptable from a contract perspective? Look at agenda packet page 192, used as a basically scope of work statement, other pages are letters, agenda packet page 199, that should have Exhibit A on the top of it is a letter, is this acceptable for a contract as well as legally acceptable to protect the District as far as a scope of work goes? District General Counsel Nelson said yes and that he is working with the Public Works team on updating and that it is very consistent with past District practice. Trustee Wong said thank you to Engineering Manager Chorey for fostering this project along and that it has been a pleasure to work with you; it is extremely exciting to vote on this project after all this work. Trustee Schmitz asked if the Director of Finance will be addressing the financial question? Director of Finance Navazio said regarding funds and fund balance question – as proposed, the project budget is built into next year's budget and one of the actions items tonight is to advance those funds. With this project, this year's budget, and what is proposed for next year, the Beach Fund is projected to end, next fiscal year, with a fund balance that continues to meet the current fund balance policy in the Beach Fund and to be clear, it is close. Also, this project is not dipping into the fund balance. Trustee Schmitz said she would like clarification as we can't talk about future funds, we can only talk about the funds that we have in this fiscal year's budget and so her question is in this fiscal year, she doesn't believe we have the funds to appropriate \$4.7 million to this and in addition what does it do to this fiscal year's fund balance? Director of Finance Navazio said we have been collecting monies this year through the increase in the beach fees, there is sufficient funds available in the fund balance, we are not asking nor is it required that the Board appropriate the entire amount of the contract, this is an early opening and that is what we clarified with the State of Nevada Department of Taxation just earlier this week so the funding plan is to advance no more than \$1 million that would be spent on this contract, and the small risk that the Board absolutely needs to be aware of is that the recommendation to proceed with the contract tonight presumes that the Board is going to approve next year's capital budget that will include the balance of the funding that is needed for the project. From a cash flow standpoint – we have the funds available, from a budget appropriations standpoint, the resolution that is part of this packet would provide the budget authority for the contractor's charges before the end of the fiscal year, we

would have the remaining portion, \$3.35 million, included in next year's budget, based on our estimates and at the end of the project, the Beach Fund is able to support the project and not dip into the operating reserve, and the current recommendation in front of the Board provides appropriate budget authority consistent with Nevada Revised Statutes (NRS) related to this kind of project. Trustee Schmitz said so this is something that you reviewed with the Department of Taxation and how this is being presented is all acceptable per NRS and the Department of Taxation? Director of Finance Navazio said correct, we explained the situation to the State and they are comfortable with the revised resolution. Trustee Dent asked if Staff will have the breakdown for this at the next meeting? Director of Finance Navazio said the budget workshop next Wednesday will include forecasts and projections for each of the major funds, including the Beach fund, as well as projections on ending this fiscal year and that he is not sure about the additional breakdown. Trustee Dent asked if we have enough time to update this information such that we aren't getting an addendum to the packet? Director of Finance Navazio said yes. Trustee Schmitz said on page 167, I., it talks about what is excluded and it talks about lifeguard chairs, reels lane markers, and such so are all those types of things included in our estimated project budget? Engineering Manager Chorey said yes those items are included in our reserves because IVGID can procure those items less expensively ourselves. Trustee Schmitz said on page 167D, it talked about carpentry, interior, etc. what is that for? Engineering Manager Chorey said we are going into the mechanical room for the pool and we are going to have to totally reorient that room. Trustee Schmitz said if we approve this as it states with all the alternatives or will the alternatives come back up for discussion at a later date and time. Engineering Manager Chorey said we are recommending approval tonight and you are welcome to discuss them. The concrete color will be discussed further as there is a small sample that is forthcoming that we are going to review and approve. Trustee Schmitz said the concrete is sort of a Tahoe color and that is the color of our rocks. Engineering Manager Chorey said that is why we are having them pour a standard concrete sample next to the color concrete square, solicit feedback and make a decision.

Trustee Wong made a motion to:

1. Award a guaranteed maximum price construction contract to CORE Construction in the amount of \$3,749,404, consisting of a \$3,508,440 base contract and \$240,964 for CMAR Contingency and allowances, for construction of the Burnt Cedar Swimming Pool and Site Improvement Project.



2. Award add alternates #1, #2, #3 and #4 to CORE Construction in the amount of \$96,461 for the Burnt Cedar Swimming Pool and Site Improvement Project.
3. Authorize Chair and Secretary to execute the contract based on a review by General Counsel and Staff.
4. Authorize Staff to approve all change orders associated with the contract and the CMAR contingency and allowances.
5. Authorize Staff to utilize construction reserves for additional work, permit fees, and District furnished material/Furniture, Fixtures and Equipment (FFE) up to \$160,000.
6. Authorize Staff to enter into a Short Form Agreement with Tri-Sage Consulting in the amount of \$69,500 for services during construction of the project.
7. Authorize Staff to enter into an Additional Services Addendum with Reno Tahoe Geo Associates, Inc. in the amount of \$21,000 for services during construction of the project.
8. Authorize Staff to enter into an Additional Services Addendum with TSK Architects in the amount of \$105,680 for services during construction of the project.
9. Approve Resolution Number 1886 authorizing a budget augmentation of \$1,000,000 from available resources within the Beach Capital Fund (Fund 590) in support of the Burnt Cedar Swimming Pool Renovation Project.

Trustee Tonking seconded the motion. Chairman Callicrate asked for further comments, receiving none, he called the question – the motion was passed unanimously.

Chairman Callicrate called for a break at 7:33 p.m., the Board reconvened at 7:47 p.m.

- J.2. **Review and discuss and ~~possibly authorize or approve:~~ (revised at the start of the meeting – Approval of the Agenda)**

# EXHIBIT D

<b>REVENUES</b>	(1)	(2)	(3) BUDGET YEAR ENDING 06/30/21	
	ACTUAL PRIOR YEAR ENDING 6/30/2019	ESTIMATED CURRENT YEAR ENDING 6/30/2020	TENTATIVE APPROVED	(4) FINAL APPROVED
Facility Fee				3,207,672
<b>Subtotal</b>	-	-	-	3,207,672
<b>OTHER FINANCING SOURCES:</b>				
Operating Transfers In (Schedule T)				
Transfers designated from Facility Fees	198,558			
Transfers from operating resources				
<b>BEGINNING FUND BALANCE</b>				
Prior Period Adjustment(s)				
Residual Equity Transfers				
<b>TOTAL BEGINNING FUND BALANCE</b>	85,740			
<b>TOTAL RESOURCES</b>	284,298	-	-	3,207,672
<b>EXPENDITURES</b>				
Beach - New Projects	283,698			454,500
- Carryover Projects	600			
<b>Subtotal</b>	284,298	-	-	454,500
<b>OTHER USES</b>				
CONTINGENCY (not to exceed 3% of total expenditures)				
Transfers Out (Schedule T)				
<b>ENDING FUND BALANCE</b>	-			2,753,172
		No Fund Activity Post June 30, 2019. Reactivated effective 7/1/2021		
<b>TOTAL COMMITMENTS &amp; FUND BALANCE</b>	284,298	-	-	3,207,672

Incline Village General Improvement District

Beach Capital Projects Fund

EXHIBIT E



**RESOLUTION NO. 1882**

**A RESOLUTION OF THE BOARD OF TRUSTEES AUGMENTING THE DISTRICT'S FISCAL YEAR 2020/21 BUDGET TO APPROPRIATE \$258,289 IN AVAILABLE RESOURCES FROM THE BEACH CAPITAL FUND (FUND 590) TO THE BURNT CEDAR SWIMMING POOL RENOVATION PROJECT (CIP# 3970BD2601) TO PROVIDE FUNDING FOR DESIGN CONTRACT WORK**

**WHEREAS**, an additional appropriation of \$258,289 is required in order for the District to execute the design contract for the Burnt Cedar Swimming Pool Renovation Project;

**NOW, THEREFORE, IT IS ORDERED**, as follows:

Incline Village General Improvement District Board of Trustees authorizes a budget augmentation of \$258,289 from available resources, as defined, within the Beach Capital Improvement Fund (Fund 590) to provide for a supplemental appropriation to the Fiscal Year 2020/2021 project budget for the Burnt Cedar Swimming Pool Renovation Project (CIP #3970BD2601).

\* \* \* \* \*

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 9th day of December, 2020, by the following vote:

AYES, and in favor thereof,  
NOES,  
ABSENT,

\_\_\_\_\_  
Kendra Wong  
Secretary, IVGID Board of Trustees

EXHIBIT F



RESOLUTION NO. 1886

**A RESOLUTION OF THE BOARD OF TRUSTEES AUGMENTING THE DISTRICT'S FISCAL YEAR 2020/21 BUDGET TO APPROPRIATE \$1,000,000 IN AVAILABLE RESOURCES FROM THE BEACH CAPITAL FUND (FUND 590) IN SUPPORT OF THE BURNT CEDAR SWIMMING POOL RENOVATION PROJECT (CIP# 3970BD2601) TO PROVIDE FUNDING FOR COMMENCEMENT OF CONSTRUCTION WORK IN THE CURRENT FISCAL YEAR**

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

**WHEREAS**, the Board of Trustees has established the Burnt Cedar Swimming Pool Renovation Project (CIP#3970BD2601) as a priority project and funding to support the project is included in the adopted Five-Year Capital Improvement Plan; and

**WHEREAS**, the original FY 2020/21 approved budget included \$225,000 for planning and design work expected to be undertaken in the current fiscal year; and

**WHEREAS**, at their meeting of December 9, 2020 the Board of Trustees approved Resolution No. 1882 to augment the project budget by \$258,289 to supplement funding to complete the pre-design phase of the project; and

**WHEREAS**, at same meeting of December 9, 2021, the Board of Trustees approved a CMAR delivery method and authorized Staff to solicit proposals and negotiate a guaranteed maximum price (GMP) contract to complete construction of the project, consistent with the requirements of NRS 338.169; and

**WHEREAS**, the funding for construction phase of the Burnt Cedar Renovation Project in the amount of \$4,350,000, is included in the District's Capital Improvement Program for FY 2021/22; and

**WHEREAS**, the Board of Trustees intends to award contracts and commence construction on the Burnt Cedar Pool Renovation Project in the current fiscal year; and

**WHEREAS**, Nevada Revised Statutes (NRS) 354.598005 provides procedures and requirements for augmentation of local agency budgets, including the requirement that budget augmentations within governmental Capital Funds require the governing body to adopt a formal resolution authorizing the budget augmentation from available resources, as defined; and



**RESOLUTION NO. 1886**

**A RESOLUTION OF THE BOARD OF TRUSTEES AUGMENTING THE DISTRICT’S FISCAL YEAR 2020/21 BUDGET TO APPROPRIATE \$1,000,000 IN AVAILABLE RESOURCES FROM THE BEACH CAPITAL FUND (FUND 590) IN SUPPORT OF THE BURNT CEDAR SWIMMING POOL RENOVATION PROJECT (CIP# 3970BD2601) TO PROVIDE FUNDING FOR COMMENCEMENT OF CONSTRUCTION WORK IN THE CURRENT FISCAL YEAR**

**WHEREAS**, the Nevada Administrative Code 354.410 provides for definition of “available resources” for budget augmentation to include an unappropriated ending balance of a fund for capital projects.” And

**WHEREAS**, the final, approved FY 2020/21 budget for the District’s Beach Capital Fund (Fund 590) reflects an unappropriated fund balance, as reported to the Department of Taxation on Form4404LGF, which constitutes available resources to support this budget augmentation; and

**NOW, THEREFORE, IT IS ORDERED**, as follows:

1. Incline Village General Improvement District Board of Trustees authorizes a budget augmentation of \$1,000,000 from available resources, as defined, within the Beach Capital Improvement Fund (Fund 590) to provide for a supplemental appropriation to the Fiscal Year 2020/21 capital project budget for the Burnt Cedar Swimming Pool Renovation Project (CIP #3970BD2601).

\* \* \* \* \*

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 29th day of April, 2021, by the following vote:

AYES, and in favor thereof,  
NOES,  
ABSENT,

\_\_\_\_\_  
Sara Schmitz  
Secretary

# EXHIBIT G

Minutes  
Meeting of April 29, 2021  
Page 9

General Manager Winqest said that he will follow up with the Director of Finance on the parcels as well as follow up on professional services. Yes, it is beneficial for Staff to know what the Board would like to see in the memorandums as that would help Staff to get that feedback. Trustee Dent said he likes that idea and that he has three items to be added to the long range calendar that are coming through Audit Committee – meeting minutes of 3/11/2021 - page 89, consultant re: employee benefits; page 91, price all venues for non-profits; and then an item that was passed at today's meeting – interviews dates and times for next Audit Committee member appointment which will be for a two-year term. Trustee Wong said she thought we needed to reschedule one of the May meetings. District General Manager Winqest said we are going to keep the May 26 meeting because of noticing, etc. of the public hearing.

**G. DISTRICT GENERAL COUNSEL UPDATE (for possible action)**

There is no District General Counsel update for this agenda.

**H. REPORTS TO THE BOARD\* - Reports are intended to inform the Board and/or the public.**

**H.1. Audit Committee Chairman Matthew Dent – Verbal Report on Audit Committee Meeting of April 29, 2021**

Audit Committee Chairman Dent said that the Audit Committee reviewed the whistleblower program draft and that we are getting there. This item will be coming back to us in June and then it will be forwarded to the Trustees. On internal controls, we are making a little progress, Audit Committee At-Large Member Derrek Aaron is the liaison and that he has just started on this effort and that there was no update as he wasn't present for today's meeting. We also had the engagement letter with Davis Farr and the Audit Committee had a discussion with Jennifer Farr and we are awaiting an audit work plan. The next Audit Committee meeting is scheduled for June 9, 2021 at 4 p.m.

**I. CONSENT CALENDAR (for possible action)**

There are no Consent Calendar items for this agenda.

**J. GENERAL BUSINESS (for possible action)**

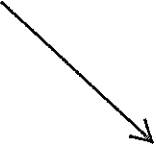
**J.1. Review, discuss, and possibly authorize or approve:**

- (A) Four contracts for the Burnt Cedar Swimming Pool and Site Improvement Project - Fund: Beaches; Project 3970BD2601. Vendor: CORE Construction in the amount of \$3,845,865 which includes adding alternates #1, #2, #3, #4, Tri-Sage Consulting in the amount of \$69,500, Reno Tahoe Geo Associates, Inc. in the amount of \$21,000, TSK Architects in the amount of \$105,680;
- (B) Resolution Number 1886 authorizing a budget augmentation of \$1,000,000 from available funds within the Beach Capital Fund (Fund 590) in support of the Burnt Cedar Swimming Pool Renovation Project

(Requesting Staff Member: Engineering Manager Nathan Chorey)

District General Manager Winqest said we got guidance from the Department of Taxation that is why we had the change to this item. Engineering Manager Chorey introduced CORE Construction representatives Travis Coombs and Daniel Salego, who gave a brief overview of the submitted material. Engineering Manager Chorey gave an overview of the submitted materials. Trustee Schmitz said, on agenda packet pages 167G and 167H, related to CMAR contingency, will any savings or approved value engineering be added to the contingency? On agenda packet 167G, it says CORE has say on the use and does the District have a change order process so we have some control as it says it is used at CORE's discretion so she is asking to have that modified so the District has more decision making on some of those things. Director of Public Works Brad Underwood said we have had that decision with CORE and there is an approval process so that oversight is included and that yes, we can have some modification to that language. Trustee Schmitz asked District General Counsel Nelson if that change could be made; District General Counsel Nelson said yes, we can make that change. Trustee Schmitz said on agenda packet page 21, on the cost sheet, there is a line item in the amount of \$175,000. It talks about it being reserves however it appears to be for things outside the construction project. Can this potentially be removed from this project because this is supposed to be about the pool? The painting of the building is part of maintenance and the fact that it says reserves, well, she needs clarification please. Engineering Manager Chorey said all the funds are for this project as we don't want to paint the building but the Tahoe Regional Planning Agency (TRPA) is requiring us to improve the value and it is a direct requirement of this project by TRPA. Trustee Schmitz said so it is not reserves but it is for other construction costs. Trustee Schmitz said

she does have questions about financing. We have to set aside the funds for the entire project and that she is concerned about what our fund balance is and are we still in compliance or below for our policy relative to the beach fund? Trustee Dent said agenda packet page 201 says it is time and material with a not-to-exceed – is that correct? Engineering Manager Chorey said yes, that is correct, time and material with a not-to-exceed. Trustee Schmitz asked if the bid sheets were acceptable from a contract perspective? Look at agenda packet page 192, used as a basically scope of work statement, other pages are letters, agenda packet page 199, that should have Exhibit A on the top of it is a letter, is this acceptable for a contract as well as legally acceptable to protect the District as far as a scope of work goes? District General Counsel Nelson said yes and that he is working with the Public Works team on updating and that it is very consistent with past District practice. Trustee Wong said thank you to Engineering Manager Chorey for fostering this project along and that it has been a pleasure to work with you; it is extremely exciting to vote on this project after all this work. Trustee Schmitz asked if the Director of Finance will be addressing the financial question? Director of Finance Navazio said regarding funds and fund balance question – as proposed, the project budget is built into next year's budget and one of the actions items tonight is to advance those funds. With this project, this year's budget, and what is proposed for next year, the Beach Fund is projected to end, next fiscal year, with a fund balance that continues to meet the current fund balance policy in the Beach Fund and to be clear, it is close. Also, this project is not dipping into the fund balance. Trustee Schmitz said she would like clarification as we can't talk about future funds, we can only talk about the funds that we have in this fiscal year's budget and so her question is in this fiscal year, she doesn't believe we have the funds to appropriate \$4.7 million to this and in addition what does it do to this fiscal year's fund balance? Director of Finance Navazio said we have been collecting monies this year through the increase in the beach fees, there is sufficient funds available in the fund balance, we are not asking nor is it required that the Board appropriate the entire amount of the contract, this is an early opening and that is what we clarified with the State of Nevada Department of Taxation just earlier this week so the funding plan is to advance no more than \$1 million that would be spent on this contract, and the small risk that the Board absolutely needs to be aware of is that the recommendation to proceed with the contract tonight presumes that the Board is going to approve next year's capital budget that will include the balance of the funding that is needed for the project. From a cash flow standpoint – we have the funds available, from a budget appropriations standpoint, the resolution that is part of this packet would provide the budget authority for the contractor's charges before the end of the fiscal year, we





would have the remaining portion, \$3.35 million, included in next year's budget, based on our estimates and at the end of the project, the Beach Fund is able to support the project and not dip into the operating reserve, and the current recommendation in front of the Board provides appropriate budget authority consistent with Nevada Revised Statutes (NRS) related to this kind of project. Trustee Schmitz said so this is something that you reviewed with the Department of Taxation and how this is being presented is all acceptable per NRS and the Department of Taxation? Director of Finance Navazio said correct, we explained the situation to the State and they are comfortable with the revised resolution. Trustee Dent asked if Staff will have the breakdown for this at the next meeting? Director of Finance Navazio said the budget workshop next Wednesday will include forecasts and projections for each of the major funds, including the Beach fund, as well as projections on ending this fiscal year and that he is not sure about the additional breakdown. Trustee Dent asked if we have enough time to update this information such that we aren't getting an addendum to the packet? Director of Finance Navazio said yes. Trustee Schmitz said on page 167, I., it talks about what is excluded and it talks about lifeguard chairs, reels lane markers, and such so are all those types of things included in our estimated project budget? Engineering Manager Chorey said yes those items are included in our reserves because IVGID can procure those items less expensively ourselves. Trustee Schmitz said on page 167D, it talked about carpentry, interior, etc. what is that for? Engineering Manager Chorey said we are going into the mechanical room for the pool and we are going to have to totally reorient that room. Trustee Schmitz said if we approve this as it states with all the alternatives or will the alternatives come back up for discussion at a later date and time. Engineering Manager Chorey said we are recommending approval tonight and you are welcome to discuss them. The concrete color will be discussed further as there is a small sample that is forthcoming that we are going to review and approve. Trustee Schmitz said the concrete is sort of a Tahoe color and that is the color of our rocks. Engineering Manager Chorey said that is why we are having them pour a standard concrete sample next to the color concrete square, solicit feedback and make a decision.

Not true

Trustee Wong made a motion to:

1. Award a guaranteed maximum price construction contract to CORE Construction in the amount of \$3,749,404, consisting of a \$3,508,440 base contract and \$240,964 for CMAR Contingency and allowances, for construction of the Burnt Cedar Swimming Pool and Site Improvement Project.

2. Award add alternates #1, #2, #3 and #4 to CORE Construction in the amount of \$96,461 for the Burnt Cedar Swimming Pool and Site Improvement Project.
3. Authorize Chair and Secretary to execute the contract based on a review by General Counsel and Staff.
4. Authorize Staff to approve all change orders associated with the contract and the CMAR contingency and allowances.
5. Authorize Staff to utilize construction reserves for additional work, permit fees, and District furnished material/Furniture, Fixtures and Equipment (FFE) up to \$160,000.
6. Authorize Staff to enter into a Short Form Agreement with Tri-Sage Consulting in the amount of \$69,500 for services during construction of the project.
7. Authorize Staff to enter into an Additional Services Addendum with Reno Tahoe Geo Associates, Inc. in the amount of \$21,000 for services during construction of the project.
8. Authorize Staff to enter into an Additional Services Addendum with TSK Architects in the amount of \$105,680 for services during construction of the project.
9. Approve Resolution Number 1886 authorizing a budget augmentation of \$1,000,000 from available resources within the Beach Capital Fund (Fund 590) in support of the Burnt Cedar Swimming Pool Renovation Project.

Trustee Tonking seconded the motion. Chairman Callicrate asked for further comments, receiving none, he called the question – the motion was passed unanimously.

Chairman Callicrate called for a break at 7:33 p.m., the Board reconvened at 7:47 p.m.

- J.2. **Review and discuss and possibly authorize or approve:** (revised at the start of the meeting – Approval of the Agenda)

## EXHIBIT H

Following guidance provided by the Department of Taxation on Monday, April 26, 2021, IVGID Staff is issuing a REVISED Agenda, Memorandum and Resolution related to the Agenda Item J.1. – Burnt Cedar Swimming Pool project on the agenda of April 29, 2021.

Specifically, the Department of Taxation has advised that the District ~~MAY use unappropriated current year revenues and projected fund balance (as of June 30, 2021) as reported on our Final FY20/21 Budget (Form 4404LGF) as an “available resource”, as defined in NAC 354.410 to augment the FY2020/21 budget.~~

Therefore, and as a result of the above guidance, attached are a REVISED Board of Trustees agenda, Memorandum (please remove pages 16 through 23 and replace with the attached pages 16 through 23), which has changes in the subject matter (B), I. Recommendation, 9. revised text is in **bold**, and V. Financial Impact and Budget, last two paragraphs with revised text in *italics*, and please remove and replace pages 25 – 26, Resolution Number 1886, with the attached pages 25 – 26 entitled Resolution Number 1886, which has had changes made to the resolution header and near the end of the resolution under “Now, therefore, it is ordered, as follows:” is attached hereto.

Please feel free to contact Director of Finance Paul Navazio, [pcn@IVGID.org](mailto:pcn@IVGID.org), should you have any questions related to these revisions prior to the Board meeting.



**RESOLUTION NO. 1886**

**A RESOLUTION OF THE BOARD OF TRUSTEES AUGMENTING THE DISTRICT'S FISCAL YEAR 2020/21 BUDGET TO APPROPRIATE \$1,000,000 IN AVAILABLE RESOURCES FROM THE BEACH CAPITAL FUND (FUND 590) IN SUPPORT OF THE BURNT CEDAR SWIMMING POOL RENOVATION PROJECT (CIP# 3970BD2601) TO PROVIDE FUNDING FOR COMMENCEMENT OF CONSTRUCTION WORK IN THE CURRENT FISCAL YEAR**

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

**WHEREAS**, the Board of Trustees has established the Burnt Cedar Swimming Pool Renovation Project (CIP#3970BD2601) as a priority project and funding to support the project is included in the adopted Five-Year Capital Improvement Plan; and

**WHEREAS**, the original FY 2020/21 approved budget included \$225,000 for planning and design work expected to be undertaken in the current fiscal year; and

**WHEREAS**, at their meeting of December 9, 2020 the Board of Trustees approved Resolution No. 1882 to augment the project budget by \$258,289 to supplement funding to complete the pre-design phase of the project; and

**WHEREAS**, at same meeting of December 9, 2021, the Board of Trustees approved a CMAR delivery method and authorized Staff to solicit proposals and negotiate a guaranteed maximum price (GMP) contract to complete construction of the project, consistent with the requirements of NRS 338.169; and

**WHEREAS**, the funding for construction phase of the Burnt Cedar Renovation Project in the amount of \$4,350,000, is included in the District's Capital Improvement Program for FY 2021/22; and

**WHEREAS**, the Board of Trustees intends to award contracts and commence construction on the Burnt Cedar Pool Renovation Project in the current fiscal year; and

**WHEREAS**, Nevada Revised Statutes (NRS) 354.598005 provides procedures and requirements for augmentation of local agency budgets, including the requirement that budget augmentations within governmental Capital Funds require the governing body to adopt a formal resolution authorizing the budget augmentation from available resources, as defined; and



**RESOLUTION NO. 1886**

**A RESOLUTION OF THE BOARD OF TRUSTEES AUGMENTING THE DISTRICT'S FISCAL YEAR 2020/21 BUDGET TO APPROPRIATE \$1,000,000 IN AVAILABLE RESOURCES FROM THE BEACH CAPITAL FUND (FUND 590) IN SUPPORT OF THE BURNT CEDAR SWIMMING POOL RENOVATION PROJECT (CIP# 3970BD2601) TO PROVIDE FUNDING FOR COMMENCEMENT OF CONSTRUCTION WORK IN THE CURRENT FISCAL YEAR**

**WHEREAS**, the Nevada Administrative Code 354.410 provides for definition of "available resources" for budget augmentation to include an unappropriated ending balance of a fund for capital projects." And

**WHEREAS**, the final, approved FY 2020/21 budget for the District's Beach Capital Fund (Fund 590) reflects an unappropriated fund balance, as reported to the Department of Taxation on Form4404LGF, which constitutes available resources to support this budget augmentation; and

**NOW, THEREFORE, IT IS ORDERED**, as follows:

1. Incline Village General Improvement District Board of Trustees authorizes a budget augmentation of \$1,000,000 from available resources, as defined, within the Beach Capital Improvement Fund (Fund 590) to provide for a supplemental appropriation to the Fiscal Year 2020/21 capital project budget for the Burnt Cedar Swimming Pool Renovation Project (CIP #3970BD2601).

\* \* \* \* \*

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 29th day of April, 2021, by the following vote:

AYES, and in favor thereof,  
NOES,  
ABSENT,

\_\_\_\_\_  
Sara Schmitz  
Secretary

*Resolution No. 1886*

# EXHIBIT J



## 5 Year Capital Improvement Plan Summary Beaches

Description	Project Number	Project Title	Project	2021	2022	2023	2024	2025	Total
Beaches	3970BD2601	Burnt Cedar Swimming Pool Improvements	Engineering Manager	225,000	2,700,000	-	-	-	2,925,000
	3972BD1301	Pavement Maintenance, Ski Beach	Senior Engineer	6,000	8,500	15,000	256,000	6,000	291,500
	3972BD1501	Beaches Flatscape and Retaining Wall Enhancement and Replacement	Senior Engineer	55,000	55,000	55,000	55,000	-	220,000
	3972BD1707	Burnt Cedar Dumpster enclosure	Senior Engineer	35,000	-	-	-	-	35,000
	3972FF1704	Beach Furnishings	Parks Superintendent	7,000	21,000	-	-	-	28,000
	3972LE1720	2014 John Deere 5075E Tractor #698	Fleet Superintendent	-	-	-	-	54,000	54,000
	3972LI1201	Pavement Maintenance, Incline Beach	Senior Engineer	6,500	6,500	31,500	6,500	6,500	57,500
	3972LI1202	Pavement Maintenance, Burnt Cedar Beach	Senior Engineer	12,500	12,500	67,500	12,500	12,500	117,500
	3972RS1701	Replace Playgrounds - Beaches	Senior Engineer	7,500	7,500	15,000	100,000	100,000	230,000
	3973FF1204	Incline Beach Kitchen	Food and Beverage Director	-	7,260	-	-	-	7,260
	3973LI1302	Incline Beach Facility Replacement	Engineering Manager	100,000	-	-	-	-	100,000
	3974FF1101	Burnt Cedar Beach Kitchen	Food and Beverage Director	-	6,800	-	-	-	6,800
	3999BD1702	Resurface Burnt Cedar Pool Patio Deck	Buildings Superintendent	-	-	-	-	29,100	29,100
	3999BD1703	Replace Ski Beach Entrance Gate	Buildings Superintendent	-	-	-	19,500	-	19,500
	3999BD1708	Ski Beach Bridge Replacement	Senior Engineer	-	-	120,000	-	-	120,000
	3999DI1706	Burnt Cedar Beach Backflow Device Replacement	Engineering Manager	-	-	45,000	-	-	45,000
<b>Total</b>				<b>454,500</b>	<b>2,825,060</b>	<b>349,000</b>	<b>449,500</b>	<b>208,100</b>	<b>4,286,160</b>



## Project Summary

<b>Project Number:</b>	3970BD2601
<b>Title:</b>	Burnt Cedar Swimming Pool Improvements
<b>Project Type:</b>	D - Capital Improvement - Existing Facilities
<b>Division:</b>	70 - Beach Aquatics
<b>Budget Year:</b>	2021
<b>Finance Option:</b>	
<b>Asset Type:</b>	BD - Buildings & Structures
<b>Active:</b>	Yes

<b>Project Description</b>				
<p>The Burnt Cedar Swimming Pool and Toddler pool fiberglass surfaces require periodic replacement. Over time, discoloration, cracking and surface failure will create health and safety impacts to continued use of the pools. Breakdown of the pool surface will allow materials to cloud the water and make it unsanitary and cloudy water will not meet health dept safety code requirements. It has been determined the pool has reached the end of its service life. This project is for full swimming and toddler pool replacement, associated mechanical systems improvements, and pool deck replacement.</p> <p>A consultant will be selected to complete an alternative layout analysis and evaluate existing mechanical systems. Consideration will be given to reducing the maximum depth of the pool, providing a zero-entry pool edge for improved ADA access, maintaining a water slide, and a second toddler pool or splash pad.</p>				
<b>Project Internal Staff</b>				
<p>Engineering will manage the project. The Director of Parks and Recreation will determine the needs for the project and coordinate project timing because the pool will need to be out of service during the summer season to complete the work. A community interest committee will be convened by the General Manager.</p>				
<b>Project Justification</b>				
<p>This project will reconstruct the swimming and toddler pool, mechanical equipment and pool deck. The cost estimate is a placeholder at this time because the exact scope of work has not been identified for the replacement Burnt Cedar pool facility. The General Manager will lead a community group to received input on community desires and needs for a new pool facility. It is anticipated at this time that construction will occur in the summer of 2021. The impact to the facility will be substantial during the summer operation period. Construction will require the closing of the pool facility for the whole summer or a portion of the summer.</p>				
<b>Forecast</b>				
<b>Budget Year</b>	<b>Total Expense</b>	<b>Total Revenue</b>	<b>Difference</b>	
2021				
Design	225,000	0	225,000	
Year Total	225,000	0	225,000	
2022				
Construction Management	225,000	0	225,000	
Construction Reserves	225,000	0	225,000	
Placeholder - Construction	2,250,000	0	2,250,000	
Year Total	2,700,000	0	2,700,000	
2027				
Placeholder - Construction	175,000	0	175,000	
Year Total	175,000	0	175,000	
2034				
Placeholder - Construction	200,000	0	200,000	
Year Total	200,000	0	200,000	
	<b>2,600,000</b>	<b>0</b>	<b>2,600,000</b>	
<b>Year Identified</b>	<b>Start Date</b>	<b>Est. Completion Date</b>	<b>Manager</b>	<b>Project Partner</b>
2012	Jul 1, 2019	Jun 30, 2022	Engineering Manager	

Can not even add





# EXHIBIT K

## 2022 Capital Improvement Project Summary Report - 5.26.2021

Department Description	Project Number	Project Title	Project Manager	2022	2023	2024	2025	2026	Total	
Recreation Center	4884BD1702	Replace Bird Netting	Buildings Superintendent	-	-	17,720	-	-	17,720	
	4884BD1804	Chemtrol System for Recreation Center Pool	Buildings Superintendent	-	22,000	-	-	-	22,000	
	4884FF1501	Resurface Recreation Center Patio Deck	Buildings Superintendent	-	-	-	-	35,000	35,000	
	4884LI1102	Recreation Center Parking Lot Reconstruction	Senior Engineer	-	350,000	300,000	300,000	-	950,000	
	4884LI1102X	Pavement Maintenance, Recreation Center Area	Senior Engineer	7,500	7,500	7,500	7,500	6,000	36,000	
	4884RS1503	Replaster Recreation Center Pool	Buildings Superintendent	-	-	200,000	-	-	200,000	
	4886LE0001	Fitness Equipment	Recreation Center Manager	53,000	49,000	70,000	57,200	51,300	280,500	
	4899BD1305	Paint Interior of Recreation Center	Buildings Superintendent	15,500	-	15,500	-	-	31,000	
	4899FF1202	Rec Center Locker Room Improvements	Engineering Manager	800,000	-	-	-	-	800,000	
	4899LV1721	2012 15-Passenger Van #667	Fleet Superintendent	-	-	-	-	45,800	45,800	
	4899LV1723	2017 Chevy Compact SUV #751	Fleet Superintendent	32,000	-	-	-	-	32,000	
	4899OE1607	Recreation Center Printer Copier Replacement 980 Incline Way	Director of IT	-	-	-	-	25,000	25,000	
	<b>Total</b>				<b>908,000</b>	<b>428,500</b>	<b>610,720</b>	<b>364,700</b>	<b>163,100</b>	<b>2,475,020</b>
	Community Services Shared	4999LV1802	2017 Dodge Caravan ADA #769	Fleet Superintendent	-	-	64,000	-	-	64,000
<b>Total</b>		<b>Total Community Services</b>				<b>64,000</b>			<b>64,000</b>	
<b>Beaches</b>				<b>3,670,130</b>	<b>6,289,700</b>	<b>3,796,020</b>	<b>3,553,820</b>	<b>4,446,653</b>	<b>21,965,523</b>	
Beaches	3970BD2601	Burnt Cedar Swimming Pool and Site Improvements	Engineering Manager	3,350,000	-	-	-	-	3,350,000	
	3972BD1301	Reconstruct Pavement - Ski Beach	Senior Engineer	-	-	250,000	-	-	250,000	
	3972BD1301X	Pavement Maintenance, Ski Beach	Senior Engineer	8,500	15,000	6,000	6,000	6,000	41,500	
	3972BD1501	Beaches Flatscape and Retaining Wall Enhancement and Replacement	Senior Engineer	55,000	55,000	55,000	55,000	-	220,000	
	3972BD2101	Ski Beach Boat Ramp Improvement Project	Engineering Manager	-	-	-	20,000	715,000	735,000	
	3972BD2102	Beach Access Improvement Project	Engineering Manager	45,000	-	-	-	-	45,000	
	3972FF1704	Beach Furnishings	Parks Superintendent	21,000	-	-	-	-	21,000	
	3972LE1720	2014 John Deere 5075E Tractor #698	Fleet Superintendent	-	-	-	54,000	-	54,000	
	3972LI1201	Pavement Maintenance, Incline Beach	Senior Engineer	6,500	31,500	6,500	6,500	12,500	63,500	
	3972LI1202	Pavement Reconstruction - Burnt Cedar Beach	Senior Engineer	-	-	-	-	835,000	835,000	
	3972LI1202X	Pavement Maintenance, Burnt Cedar Beach	Senior Engineer	12,500	67,500	12,500	12,500	-	105,000	
	3972RS1701	Replace Playgrounds - Beaches	Senior Engineer	-	7,500	100,000	100,000	-	207,500	
	3972RS1701X	Playground Repairs - Beaches	Senior Engineer	7,500	7,500	-	-	-	15,000	
	3973FF1204	Incline Beach Kitchen	Food and Beverage Manager	7,260	-	-	-	-	7,260	
	3974FF1101	Burnt Cedar Beach Kitchen	Food and Beverage Manager	6,800	-	-	-	-	6,800	
	3999BD1702	Resurface Burnt Cedar Pool Patio Deck	Buildings Superintendent	-	-	-	29,100	-	29,100	
	3999BD1703	Replace Ski Beach Entrance Gate	Buildings Superintendent	-	-	19,500	-	-	19,500	
	3999BD1708	Ski Beach Bridge Replacement	Senior Engineer	-	120,000	-	-	-	120,000	
	3999D11706	Burnt Cedar Beach Backflow Device Replacement	Engineering Manager	-	45,000	-	-	-	45,000	
	3999LI1902	Burnt Cedar Beach Eastern Stormwater Improvements	Senior Engineer	-	-	-	-	189,200	189,200	
<b>Total</b>				<b>3,520,060</b>	<b>349,000</b>	<b>449,500</b>	<b>283,100</b>	<b>1,757,700</b>	<b>6,359,360</b>	
<b>Total</b>				<b>12,125,628</b>	<b>12,087,200</b>	<b>8,538,020</b>	<b>9,428,440</b>	<b>13,667,253</b>	<b>55,846,541</b>	

# EXHIBIT L

- C. Subject to the terms and operation of any applicable performance bond, if Owner has terminated the Contract for cause, Owner may exclude Contractor from the Site, take possession of the Work, incorporate in the Work all materials and equipment stored at the Site or for which Owner has paid Contractor but which are stored elsewhere, and complete the Work as Owner may deem expedient.
- D. Owner may not proceed with termination of the Contract under Paragraph 16.02.B if Contractor within 7 days of receipt of notice of intent to terminate begins to correct its failure to perform and proceeds diligently to cure such failure.
- E. If Owner proceeds as provided in Paragraph 16.02.B, Contractor shall not be entitled to receive any further payment until the Work is completed. If the unpaid balance of the Contract Price exceeds the cost to complete the Work, including all related claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals) sustained by Owner, such excess will be paid to Contractor. If the cost to complete the Work including such related claims, costs, losses, and damages exceeds such unpaid balance, Contractor shall pay the difference to Owner. Such claims, costs, losses, and damages incurred by Owner will be reviewed by Engineer as to their reasonableness and, when so approved by Engineer, incorporated in a Change Order. When exercising any rights or remedies under this paragraph, Owner shall not be required to obtain the lowest price for the Work performed.
- F. Where Contractor's services have been so terminated by Owner, the termination will not affect any rights or remedies of Owner against Contractor then existing or which may thereafter accrue, or any rights or remedies of Owner against Contractor or any surety under any payment bond or performance bond. Any retention or payment of money due Contractor by Owner will not release Contractor from liability.
- G. If and to the extent that Contractor has provided a performance bond under the provisions of Paragraph 6.01.A, the provisions of that bond will govern over any inconsistent provisions of Paragraphs 16.02.B and 16.02.D.

## 16.3 *Owner May Terminate for Convenience*

- A. Upon 7 days' written notice to Contractor and Engineer, Owner may, without cause and without prejudice to any other right or remedy of Owner, terminate the Contract. In such case, Contractor shall be paid for (without duplication of any items):
  - 1. completed and acceptable Work executed in accordance with the Contract Documents prior to the effective date of termination, including fair and reasonable sums for overhead and profit on such Work;
  - 2. expenses sustained prior to the effective date of termination in performing services and furnishing labor, materials, or equipment as required by the Contract Documents in connection with uncompleted Work, plus fair and reasonable sums for overhead and profit on such expenses; and
  - 3. other reasonable expenses directly attributable to termination, including costs incurred to prepare a termination for convenience cost proposal.
- B. Contractor shall not be paid for any loss of anticipated profits or revenue, post-termination overhead costs, or other economic loss arising out of or resulting from such termination.

## 16.4 *Contractor May Stop Work or Terminate*

- A. If, through no act or fault of Contractor, (1) the Work is suspended for more than 90 consecutive days by Owner or under an order of court or other public authority, or (2) Engineer fails to act on any

# EXHIBIT M

Watermain Replacement Project, Preston Field Retaining Wall Replacement Study, and Burnt Cedar Swimming Pool Improvement Project.

TSK Architects were selected following a request for proposals for qualified architectural consulting firms for involvement in IVGID's Burnt Cedar Swimming Pool Improvement Project. After an extensive evaluation period and interview process that included four (4) IVGID staff members and one (1) IVGID Trustee, the TSK Architects' design team was selected and awarded a preliminary design contract on May 20, 2020.

## V. FINANCIAL IMPACT AND BUDGET

The approved FY 2020-2021 budget originally included \$225,000 for the design phase of the Burnt Cedar Pool Improvement Project. At the December 9, 2020 Board Meeting, Resolution No. 1882 was approved to augment the FY2020/21 capital budget by \$258,289 from available resources within the unappropriated fund balance of the Beach Capital Fund, in support of the Burnt Cedar Swimming Pool Improvement Project (CIP#3970BD2601). There is an additional \$4,350,000 programmed for this project in the Tentative 2021/2022 Capital Improvement Program Budget (see attached data sheet).

The following table outlines the total project budget, funded through the Beach Fund and related Beach Capital Fund.

**Total Available Budget**

<b>Description</b>	<b>Amount</b>	<b>Fund</b>
3970BD2601 – FY20/21 Funds	\$225,000	Beach Capital
Budget Augmentation (Res No. 1882)	\$258,289	Beach Capital
3970BD2601 – FY21/22 Funds	\$4,350,000	Beach Fund
<b>Total Available Budget</b>	<b>\$4,833,289</b>	

The table below presents the estimated cost for the Burnt Cedar Swimming Pool and Site Improvement Project budget, based on the Guaranteed Maximum Price received and the recommendations related to Add-Alternate project elements:

**Estimated Project Budget**

<b>Description</b>	<b>Amount</b>
TSK Architects Conceptual design fees (not to exceed)	\$32,200
TSK Architects Schematic design fees (not to exceed)	\$68,104
TSK Architects Final design fees (not to exceed)	\$216,626
Reno Tahoe Geo Associates (not to exceed)	\$20,700
CMAR pre-construction fees	\$37,500
District staff time during design, 3 <sup>rd</sup> part cost estimator, permit fees, and miscellaneous project expenses (Period 7/1/19 – 4/15/21)	\$100,000
<b>Design Phase sub-total</b>	<b>\$475,130</b>
CMAR Construction Base Contract (CORE Construction)	\$3,508,440
Alternates #1, #2, #3, and #4	\$96,461
CMAR Contingency and Allowances	\$240,964
<b>Total Guaranteed Maximum Price Contract</b>	<b>\$3,845,865</b>
Construction Administration (TSK Architects)	\$105,680
Construction Inspection Services (Tri Sage)	\$69,500
Special Inspection and Materials Testing (Reno Tahoe Geo Associates, Inc.)	\$21,000
District Staff Time	\$75,000
IVGID Construction Reserves (Additional work, Permit fees, and District furnished material/FFE)	\$175,000
<b>Construction Administration sub-total</b>	<b>\$446,180</b>
<b>Estimated Project Total</b>	<b>\$4,767,175</b>

IVGID Construction reserves are to account for permit fees, deferred submittals, and certain project elements have been removed from the construction contract and will be completed outside of the construction contract. For instance, a TRPA requirement to paint the exterior of the Burnt Cedar Pool Building will be outside of the CMAR contract. District furnished material / Furniture, Fixture, and Equipment (FFE) includes pool elements, security cameras, and patio furniture, as examples.

The estimated project cost estimate for the Burnt Cedar Swimming Pool and Site Improvement Project is \$4,767,175, or \$66,114 below the total available budget. Upon project completion, all savings will revert to fund balance and be available for re-appropriation for future capital projects, subject to Board approval.

# FALSE Project Summary

Part of 4-29-2021 Agenda approving Contracts



## Project Summary

<b>Project Number:</b>	3970BD2601
<b>Title:</b>	Burnt Cedar Swimming Pool and Site Improvements
<b>Project Type:</b>	D - Capital Improvement - Existing Facilities
<b>Division:</b>	70 - Beach Aquatics
<b>Budget Year:</b>	2022
<b>Finance Options:</b>	
<b>Asset Type:</b>	BD - Buildings & Structures
<b>Active:</b>	Yes

**Project Description**  
 The Burnt Cedar Swimming Pool and Toddler pool fiberglass surfaces require periodic replacement. Over time, discoloration, cracking and surface failure will create health and safety impacts to continued use of the pools. Breakdown of the pool surface will allow materials to cloud the water and make it unsanitary and cloudy water will not meet health dept safety code requirements. It has been determined the pool has reached the end of its service life. This project is for full swimming and toddler pool replacement, associated mechanical systems improvements pool deck replacement and other site improvements.  
 An architectural consultant is in the process of completing the final construction documents.

**Project Internal Staff**  
 Engineering will manage the project. The Director of Parks and Recreation will determine the needs for the project and coordinate project timing because the pool will need to be out of service during the summer season to complete the work. A community interest committee will be convened by the General Manager.

**Project Justification**  
 This project will reconstruct the swimming and toddler pool, mechanical equipment, and pool deck. The cost estimate is based on the February 2021 cost estimate from the Construction Manager at Risk. It is anticipated at this time that construction will occur in the summer of 2021. The impacts on the facility will be substantial during the summer operation period. Construction will require the closing of the pool facility for the whole summer or a portion of the summer.

Forecast			
Budget Year	Total Expense	Total Revenue	Difference
2022			
Construction Management	200,000	0	200,000
Construction	250,000	0	250,000
Reserves/Internal Services			
Placeholder - Construction	3,900,000	0	3,900,000
<b>Year Total</b>	<b>4,350,000</b>	<b>0</b>	<b>4,350,000</b>
	4,350,000	0	4,350,000

Year Identified	Start Date	Est. Completion Date	Manager	Project Partner
2012	Jul 1, 2019	Jun 30, 2022	Engineering Manager	

**MEMORANDUM**

**TO:** Audit Committee

**THROUGH:** Ray Tulloch

**FROM:** Clifford F. Dobler

**SUBJECT:** Sewer Pumping Stations - Capitalized costs potentially to be reclassified as expenses

**STRATEGIC PLAN REFERENCE(S):** None

**DATE:** 5-25-22

**I. RECOMMENDATION**

That the Audit Committee make a request to the Board of Trustees to require IVGID staff to review all costs charged to the Sewer Pumping Stations capital project account #2599D11104 for the period from July 1, 2015 to June 30, 2022, to determine what costs should have been expensed based on Moss Adams recommendations and Board Policies and Practices and to subsequently provide a report to the Audit Committee for review.

**II. BACKGROUND and ANALYSIS**

The District owns and operates 18 pump stations to pump waste water to the wastewater treatment plant.

The equipment in the stations includes pumps, motors, grinders, odor scrubbers, motor soft starts, variable frequency drives, telemetry equipment, motor control cabinets, automatic transfer switches, emergency generators, fuel tanks, check valves, isolation valves, instrumental equipment, communication equipment, piping and other miscellaneous equipment.

Only one capital project account was established for all of the pump stations and various costs, large and small, were charged to the account. It is unknown what costs were for repairs and maintenance or what costs did not reach the required

thresholds for capitalization. In house Engineering charges and Work Orders for Utility Staff personnel have also been charged to the account.

Based on the annual project Summaries, the budget was set for one major installation of a pump and/or a motor at a particular pump station and then an overall amount for all other items.

From 2016 to 2021 a total of \$687,233 was charged to the account (Exhibit A). Each year a major contract was issued and the combined amounts for the contracts were \$238,563 (Exhibit B) These costs may rightfully been classified as a capital assets. It is highly probable that the remaining costs of \$306,670 (net of major contracts and the Jacobs design for Pump Station #8) were for normal repairs and maintenance.

In the spring of 2016, a design contract was issued to Jacobs Engineering (\$142,000) for Sewer Pump Station #8. When combined with Staff engineering charges of \$109,000 the total costs for the design was \$261,000 exceeding the budget of \$200,000 established in 2017.

In 2018, construction of Sewer Pump Station #8 was completed for \$770,000, h exceeding the budget by \$270,000 (54%). The construction was accounted for under a separate capital project account.

Work orders from the Utility internal staff consisted of \$26,000 and all were less than \$5,000 and probably for repair costs.

The issue of combining projects under one account was brought to the Board of Trustees approximately five years ago and direction was given that each project for the water and sewer pump stations would be accounted for separately. This directive was never instituted.

Exhibit A - Listing of Charges to Sewer Pump Stations 2015 to 2022

Exhibit B - Major Contracts

### III. BID RESULTS

NONE

### IV. FINANCIAL IMPACT AND BUDGET

Possible restatement of prior financial statements

**V. ALTERNATIVES**

Do nothing and fail to be in accordance with Board Policies and Practices.

**VI. COMMENTS**

None

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

None

**VIII. BUSINESS IMPACT**

Because of the aggressive approach of capitalizing costs that should have been expensed, the historical financial statements have been distorted and may have had a material impact on proper financial reporting.

It is recommended that after ALL of the recommended charge offs of capital assets and CIP to expenses (some made in previous fiscal years and some not made) are aggregated then a determination should be made by an independent consultant of the overall effect on the historical financial statements to determine if a cumulative material misstatement occurred.

*• \$ are too small to be material, and largely depreciated by now.*



## EXHIBIT A - 6 pages

From Date: 07/01/2014 (Had to run from this date instead of 6/1/2015 as requested in order to tie to requestors numbers)  
 To Date: 06/30/2021  
 Project: 2599DI1104 Sewer Pumping Station Improvements FY 18/19

EFFECTIVE DATE	DESCRIPTION	VENDOR	VENDOR INVOICE#	DEBIT	CREDIT	BALANCE
06/30/2015	To code CIP Costs to Correct GL Account				5,601.48 CR	
06/30/2015	Repairs to SPS #7: Exhaust thimble, wate	F.W. Carson Co.	51501	5,601.48		
	<b>TOTAL</b>			5,601.48	5,601.48	0.00
08/12/2014	I-INWO0796977 P-S004523 C-747128 Cashm	Cashman Equipment Company		3,678.91		
08/12/2014	I-INWO0796977 P-S004523 C-747128 Cashm	Cashman Equipment Company		105.28		
09/23/2014	I-S1294201 P-S004391 C-747795 Cashman	Cashman Equipment Company		35,877.00		
09/23/2014	I-S1294201 P-S004391 C-747795 Cashman	Cashman Equipment Company		10,911.00		
10/28/2014	I-2045-01 P-S004740 C-748403 KC Insula	KC Insulation, Inc		2,882.00		
10/28/2014	I-102 P-S004675 C-748402 K. G. Walters	K. G. Walters Construction Co		24,375.00		
01/27/2015	Radio telemetry equipment for sewer syst	Thunderbird Communications	2310	1,600.00		
02/24/2015	Radio telemetry equipment for sewer syst	Thunderbird Communications	2322	2,435.00		
03/31/2015	CIP #2599DI1104 - parts for sewer pump s	Western Nevada Supply	16190618	730.97		
03/31/2015	Radio telemetry equipment for sewer syst	Thunderbird Communications	2337	1,600.00		
04/30/2015	adj cover galvanize	Jensen Precast	SP28877	1,512.00		
05/01/2015	Burt & Burt, Inc			774.00		
05/01/2015	Burt & Burt, Inc			291.00		
05/19/2015	CIP #2599DI1104 - Sewer Pump Station # 1	Q&D Construction, Inc	14125-001	4,825.99		
05/19/2015	CIP #2599DI1104 - Sewer Pump Station # 1	Q&D Construction, Inc	14125-001		4,825.99	
05/19/2015	CIP #2599DI1104 - Sewer Pump Station # 1	Q&D Construction, Inc	14125-001	5,549.89		
05/26/2015	New soft starts (2) for SPS #12	Grove Madsen Industries	1239615	4,158.26		
05/26/2015	Freight	Grove Madsen Industries	1239615	38.28		
06/01/2015	Thunderbird Communications			1,282.87		
06/01/2015	Thunderbird Communications			617.13		
06/16/2015	SPS #12 mag meter remote transponder hea	Sparling Instruments, LLC	2936501	2,099.00		
06/16/2015	Freight	Sparling Instruments, LLC	2936501	120.00		
06/16/2015	SPS #12 mag meter remote transponder hea	Sparling Instruments, LLC	2936501		2,099.00	
06/16/2015	Freight	Sparling Instruments, LLC	2936501		120.00	
06/16/2015	SPS #12 mag meter remote transponder hea	Sparling Instruments, LLC	2936501	2,099.00		
06/16/2015	Freight	Sparling Instruments, LLC	2936501	120.00		
06/16/2015	SPS #12 mag meter remote transponder hea	Sparling Instruments, LLC	2936501		2,099.00	
06/16/2015	Freight	Sparling Instruments, LLC	2936501		120.00	
06/16/2015	SPS #12 mag meter remote transponder hea	Sparling Instruments, LLC	2936501	2,099.00		
06/16/2015	Freight	Sparling Instruments, LLC	2936501	44.90		
06/30/2015	To code CIP Costs to Correct GL Account			5,601.48		
	<b>TOTAL</b>			115,427.96	9,263.99	106,163.97
				Balance	Forward	
07/28/2015	FCC license work	Thunderbird Communications	2367	1,600.00		
07/28/2015	CIP #2599DI1104 - Upgrade Muffin Monster	JWC Environmental	695418	14,471.18		
07/31/2015	Project# 2599DI1104 Exchange cutting uni	Rockwood incorporated	1129	750.00		

07/31/2015	Install (2) overflow pipes into manhole		Rockwood Incorporated	1124	5,925.00	
08/11/2015	SPS #12 ~ Discharge valve replacement an		Burt & Burt, Inc	5449	14,628.00	
08/31/2015	CIP Project 2599D11104-redvalve 12 serie		Western Nevada Supply	16345293	2,995.26	
08/31/2015	FCC license work		Thunderbird Communications	2378	1,600.00	
08/31/2015	2599D11104 - Install new soft starts and		Placer Electric Inc	14925-1156	6,495.00	
09/22/2015	SPS #18: (2) Replacement grinder pump/mo		JM Squared Equipment	115-6962	6,242.00	
09/22/2015	Freight		JM Squared Equipment	115-6962	332.13	
09/30/2015	McNichols Company/SPS #10 screening metal;				714.44	
10/13/2015	FCC license work		Thunderbird Communications	2397	1,600.00	
10/31/2015	CIP Engineering Charges - October 3015				1,000.00	
10/31/2015	SPS#10: Installation of upgraded odor sc		Burt & Burt, Inc	5433	613.00	
10/31/2015	SPS#10: Installation of upgraded odor sc		Burt & Burt, Inc	5434	891.00	
10/31/2015	SPS#10: Installation of upgraded odor sc		Burt & Burt, Inc	5435	169.00	
10/31/2015	SPS#10: Installation of upgraded odor sc		Burt & Burt, Inc	5436	822.00	
10/31/2015	SPS#10: Installation of upgraded odor sc		Burt & Burt, Inc	5437	463.00	
10/31/2015	SPS#10: Installation of upgraded odor sc		Burt & Burt, Inc	5438	1,140.00	
10/31/2015	SPS#10: Installation of upgraded odor sc		Burt & Burt, Inc	5460	799.00	
10/31/2015	SPS#10: Installation of upgraded odor sc		Burt & Burt, Inc	5461	481.00	
10/31/2015	SPS#10: Installation of upgraded odor sc		Burt & Burt, Inc	5462	1,635.00	
10/31/2015	SPS#10: Installation of upgraded odor sc		Burt & Burt, Inc	5463	329.00	
10/31/2015	SPS#10: Installation of upgraded odor sc		Burt & Burt, Inc	5465	190.00	
11/10/2015	CIP 2599D11104 Pump # 10 Scrubber Screen		Western Nevada Supply	16444359	228.25	
11/17/2015	CIP #2599D11104 - cplug, gasket				3,500.00	
11/30/2015	CIP Engineering Charges - November 2015				500.00	
11/30/2015	CIP Engineering Charges - November 2015				7,500.00	
12/31/2015	CIP Engineering Charges - December 2015				2,500.00	
12/31/2015	CIP Engineering Charges - December 2015				5,000.00	
01/31/2016	CIP Engineering Charges - January 2016				2,500.00	
01/31/2016	CIP Engineering Charges - January 2016				4,000.00	
02/29/2016	CIP Engineering Charges - February 2016				3,000.00	
02/29/2016	CIP Engineering Charges - February 2016				2,583.00	
03/15/2016	6'x 6'x vault lid		Jensen Precast	SP33074	811.92	
03/31/2016	Work Order 6128: Burnt Cedar Beach SPS #4				182.70	
03/31/2016	Alltizer/Pump Station #4 lid powder coating	CIP: 2599D11104			4,000.00	
03/31/2016	CIP Engineering Charges - Estimates				5,000.00	
03/31/2016	CIP Engineering Charges - Estimates		Jensen Precast	SP33544	2,594.00	
04/19/2016	CIP #2599D11104 - vault, barrel w/step h		Jensen Precast	SP33545	531.00	
04/19/2016	Clp #2599D11104 - 30" sanitary sewer cov		Jensen Precast	SP33506	275.00	
04/19/2016	CIP #2599D11104 - con flat top		Jensen Precast	SP33586	116.00	
04/19/2016	CIP #2599D11104 - barrel w/stepholes		Jensen Precast	SP33566	452.00	
04/19/2016	nylon sling lift assembly				1,020.38	
04/29/2016	#41810 - APR 2016 PW in store chgs		Spitsen Lumber Company	41810 - APR 2016 PW		
04/29/2016	#41810 - APR 2016 PW in store chgs		Spitsen Lumber Company	41810 - APR 2016 PW		20.40
04/30/2016	CIP Work Order Charges - April 2016				6,857.91	
04/30/2016	CIP Work Order Charges - April 2016				337.92	
04/30/2016	CIP Engineering Charges - April 2016				2,000.00	
04/30/2016	CIP Engineering Charges - April 2016				3,500.00	
04/30/2016	To correct CIP Engineering JE 92108					3,500.00

04/30/2016	Project 2599DI1104 Credit Memo	Jensen Precast	SP12376M	174.00		
04/30/2016	APR 2016 transfer station drop offs	Refuse, Inc DBA Waste Management of Nevada	0012163-2667-6	27.04		
05/31/2016	CIP Engineering Charges - May 2016			2,500.00		
05/31/2016	CIP Engineering Charges - May 2016			2,000.00		
06/07/2016	Ck #69676 to offset credit on accountC	Jensen Precast	Ck #69676	174.00		
06/09/2016	JensenPrecast/refund				174.00	
06/28/2016	Design improvements for Sewer PumpStat	Jacobs Engineering Group Inc	4029348	19,038.68		
06/30/2016	CIP Engineering Charges - June 2016			5,000.00		
06/30/2016	CIP Engineering Charges - June 2016			500.00		
06/30/2016	Design improvements for Sewer PumpStat	Jacobs Engineering Group Inc	4035164	45,981.60		
<b>TOTAL</b>				<b>200,096.41</b>	<b>3,868.40</b>	<b>196,228.01</b>
				<b>Balance</b>	<b>Forward</b>	
07/26/2016	CIP #2599DI11041 - SPS #5: (2) Replaceme	Pacific Water Resources	16193	24,256.00		
07/31/2016	CIP Work Order Charges			440.91		
07/31/2016	CIP Engineering Charges - July 2016			3,500.00		
08/30/2016	AUG 2016 in store chgs	Spitsen Lumber Company	#41810-AUG 2016	220.47		
08/30/2016	AUG 2016 in store chgs	Spitsen Lumber Company	#41810-AUG 2016		4.41	
08/31/2016	CIP Work Order Charges - Work Order 6332			3,974.18		
08/31/2016	AUG 2016 - In store chgs	Village Ace Hardware	#4244 AUG 2016	19.35		
08/31/2016	CIP Engineering Charges - August 2016			2,000.00		
08/31/2016	CIP Engineering Charges - August 2016			3,000.00		
09/27/2016	Design improvements for Sewer PumpStat	Jacobs Engineering Group Inc	4033644	8,404.10		
09/30/2016	CIP Engineering Charges - September 2016			1,300.00		
10/31/2016	CIP Engineering Charges - October 2016			8,000.00		
10/31/2016	CIP Engineering Charges - October 2016			4,000.00		
11/30/2016	CIP 2599DI1104 - return materials	Western Nevada Supply	CM16841964		186.80	
11/30/2016	CIP 2599DI1104 - Materials	Western Nevada Supply	16848138	158.42		
11/30/2016	CIP Engineering Charges - November 2016			6,000.00		
11/30/2016	CIP Engineering Charges - November 2016			7,000.00		
12/31/2016	CIP 2599DI1104 -5/PK Socket head cap scr	MSC Industrial Supply Co.	51772106	53.76		
12/31/2016	CIP Engineering Charges - December 2016			5,000.00		
12/31/2016	CIP Engineering Charges - December 2016			2,500.00		
01/31/2017	JAN 2017 #4244 in store chgs	Village Ace Hardware	#4244 - JAN 2017	7.80		
01/31/2017	CIP Engineering Charges - January 2017			2,000.00		
01/31/2017	CIP Engineering Charges - January 2017			3,000.00		
01/31/2017	Grinder pumps, check valves and guides f	JM Squared Equipment	117-7146	22,476.00		
01/31/2017	Freight	JM Squared Equipment	117-7146	1,200.00		
01/31/2017	SPS 8 Improvements - Design ServicesTa	Jacobs Engineering Group Inc	4045270	39,999.50		
02/06/2017	CIP #2599DI1104 - pipe, ch 2 gate vlv	Western Nevada Supply	16905616	344.16		
02/14/2017	CIP #2599DI1104 - 7x7" P/S vinyl nv sees	MSC Industrial Supply Co.	C62126177	21.24		
02/14/2017	CIP 2599DI1104 - Materials	Western Nevada Supply	16911615	151.48		
02/21/2017	CIP #2599DI1104 - Long tangent u-bolt, h	MSC Industrial Supply Co.	62417677	82.68		
02/21/2017	CIP #2599DI1104 - parts for Hydromatic H	JM Squared Equipment	117-7154	985.12		
02/28/2017	CIP Engineering Charges - February 2017			4,000.00		
02/28/2017	CIP Engineering Charges - February 2017			5,000.00		
03/31/2017	CIP Engineering Charges - March 2017			4,000.00		

03/31/2017	CIP Engineering Charges - March 2017			5,000.00		
04/01/2017	Move CIP Costs to correct Project				2,000.00	
04/01/2017	Move CIP Costs to correct Project				4,000.00	
04/01/2017	Move CIP Costs to correct Project				7,000.00	
04/01/2017	Move CIP Costs to correct Project				2,500.00	
04/01/2017	Move CIP Costs to correct Project				3,000.00	
04/01/2017	Move CIP Costs to correct Project				5,000.00	
04/01/2017	Move CIP Costs to correct Project				5,000.00	
04/25/2017	Sewer pump station improvements.	George T. Hall Co.,Inc.	S1226565.001	8,051.99		
04/30/2017	CIP Engineering Charges - April 2017				2,000.00	
04/30/2017	CIP # 2599D11104TO 13.2, SPS 8 Improve	Jacobs Engineering Group Inc	4050209	9,494.40		
05/31/2017	MAY 2017 in store chgs	Village Ace Hardware	#4244-MAY STMNT	4.24		
<b>TOTAL</b>				<b>187,645.80</b>	<b>28,691.21</b>	<b>158,954.59</b>

				Balance	Forward	
07/24/2017	SPS 6 Rehabilitation - pump station proc	Smith & LoveLess, Inc	C/V9913	63,345.00		
08/07/2017	roma 4 macro 4.40-5.6 cplg	Western Nevada Supply	17115963	1,347.14		
08/10/2017	4 flg tee epoxy coated stl	Western Nevada Supply	17108636	1,287.90		
08/11/2017	4x2 tapt flg	Western Nevada Supply	17108343	214.99		
08/23/2017	roma rfca-4.8 di - piping	Western Nevada Supply	17135112	775.14		
09/01/2017	Sewer pump station improvements.	George T. Hall Co.,Inc.	S1226565.002	12,077.98		
09/05/2017	utility sand	F.W. Carson Co.	58077	32.25		
09/07/2017	18x3 threaded rod	Grainger, Inc.	9550233218	27.10		
09/07/2017	steel plate rental	Burt & Burt, Inc	5526	155.00		
09/07/2017	DeZurik Plug Valve	Frank A. Olsen Company LLC	238596	479.94		
09/09/2017	4 full face flg tyte gskt	Western Nevada Supply	1755704	24.51		
10/04/2017	Acct# 4244 - September 2017 in store cha	Village Ace Hardware	20170930 - 4244 stmt	96.37		
10/25/2017	cut, remove, and replace roadway on Nort	Blacktop Sealing & Striping	11017	835.00		
01/01/2018	SPS 8, Construction Services, per ASA 13	Jacobs Engineering Group Inc	4063027	10,057.70		
01/01/2018	SPS 8, Construction Services, per ASA 13	Jacobs Engineering Group Inc	4063027		10,057.70	
01/01/2018	SPS 8, Construction Services, per ASA 13	Jacobs Engineering Group Inc	4063027	10,057.70		
03/01/2018	SPS 8, Construction Services, per ASA 13	Jacobs Engineering Group Inc	4066754	8,929.40		
04/01/2018	SPS 8, Construction Services, per ASA 13	Jacobs Engineering Group Inc	4067480	1,010.40		
<b>TOTAL</b>				<b>110,753.52</b>	<b>10,057.70</b>	<b>100,695.82</b>

				Balance	Forward	
07/23/2018	Sewer Pump Station Improvements; SPS 7,	Reed Electrical & Field Services	SSIR2963	5,768.38		
07/31/2018	CIP Work Order Charges - July 2018			880.50		
08/15/2018	tree work @ sewer pump station	Etcheberry Construction, LLC	776369	290.00		
08/30/2018	screw pin shackle & clevis hangers	MSC Industrial Supply Co.	87537789	126.80		
08/31/2018	12GA strut channels & chain	MSC Industrial Supply Co.	C87537769	717.16		
08/31/2018	pvc piping, flg gskt, nuts&bolts, & adpt	Western Nevada Supply	17577939	1,226.34		
08/31/2018	CIP Engineering Charges - August 2018			3,000.00		
09/12/2018	conduit cover, gasket, & elbow	Grainger, Inc.	9903900752	32.73		
09/13/2018	clear pvc cement & conduit cover	Grainger, Inc.	9904126514	7.37		
09/13/2018	conduit gasket	Grainger, Inc.	9904687812	1.67		
09/13/2018	steel bushing	Grainger, Inc.	9904981710	14.85		

09/13/2018	conduit body outlet	Grainger, Inc.	9904369460	9.06		
09/13/2018	conduits & female conduit adptrs	Grainger, Inc.	9904136562	41.61		
09/17/2018	hex cap screws & washers	MSC Industrial Supply Co.	92700769	105.85		
09/17/2018	connectors, elbow/adptrs, cutting reel	Wedco, Inc.	506283	75.14		
09/18/2018	flg elbow	Western Nevada Supply	17597344	164.01		
09/18/2018	credit for returned item	Western Nevada Supply	CM17577939		89.00	
09/19/2018	wiring, conduits, & connectors	Codale Electric Supply	S6491847.002	474.22		
09/21/2018	40A breaker	Codale Electric Supply	S6491847.003	14.06		
09/21/2018	reducing bushing, conduits, & 2str & 8st	Wedco, Inc.	507446	216.60		
09/21/2018	custom concrete slab	Jensen Precast	SP49044	2,943.81		
09/25/2018	4" RFCAs	Western Nevada Supply	17577498	847.62		
09/26/2018	skytrack forklift rental	America Rents Inc	39665-2	3,390.54		
09/26/2018	enclosure & back panel	Grainger, Inc.	9916601553	153.39		
09/30/2018	Acct#4244 - SEPTEMBER 2018 In-Store Chgs	Village Ace Hardware	4244-SEPT 2018	84.88		
09/30/2018	CIP Engineering Charges - Sept. 2018			6,463.57		
09/30/2018	CIP Engineering Charges - September 2018			2,600.00		
09/30/2018	Sewer Pump Station Improvements; SPS 6 I	Granite Construction Co.	1474742	23,600.00		
10/01/2018	Move CIP costs to correct project				3,390.54	
10/02/2018	freight chg	Western Nevada Supply	17577498F	461.96		
10/10/2018	control transformer & fuses	Grainger, Inc.	9931041835	97.34		
10/31/2018	CIP Work Order Charges - Oct 2018			1,240.27		
11/30/2018	CIP Engineering Charges - November 2018			2,300.00		
12/31/2018	CIP Engineering Charges - December 2018			870.00		
01/09/2019	Move CIP costs to correct project				2,933.81	
01/09/2019	Sewer Pump Station Improvements; concrete slab purchase.	Jensen Precast	CD99000165	2,933.81		
01/31/2019	CIP Engineering Charges			2,600.00		
02/28/2019	CIP Engineering Charges			1,800.00		
05/01/2019	20 3/16x1 CTL 316L SS Chains	MSC Industrial Supply Co.	58535800	70.20		
05/01/2019	Welding Wire spool, flow gauge & hose	MSC Industrial Supply Co.	C58757590	256.76		
05/01/2019	screw pin shackle	MSC Industrial Supply Co.	C58510850	195.22		
	<b>TOTAL</b>			<b>66,075.72</b>	<b>6,413.35</b>	<b>59,662.37</b>
					<b>Balance Forward</b>	
09/05/2019	CIP # 2599DI1104, 2599DI1703 DeZurik plug valve	Frank A. Olsen Company LLC	243386	1,559.24		
12/06/2019	4 150 1/8T BG L441 FF GSKT, 6 150 1/8T BG L441 FF GSKT	Western Nevada Supply	18134535	55.51		
12/11/2019	HEX NUT,5/8-11,GR 5,ZP,PK25, HHCS,5/8-11X3,STEEL,GR 5,ZP,PK5	Grainger, Inc.	9383371367	32.50		
12/12/2019	HHCS,5/8-11X2-1/2,STEEL,GR 5,ZP,PK5	Grainger, Inc.	9383339117	15.12		
12/31/2019	CIP Work Order Charges - December 2019			8,128.08		
01/31/2020	Sewer Pump Station 9: Suction, discharge and check valve replacement per Quote 11763.	Frank A. Olsen Company LLC	244272	1,690.10		
02/05/2020	4 150 1/8T BG L441 RING GSKT, 4 X 1/16 NON ASB RING GSKT 150, FCA 4 STD STL DI	Western Nevada Supply	18195845	597.28		
02/06/2020	Sewer Pump Station 9: Suction, discharge and check valve replacement per Quote 11763.	Frank A. Olsen Company LLC	244318	5,187.32		
	<b>TOTAL</b>			<b>17,265.15</b>	<b>0.00</b>	<b>17,265.15</b>
					<b>Balance Forward</b>	
07/23/2020	1 1/2 STD PIPE SIZE TUBE - 21 A500B*ORANGE*1.900 X .1452 EA of Heat# C06561	PDM Steel Service Centers, Inc	423307-01	157.44		
07/23/2020	30 ADJUSTABLE PIPE STAND TP100, 4 X 57-0 F X S DI SPOOL	Western Nevada Supply	18415085	626.54		
07/24/2020	mechanical Seal, Volute Gasket, Bolts, Washers	Pacific Water Resources	20204	3,098.87		

07/28/2020	4 MEGA FLANGE ADPT 2104 EBAA	Pace Supply Corp.	066224022	538.39		
07/29/2020	HEX NUT,3/4-10,GR 5,ZP,PK20, HEX CAP SCREW,3/4"-10,3-1/4"STEEL,PK20	Grainger, Inc.	9605268086	72.28		
07/29/2020	4 X 47-0 F X F DI SPOOL	Western Nevada Supply	18415279	413.28		
07/31/2020	Inventory Journal #I120-0000427			34.47		
08/31/2020	Acct 4244 -August 2020 In-Store Chgs	Village Ace Hardware	4244-August 2020	17.84		
09/04/2020	4" VALMATICPLUG VALVE 5804R/7A08 Vend Part#: 5804R/7A08XP	Pace Supply Corp.	066223962	4,227.73		
10/02/2020	10 150 1/8T BG L441 FF GSKT, 4 150 1/8T BG L441 FF GSKT, ROMA RFCA-4.80 DI 304SS/SC	Western Nevada Supply	18513678	552.62		
10/02/2020	4" DeZurik Model PEC Eccentric Plug Valve Cast Iron Body, Flanged ANSI 125/150 Ends,	Frank A. Olsen Company LLC	245752	1,628.01		
10/06/2020	HEX CAP SCREW,3/4"-10,3-1/2"STEEL,PK5, HHCS,5/8-11X3,STEEL,GR 5,ZP,PK5, HEX NUT,3/4-10,GR 5,ZP,PK20	Grainger, Inc.	9674369286	116.13		
10/12/2020	4 X 47-0 F X F DI SPOOL	Western Nevada Supply	18513686	413.28		
10/21/2020	HHCS,3/4-10X3,STEEL,GR 5,ZP,PK5, HEX NUT,3/4-10,GR 5,ZP,PK20	Grainger, Inc.	9692402481	98.14		
10/23/2020	6 150 1/8T BG L441 FF GSKT, 6 X 1/16 NON ASB FF GSKT 150, 4 150 1/8T BG L441 FF GSKT, 4 X 1/16 NON ASB FF GSKT 150	Western Nevada Supply	18540605	277.98		
10/28/2020	PEC-06"F1-CI-NBR/NBR-GE w/HWG	Frank A. Olsen Company LLC	245902	2,502.13		
10/31/2020	CIP Work Order Charges - October 2020			91.51		
11/02/2020	THREADED ROD,CARBON STEEL,3/4-10X10 FT, HEX NUT,5/8-11,GR 5,ZP,PK25, HEX NUT,3/4-10,GR 5,ZP,PK20	Grainger, Inc.	9703999236	137.82		
11/18/2020	Sewer Pump Station Improvements; Cornell Pump parts.	Gierlich-Mitchell, INC	15873	6,065.00		
11/18/2020	Shipping	Gierlich-Mitchell, INC	15873	350.00		
12/03/2020	Wear Ring Case	Gierlich-Mitchell, INC	15882	1,073.10		
12/15/2020	Sewer Pump Station Improvements, new surge valve for SPS 7.	Frank A. Olsen Company LLC	246168	6,097.64		
12/31/2020	CIP Work Order Charges - December 2020			106.51		
01/01/2021	Gierlich-Mitchell, INC Invoice 15863			6,690.52		
01/31/2021	CIP Work Order Charges - January 2021			3,789.21		
02/09/2021	COP # 2599DI1104 PEC-06"F1-CI-NBR/NBR-GE w/HWG	Frank A. Olsen Company LLC	246392	2,599.15		
03/19/2021	Sewer Pump Station Improvements Project; two fusion bonded epoxy lined 12"x6" reducers. Cost includes shipping.	FARR Construction CORP Dba:Resource Development CO	21-013	5,500.00		
03/20/2021	10-12 150 A307 T2000 BLUE BN W SET, 6-8 150 A307 T2000 BLUE BN W SET	Western Nevada Supply	18710256	455.14		
03/31/2021	CIP Work Order Charges - March 2021			532.55		
	TOTAL			48,263.28	0.00	48,263.28
	GRAND TOTAL			751,129.32	63,896.13	687,233.19
						CD's Numbers 687,232.00
						likely due to rounding Difference (1.19)

**EXHIBIT B**

**Sewer Pump Stations - Major contracts**

**2015**

Cashman Equipment Company - \$50,512 - No identification

KG Walters Construction - \$24,275 - No identification

**2016**

JWC Environmental - \$14,471 - No identification

Burt & Burt - \$14,628 - SPS #12

**2017**

Pacific Water Resources - \$24,256 SPS #5

JM Squared Equipment - \$23,476 No identification

**2018**

Smith & Loveless, Inc. - \$63,345 SPS #6

**2019**

Granite Construction - \$23,600 SPS # 6.1

**2020**

Nothing

**2021**

Nothing

**TOTAL \$238,563**

**Other Items**

- Jacobs Engineering 2016, 2017 and 2018 \$142,000 SPS #8
- Costs by internal staff
- Utility Staff Personnel Work Orders \$25,778
- Engineering Charges \$109,000

**MEMORANDUM**

**TO:** Audit Committee

**THROUGH:** Ray Tulloch

**FROM:** Clifford F. Dobler

**SUBJECT:** Required expensing of costs charged to the Wetlands Effluent Disposal Facility (#2599SS1103) capital project for the fiscal years ending July 1, 2015 to June 30, 2020.

**STRATEGIC PLAN REFERENCE(S):** None

**DATE:** 5-16-22

*'21?*

*why so untimely?*

**I. RECOMMENDATION**

That the Audit Committee make a request to the Board of Trustees to require IVGID staff to review all costs charged to the Wetlands Effluent Disposal Facility capital project account #2599DI1104 for the period from July 1, 2015 to June 30, 2021, to determine what costs should have been expensed based on Moss Adams recommendations and Board Policies and Practices and to subsequently provide a report to the Audit Committee for review.

*by year.*

**II. BACKGROUND and ANALYSIS**

For the 7 year period from July 1, 2015 to 2021, \$441,361 was charged to the Wetlands Effluent Disposal Facility (#2599SS1103) capital project account. Of that amount \$35,732 was transferred to other accounts in 2019. In 2021, ALL costs incurred of \$16,340 were reclassified as operating expenses. The net costs prior to depreciation was \$389,234 for the 6 year period. **(EXHIBIT A)**

The Wetlands consist of 900 acres of land in Douglas County which is used to dispose of effluent wastewater generated from Incline Village and transported by a 21 mile pipeline from the wastewater treatment plant. The wetlands consist of several cells and the wastewater is distributed via channels and pipes. The entire site is protected by 4.5 miles of surrounding levees. There are 10.5 miles of

*fully depreciated*



unpaved roads connecting the cells. The site also has a control building which controls the flow of the effluent to and between the cells.

According to the 2019 project summary for five years ending in 2023 , the District intended on maintaining and repairing the roads, levees and replacing certain piping, valves, inflow meters, fences and the control building roofing. **EXHIBIT B.** The description in the project summary is consistent with the prior year's project summaries.

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**"Governments often expend resources on existing capital assets. Most often, these expenditures simply preserve the asset's utility and are expensed as routine repairs and maintenance. Any outlay that does no more than return a capital asset to its original condition, regardless of the amount expended, should be classified as maintenance and repairs. Since maintenance and repairs provide no additional value, their costs should be recognized as expense when incurred. (GAAFR 23-10)."**

Based on the Moss Adams report most of the costs net of any depreciation should be expensed.

*No*

**III. AUDIT COMMITTEE DISPUTE WITH DIRECTOR OF FINANCE ON EXPENSING CERTAIN COSTS**

**Purported analysis by Davis Farr and the IVGID Director of Finance conclusion.**

Davis Farr was engaged, presumably Mr. Navazio, to review the capital project accounts to search for items which probably should have been expensed or did not comply with Board policy. The firm determined that 7 entries regarding the wetlands had been capitalized and might be expensed since the references indicated repairs. This was the extend of the engagement. Two of the entries were in 2007 and 2009 and had a book value of \$24,503 (cost - \$70,154) as June 30, 2020. The remaining five entries from 2015 to 2019 had a book value of \$149,829 (costs - \$185,878). **EXHIBIT C**

Mr. Navazio, on his own, decided that the \$174,332 in capitalized costs net of depreciation for the wetlands identified by Davis Farr should NOT be expensed.

Apparently a flood occurred in 2018 requiring extensive repairs to the levees and a considerable amount of clay was imported to reconstruct the levees. These

*Staff needs to respond*

repair were a majority of the costs that Mr. Navazio determined were not expenses.

**Davis Farr took no exception, as their audit and opinion was confined only to the fiscal year ending June 30, 2021 and did not cover any prior period adjustments.**

The Audit Committee does not agree with Mr. Navzio's determination.

Exhibit A - Listing of Costs from July 1, 2015 to June 30, 2021

Exhibit B - 2019 Project Summary for the Wetlands Effluent Disposal Facility

Exhibit C - Davis Farr analysis of capital assets which has been sorted by venue with indication in red of wetland costs.

**IV. BID RESULTS**

Not required

**V. FINANCIAL IMPACT AND BUDGET**

Prior Period Adjustment required

**VI. ALTERNATIVES**

NONE

**VII. COMMENTS**

It should be noted that ALL costs charged to the capital project account in fiscal year 2021 were subsequently expensed.

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

None

**IX. BUSINESS IMPACT**

Effects of improper and inconsistent financial reporting.

*NO*

*ISSUE.*

*Only Poor sequence of events and optics.*

# EXHIBIT A - 4 pages

## 2599SS1103 Wetlands Effluent Disposal Facility Improvement

EFFECTIVE DATE	DESCRIPTION	VENDOR	VENDOR INVOICE#	DEBIT	CREDIT	BALANCE
	Capital Improvements					0.00
04/30/2015	mobilize equipment in and out, excavate	ARMAC Construction, LLC	15-024-1	1,900.00		1,900.00
06/30/2015	10" 3-way plug valve	DeZURIK, Inc	RPI61009827	10,998.00		12,898.00
06/30/2015	Extend effluent disposal line into barro	Coons Construction LLC	06/24/2015	8,975.00		21,873.00
	<b>TOTAL</b>			<b>21,873.00</b>	<b>0.00</b>	<b>21,873.00</b>
				Balance	Forward	21,873.00
07/14/2015	CIP #2599SS1103 - 14" 3-way plug valve	DeZURIK, Inc	rpi-61010666	12,377.00		34,250.00
08/14/2015	CIP #2599SS1103 - Replace/repair approxi	Finest Fence LLC	3420	14,650.00		48,900.00
10/30/2015	<u>CIP #2599SS1103 - Install (2) 3-way plug</u>	<u>ARMAC Construction, LLC</u>	<u>15-077-01</u>	<u>9,450.00</u>		<u>58,350.00</u>
10/30/2015	<u>XIP #2599SS1103 - Change Order Install (</u>	<u>ARMAC Construction, LLC</u>	<u>15-077-01</u>	<u>10,348.47</u>		<u>68,698.47</u>
10/31/2015	AmericanReadyMix/Concrete blocks-3-way plug valves			960.00		69,658.47
12/22/2015	Replace heat pump unit, install pedestal	Applied Mechanical, Inc	2297-1	10,550.00		80,208.47
12/22/2015	change order - Replace heat pump unit, i	Applied Mechanical, Inc	2297-1	10,693.00		90,901.47
	<b>TOTAL</b>			<b>69,028.47</b>	<b>0.00</b>	<b>69,028.47</b>
				Balance	Forward	90,901.47
08/31/2016	CIP 2599SS1103 Replace Commercial Water	Western Nevada Supply	16752732	1,527.10		92,428.57
08/31/2016	325 Sheet pile for Wetlands dike repair	Crane Materials International	56690	18,973.50		111,402.07
08/31/2016	Freight	Crane Materials International	56690	1,990.00		113,392.07
09/20/2016	CIP #2599SS1103 - aggregate base for pro	Bing Materials	161884	261.79		113,653.86
09/20/2016	10 FLG x FLG RW Valve Epoxy In/Out-CIP25	Western Nevada Supply	16764115	1,732.84		115,386.70
09/20/2016	CIP 2599SS1103 Digital Box Level	Grainger, Inc.	9225562454	366.56		115,753.26
09/30/2016	CIP Work Order Charges - September 2016			3,909.55		119,662.81
09/30/2016	CIP 2599SS1103 -Slurry	Bing Materials	162663	2,460.00		122,122.81
10/11/2016	Install ADA parking spaces	F.W. Carson Co.	55536	21,600.00		143,722.81
10/25/2016	CIP 2599SS1103 - ADA door replacement-La	Birdseye Construction	0000011	4,000.00		147,722.81
10/25/2016	Wetlands effluent meter	National Meter & Automation, Inc.	S1075181.001	6,002.00		153,724.81
10/25/2016	Freight	National Meter & Automation, Inc.	S1075181.001	200.00		153,924.81
10/25/2016	Concrete pad for ADA hunting blind	F.W. Carson Co.	55570	5,400.00		159,324.81
10/31/2016	CIP 2599SS1103 - Materials	Western Nevada Supply	16813773	693.33		160,018.14
10/31/2016	Work Order # 7704			446.16		160,464.30
10/31/2016	Meter vault for effluent meter	Jensen Precast	SP37212	6,690.00		167,154.30
10/31/2016	Freight	Jensen Precast	SP37212	375.00		167,529.30
11/15/2016	CIP #2599SS1103 - 14 FCA DI 15:30	Western Nevada Supply	16813783	2,550.00		170,079.30
11/22/2016	CIP 2599SS1103 - Materials	Western Nevada Supply	16839492	106.68		170,185.98
11/22/2016	CIP #2599SS1103 - 14 150# bolt & nut set	Western Nevada Supply	16813792	280.00		170,465.98
11/30/2016	CIP 2599SS1103 - Materials	Western Nevada Supply	16848578	57.27		170,523.25
11/30/2016	NOV 2016 in store chgs	Spitsen Lumber Company	NOV 2016	59.27		170,582.52
11/30/2016	TrenchPlateRental/Wetlands mag meter installation	CIP2599SS1103		300.00		170,882.52
11/30/2016	CIP Work Order Charges - November 2016			8,172.94		179,055.46
11/30/2016	CIP #2599SS1103 drain rock	Bing Materials	164401	148.66		179,204.12
11/30/2016	NOV 2016 in store chgs	Village Ace Hardware	#4244 NOV 2016 chgs	26.71		179,230.83
12/13/2016	CIP #2599SS1103 - drain rock	Bing Materials	164402	98.78		179,329.61
12/20/2016	CIP #2599SS1103 - 75 ton crane service 4	Connolly Crane Service, Inc	13867	1,155.00		180,484.61
01/01/2017	Move CIP costs to correct GL Account				27,457.32	153,027.29
01/01/2017	CIP Work Order Charges - Dec. 2016			572.68		153,599.97
01/31/2017	CIP #2599SS1103 -184 Sheet pile ~ 6 foot	Crane Materials International	57988	10,741.92		164,341.89
01/31/2017	CIP #2599SS1103 - Freight	Crane Materials International	57988	1,250.00		165,591.89
04/01/2017	Move CIP costs to correct project				8,275.00	157,316.89
06/27/2017	Replace windows and finish interior buil	Birdseye Construction	000227	7,812.00		165,128.89
	<b>TOTAL</b>			<b>109,959.74</b>	<b>35,732.32</b>	<b>74,191.97</b>

				Balance	Forward	165,128.89
07/25/2017	water truck rental	ARMAC Construction, LLC	17-113-01	550.00		165,678.89
08/07/2017	Concrete with Zypex added for cutoff wal	Bing Materials	170369	6,012.00		171,690.89
08/07/2017	Concrete with Zypex added for cutoff wal	Bing Materials	170370	10,521.00		182,211.89
08/07/2017	Concrete with Zypex added for cutoff wal	Bing Materials	170371	1,503.00		183,714.89
08/28/2017	Type 2, Class B Agg B	Bing Materials	171101	62.55		183,777.44
12/27/2017	Grade fill dirt from roadway	Burdick Ex Co, Inc.	Prop#3 12272017	4,124.38		187,901.82
03/12/2018	2,500 yards of clay, delivered to the We	F.W. Carson Co.	59629	111.00		188,012.82
03/12/2018	2,500 yards of clay, delivered to the We	F.W. Carson Co.	59628	111.00		188,123.82
03/21/2018	2,500 yards of clay, delivered to the We	F.W. Carson Co.	59636	111.00		188,234.82
03/28/2018	2,500 yards of clay, delivered to the We	F.W. Carson Co.	59642	111.00		188,345.82
03/30/2018	T2000 blue nut&bolt sets	Western Nevada Supply	17373216	252.00		188,597.82
03/31/2018	Wetlands 2017 Flood Damage Repairs.	Burdick Ex Co, Inc.	9998-181-1	24,980.00		213,577.82
04/02/2018	full face flanges	Western Nevada Supply	17377631	213.36		213,791.18
04/03/2018	Wetlands 2017 Flood Damage Repairs - Met	Burdick Ex Co, Inc.	1801-182	5,831.00		219,622.18
04/04/2018	Wetlands 2017 Flood Damage; installation	Burdick Ex Co, Inc.	9998-181-2	6,900.00		226,522.18
04/06/2018	fusion epoxy bonded cplg adapters	Western Nevada Supply	17384023	1,795.60		228,317.78
04/30/2018	CIP Work Order Charges - April 2018			1,610.08		229,927.86
05/01/2018	CIP Work Order Charges - April 2018			2,065.78		231,993.64
05/08/2018	2,500 yards of clay, delivered to the We	F.W. Carson Co.	59937	111.00		232,104.64
05/08/2018	2,500 yards of clay, delivered to the We	F.W. Carson Co.	59936	111.00		232,215.64
05/08/2018	2,500 yards of clay, delivered to the We	F.W. Carson Co.	59868	111.00		232,326.64
05/09/2018	2,500 yards of clay, delivered to the We	F.W. Carson Co.	59869	111.00		232,437.64
05/09/2018	2,500 yards of clay, delivered to the We	F.W. Carson Co.	60097	111.00		232,548.64
05/10/2018	2,500 yards of clay, delivered to the We	F.W. Carson Co.	59938	111.00		232,659.64
05/15/2018	2,500 yards of clay, delivered to the We	F.W. Carson Co.	59965	111.00		232,770.64
05/15/2018	2,500 yards of clay, delivered to the We	F.W. Carson Co.	60098	111.00		232,881.64
05/18/2018	2,500 yards of clay, delivered to the We	F.W. Carson Co.	60004	260.00		233,141.64
05/18/2018	2,500 yards of clay, delivered to the We	F.W. Carson Co.	60005	180.00		233,321.64
05/22/2018	2,500 yards of clay, delivered to the We	F.W. Carson Co.	60061	111.00		233,432.64
05/30/2018	2,500 yards of clay, delivered to the We	F.W. Carson Co.	60191	111.00		233,543.64
05/30/2018	2,500 yards of clay, delivered to the We	F.W. Carson Co.	60188	111.00		233,654.64
05/30/2018	2,500 yards of clay, delivered to the We	F.W. Carson Co.	60192	111.00		233,765.64
05/31/2018	2,500 yards of clay, delivered to the We	F.W. Carson Co.	60195	222.00		233,987.64
05/31/2018	2,500 yards of clay, delivered to the We	F.W. Carson Co.	60194	111.00		234,098.64
05/31/2018	2,500 yards of clay, delivered to the We	F.W. Carson Co.	60247	111.00		234,209.64
05/31/2018	2,500 yards of clay, delivered to the We	F.W. Carson Co.	60248	111.00		234,320.64
06/01/2018	2,500 yards of clay, delivered to the We	F.W. Carson Co.	60249	111.00		234,431.64
06/01/2018	2,500 yards of clay, delivered to the We	F.W. Carson Co.	60250	111.00		234,542.64
06/01/2018	2,500 yards of clay, delivered to the We	F.W. Carson Co.	60320	111.00		234,653.64
06/04/2018	2,500 yards of clay, delivered to the We	F.W. Carson Co.	60321	111.00		234,764.64
06/04/2018	2,500 yards of clay, delivered to the We	F.W. Carson Co.	60322	111.00		234,875.64
06/04/2018	2,500 yards of clay, delivered to the We	F.W. Carson Co.	60349	111.00		234,986.64
06/04/2018	950 tons of grindings delivered to Wetla	Cinderlite Trucking Corp	109845	1,813.87		236,800.51
06/04/2018	950 tons of grindings delivered to Wetla	Cinderlite Trucking Corp	109325	2,390.20		239,190.71
06/04/2018	Change Order #1 - 700 additional tons of	Cinderlite Trucking Corp	109758	1,820.44		241,011.15
06/05/2018	2,500 yards of clay, delivered to the We	F.W. Carson Co.	60355	111.00		241,122.15
06/05/2018	2,500 yards of clay, delivered to the We	F.W. Carson Co.	60356	111.00		241,233.15
06/05/2018	2,500 yards of clay, delivered to the We	F.W. Carson Co.	60357	111.00		241,344.15
06/05/2018	950 tons of grindings delivered to Wetla	Cinderlite Trucking Corp	109690	2,417.94		243,762.09
06/05/2018	950 tons of grindings delivered to Wetla	Cinderlite Trucking Corp	109846	2,377.25		246,139.34
06/05/2018	950 tons of grindings delivered to Wetla	Cinderlite Trucking Corp	109642	2,864.16		249,003.50
06/05/2018	950 tons of grindings delivered to Wetla	Cinderlite Trucking Corp	109759	2,315.01		251,318.51
06/06/2018	2,500 yards of clay, delivered to the We	F.W. Carson Co.	60359	111.00		251,429.51

06/06/2018	2,500 yards of clay, delivered to the We	F.W. Carson Co.	60360	111.00	251,540.51	
06/06/2018	950 tons of grindings delivered to Wetla	Cinderlite Trucking Corp	109643	1,322.76	252,863.27	
06/07/2018	2,500 yards of clay, delivered to the We	F.W. Carson Co.	60365	111.00	252,974.27	
06/07/2018	2,500 yards of clay, delivered to the We	F.W. Carson Co.	60369	111.00	253,085.27	
06/08/2018	2,500 yards of clay, delivered to the We	F.W. Carson Co.	60371	111.00	253,196.27	
06/08/2018	2,500 yards of clay, delivered to the We	F.W. Carson Co.	60372	111.00	253,307.27	
06/12/2018	2,500 yards of clay, delivered to the We	F.W. Carson Co.	60334	130.00	253,437.27	
06/12/2018	2,500 yards of clay, delivered to the We	F.W. Carson Co.	60376	111.00	253,548.27	
06/12/2018	2,500 yards of clay, delivered to the We	F.W. Carson Co.	60407	111.00	253,659.27	
06/13/2018	2,500 yards of clay, delivered to the We	F.W. Carson Co.	60501	111.00	253,770.27	
06/13/2018	2,500 yards of clay, delivered to the We	F.W. Carson Co.	60503	111.00	253,881.27	
06/14/2018	2,500 yards of clay, delivered to the We	F.W. Carson Co.	60409	111.00	253,992.27	
06/14/2018	2,500 yards of clay, delivered to the We	F.W. Carson Co.	60410	111.00	254,103.27	
06/14/2018	2,500 yards of clay, delivered to the We	F.W. Carson Co.	60504	111.00	254,214.27	
06/15/2018	compact wetlands roadway	ARMAC Construction, LLC	18-064	1,800.00	256,014.27	
06/18/2018	2,500 yards of clay, delivered to the We	F.W. Carson Co.	60505	111.00	256,125.27	
06/18/2018	2,500 yards of clay, delivered to the We	F.W. Carson Co.	60506	111.00	256,236.27	
06/19/2018	2,500 yards of clay, delivered to the We	F.W. Carson Co.	60507	111.00	256,347.27	
06/19/2018	2,500 yards of clay, delivered to the We	F.W. Carson Co.	60508	111.00	256,458.27	
06/25/2018	950 tons of grindings delivered to Wetla	Cinderlite Trucking Corp	109773	1,998.81	258,457.08	
06/25/2018	Change Order #1 - 700 additional tons of	Cinderlite Trucking Corp	109773	704.56	259,161.64	
06/25/2018	Change Order #1 - 700 additional tons of	Cinderlite Trucking Corp	109821	2,327.42	261,489.06	
06/25/2018	Change Order #1 - 700 additional tons of	Cinderlite Trucking Corp	109851	2,797.00	264,286.06	
06/25/2018	Change Order #1 - 700 additional tons of	Cinderlite Trucking Corp	110110	2,837.69	267,123.75	
06/26/2018	Change Order #1 - 700 additional tons of	Cinderlite Trucking Corp	109774	917.43	268,041.18	
06/26/2018	Change Order #1 - 700 additional tons of	Cinderlite Trucking Corp	110111	958.67	268,999.85	
06/30/2018	wet down and compact wetlands roadway on	ARMAC Construction, LLC	18-064-02	1,800.00	270,799.85	
06/30/2018	CIP Work Order Charges - June 2018			8,939.84	279,739.69	
<b>TOTAL</b>				<b>114,610.80</b>	<b>0.00</b>	<b>114,610.80</b>
				Balance	Forward	279,739.69
02/10/2019	IVGID Wetlands - Push Down Piles - Contract	F.W. Carson Co.	19-02-App1	4,200.00	283,939.69	
03/13/2019	pre emergent pest srvc @ 3050 vicki	Integrity Pest Management, LLC	28823	1,975.00	285,914.69	
03/20/2019	CIP #25665S1103- Push down imported materials for Levee improvements	F.W. Carson Co.	App#1	1,800.00	287,714.69	
04/04/2019	Wetlands Facility Improvements Project; clay material for levee repairs.	F.W. Carson Trucking	5124	10,400.00	298,114.69	
04/19/2019	Wetlands Facility Improvements Project; clay material for levee repairs.	F.W. Carson Trucking	5172	9,400.00	307,514.69	
05/31/2019	CIP Work Order Charges - May 2019			1,219.29	308,733.98	
06/17/2019	Wetlands Effluent Disposal Facility Improvements; chip sealing roads. This work was bid per NRS 338.	Sierra Nevada Construction, Inc.	4811	63,007.00	371,740.98	
06/27/2019	Wetlands Facility Improvements, Roof Repairs.	Alpine Roofing Co., Inc	19029	7,628.00	379,368.98	
06/30/2019	CIP Work Order Charges - June 2019			210.66	379,579.64	
<b>TOTAL</b>				<b>99,839.95</b>	<b>0.00</b>	<b>99,839.95</b>
				Balance	Forward	379,579.64
08/23/2019	CIP 2599SS1103 10 wheel dump truck 08/23/19 transport backhoe from Wetland to Incline	F.W. Carson Trucking	5402	375.00	379,954.64	
08/29/2019	air filter element outer	Shafer Equipment Company Inc.	10015938	50.15	380,004.79	
09/13/2019	SKID STEER TRACK LOADER,SKID STEER BUCKET 72" SMOOTH	United Rentals (North America, Inc.)	173627480-001	675.00	380,679.79	
10/01/2019	Wetlands Facility Improvements; excavator rental.	Shafer Equipment Company Inc.	10016213	5,447.56	386,127.35	
11/02/2019	Semi w/Lowbed Transport 5 axle	F.W. Carson Trucking	5470	437.50	386,564.85	
11/30/2019	CIP# 2599SS1103 BACKHOE/LOADER 60-90HP 4WD EXT-A-HOE, BACKHOE BUCKET 18"	United Rentals (North America, Inc.)	174509871-001	560.34	387,125.19	
05/28/2020	Asphalt Sealing	Cruz Construction Co., Inc.	11226	1,550.00	388,675.19	
05/31/2020	14.85 Tons of Type 2 Class B Agg B	Bing Materials	198055	109.15	388,784.34	
06/08/2020	type 2 Class B Agg B	Bing Materials	198345	170.30	388,954.64	
06/08/2020	type2 Class B Agg B	Bing Materials	198346	279.44	389,234.08	
<b>TOTAL</b>				<b>9,654.44</b>	<b>0.00</b>	<b>9,654.44</b>

			Balance	Forward	389,234.08
05/06/2021	Wetlands Effluent Disposal Facility Improvements. Type II road base for levee repairs at the Wetlands.	Cinderlite Trucking Corp	354855	338.18	389,572.26
05/07/2021	Wetlands Effluent Disposal Facility Improvements. Type II road base for levee repairs at the Wetlands.	Cinderlite Trucking Corp	354980	260.56	389,832.82
05/10/2021	Wetlands Effluent Disposal Facility Improvements. Type II road base for levee repairs at the Wetlands.	Cinderlite Trucking Corp	355226	425.61	390,258.43
05/11/2021	Wetlands Effluent Disposal Facility Improvements. Type II road base for levee repairs at the Wetlands.	Cinderlite Trucking Corp	355328	86.67	390,345.10
05/12/2021	Wetlands Effluent Disposal Facility Improvements. Type II road base for levee repairs at the Wetlands.	Cinderlite Trucking Corp	355457	344.51	390,689.61
05/14/2021	Wetlands Effluent Disposal Facility Improvements. Type II road base for levee repairs at the Wetlands.	Cinderlite Trucking Corp	355694	429.17	391,118.78
05/17/2021	Wetlands Effluent Disposal Facility Improvements. Type II road base for levee repairs at the Wetlands.	Cinderlite Trucking Corp	355884	425.69	391,544.47
05/19/2021	Wetlands Effluent Disposal Facility Improvements. Type II road base for levee repairs at the Wetlands.	Cinderlite Trucking Corp	356104	259.03	391,803.50
05/20/2021	Wetlands Effluent Disposal Facility Improvements. Type II road base for levee repairs at the Wetlands.	Cinderlite Trucking Corp	356201	426.45	392,229.95
05/31/2021	CIP Work Order Charges - May 2021			5,114.35	397,344.30
06/01/2021	Wetlands Effluent Disposal Facility Improvements. Type II road base for levee repairs at the Wetlands.	Cinderlite Trucking Corp	357246	260.98	397,605.28
06/01/2021	Wetlands Effluent Disposal Facility Improvements. Type II road base for levee repairs at the Wetlands.	Cinderlite Trucking Corp	356876	278.35	397,883.63
06/01/2021	Wetlands Effluent Disposal Facility Improvements. Type II road base for levee repairs at the Wetlands.	Cinderlite Trucking Corp	356780	333.75	398,217.38
06/01/2021	Wetlands Effluent Disposal Facility Improvements. Type II road base for levee repairs at the Wetlands.	Cinderlite Trucking Corp	356636	170.83	398,388.21
06/02/2021	Wetlands Effluent Disposal Facility Improvements. Type II road base for levee repairs at the Wetlands.	Cinderlite Trucking Corp	357350	354.65	398,742.86
06/03/2021	Wetlands Effluent Disposal Facility Improvements. Type II road base for levee repairs at the Wetlands.	Cinderlite Trucking Corp	357433	272.45	399,015.31
06/07/2021	Wetlands Effluent Disposal Facility Improvements. Type II road base for levee repairs at the Wetlands.	Cinderlite Trucking Corp	357719	168.68	399,183.99
06/08/2021	Wetlands Effluent Disposal Facility Improvements. Type II road base for levee repairs at the Wetlands.	Cinderlite Trucking Corp	357861	412.63	399,596.62
06/09/2021	Wetlands Effluent Disposal Facility Improvements. Type II road base for levee repairs at the Wetlands.	Cinderlite Trucking Corp	357961	255.90	399,852.52
06/14/2021	Wetlands Effluent Disposal Facility Improvements. Type II road base for levee repairs at the Wetlands.	Cinderlite Trucking Corp	358409	334.57	400,187.09
06/15/2021	Wetlands Effluent Disposal Facility Improvements. Type II road base for levee repairs at the Wetlands.	Cinderlite Trucking Corp	358523	239.84	400,426.93
06/16/2021	Wetlands Effluent Disposal Facility Improvements. Type II road base for levee repairs at the Wetlands.	Cinderlite Trucking Corp	358641	83.89	400,510.82
06/17/2021	Wetlands Effluent Disposal Facility Improvements. Type II road base for levee repairs at the Wetlands.	Cinderlite Trucking Corp	358793	243.88	400,754.70
06/21/2021	Wetlands Effluent Disposal Facility Improvements. Type II road base for levee repairs at the Wetlands.	Cinderlite Trucking Corp	359071	182.85	400,937.55
06/22/2021	Wetlands Effluent Disposal Facility Improvements. Type II road base for levee repairs at the Wetlands.	Cinderlite Trucking Corp	359134	79.23	401,016.78
06/30/2021	CIP Work Order Charges - June 2021			4,556.93	405,573.71
06/30/2021	To expense CIP Cost to Operating			16,339.63	389,234.08
<b>TOTAL</b>			<b>16,339.63</b>	<b>16,339.63</b>	<b>0.00</b>
<b>GRAND TOTAL</b>			<b>441,360.77</b>	<b>52,126.69</b>	<b>389,234.08</b>

# EXHIBIT B - 2 pages



## Project Summary

<b>Project Number:</b>	2599SS1103	
<b>Title:</b>	Wetlands Effluent Disposal Facility Improvements	
<b>Asset Class:</b>	E - Capital Maintenance	
<b>Division:</b>	99 - General Administration - Sewer	
<b>Budget Year:</b>	2019	
<b>Scenario Name:</b>	Main	<b>Active:</b> Yes
<b>Budget Status:</b>	Data Entry	
<b>Locations:</b>		
<b>Project Something:</b>	SS - Sewer System	

<b>Project Description</b>				
The District owns and maintains 900 acres of land in Douglas County for the disposal of wastewater treatment plant effluent, at the end of the effluent export pipeline. The facility was constructed in 1983 as a beneficial reuse project by creating wetland cells for wildlife habitat. The effluent is distributed through the various cells via channels and pipes for transportation, evaporation and percolation. The property also contains a large area of warm water springs that is kept separate from the effluent cells. The underlying geology of the site poses challenges as the alkali dissolves causing short circuiting of flows from cell to cell. There is an extensive system for the wetland cells and surrounding levees to protect the facility from flooding. There is a road network of over 10.5 miles within the wetlands facility, with an additional 4.5 miles of levees, a control building and infrastructure for controlling the flow of effluent to and between cells.				
<b>Project Internal Staff</b>				
Public Works staff performs some of the maintenance and repairs at the facility, while larger projects may be contracted out with design and inspection being provided by staff.				
<b>Project Justification</b>				
The levees and roadways need to be maintained and resurfaced due to years of wear and tear as well as sub-grade subsidence. The District used to be able to obtain grindings from various projects at no cost. That is no longer the case and materials for repairs must be purchased. With the continued subsidence along levees and roadways we are installing barriers in the levees and roadways to reduce and/or eliminate the short circuiting between cells. With the facility being 33 years old, there are infrastructure improvements that need to be addressed in order to keep the facility in good working order such as replacement of piping, valves, vegetation control, invasive weed mitigation, master inflow meter and sample stand, plus reroofing of the control building. To date we have resurfaced approximately 5 miles of road, replaced 2 main control valves and replaced the HVAC unit as well as ducting in the control building.				
<b>Forecast</b>				
<b>Budget Year</b>	<b>Total Expense</b>	<b>Total Revenue</b>	<b>Difference</b>	
2019				
Resurface roadways, replace valves and install cut-off barriers in levees.	100,000	0	100,000	
Year Total	100,000	0	100,000	
2020				
Re-roof control building.	25,000	0	25,000	
Resurface roadways, replace valves and install cut-off barriers in levees.	75,000	0	75,000	
Year Total	100,000	0	100,000	
2021				
Resurface roadways, replace valves and install cut-off barriers in levees.	100,000	0	100,000	
Year Total	100,000	0	100,000	
2022				
Resurface roadways, replace valves and install cut-off barriers in levees.	100,000	0	100,000	
Year Total	100,000	0	100,000	
2023				
Resurface roadways, replace valves and install cut-off barriers in levees.	100,000	0	100,000	
Year Total	100,000	0	100,000	
	500,000	0	500,000	
<b>Year Identified</b>	<b>Start Date</b>	<b>Project Partner</b>	<b>Manager</b>	<b>Est. Completion Date</b>
2012	Jul 1, 2018		Utilities Maintenance Specialist	Jun 30, 2019



EXHIBIT C - 3 pages

Utility Fund	Description	Fixed Asset#	FA Type	FA Category	Accumulated Deprecia	Book Value	Cost	Est. Useful Life (year)	Useful	In Use Date	Repairs and Maintenance	Under \$5,000
92/93 INSTALLATIONS		5164	Land	Land		141.40	141.40	0.00		10/31/1992		141.40
LAND & LAND RIGHTS		5538	Land	Land		134.00	134.00	0.00		07/31/1993		134.00
MAINTENANCE FACILITY GARAGE		6788	Water Buildings and Structures	Building & Renovations	25,285.04	17,065.56	42,350.60	40.00	16.10	12/31/1997	17,065.56	
3" Compound Badger Meter - 861 Southwood Blvd. - High Sierra HOA		10844	Water Service Distribution Infrastructure	Infrastructure	992.00	2,726.61	3,718.61	25.00	17.87	10/06/2014		2,726.61
4" Compound Badger Meter - 111 Country Club - Hyatt Irrigation		10843	Water Service Distribution Infrastructure	Infrastructure	992.00	2,726.61	3,718.61	25.00	17.88	10/07/2014		2,726.61
3" Compound Badger - Meter 931 Southwood Blvd. - Incline Middle School		10842	Water Service Distribution Infrastructure	Infrastructure	992.00	2,726.61	3,718.61	25.00	17.88	10/08/2014		2,726.61
3" Compound Badger Meter - 964 Incline Way - Rec. Center Meter		10840	Water Service Distribution Infrastructure	Infrastructure	992.00	2,726.61	3,718.61	25.00	17.88	10/09/2014		2,726.61
3" Compound Badger Meter - 899 Southwood Blvd. - Lodgepole Parquet		10841	Water Service Distribution Infrastructure	Infrastructure	992.00	2,726.61	3,718.61	25.00	17.88	10/09/2014		2,726.61
3" Compound Badger Meter		10839	Water Service Distribution Infrastructure	Infrastructure	463.20	1,272.46	1,735.66	25.00	17.89	10/13/2014		1,272.46
4" Compound Badger Meter - 725 Golfer's Pass - Mountain Golf		10846	Water Service Distribution Infrastructure	Infrastructure	992.00	2,726.61	3,718.61	25.00	17.93	10/27/2014		2,726.61
4" Compound Badger Meter - 699 Birdy Court - Mountain Golf		10847	Water Service Distribution Infrastructure	Infrastructure	992.00	2,726.61	3,718.61	25.00	17.93	10/27/2014		2,726.61
6" Compound Badger Meter - 955 Fairway Blvd. - Champ Golf Off Country Cl		10849	Water Service Distribution Infrastructure	Infrastructure	992.00	2,726.61	3,718.61	25.00	17.94	10/29/2014		2,726.61
6" Compound Badger Meter - 950 Fairway Blvd. - Chateau		10850	Water Service Distribution Infrastructure	Infrastructure	992.00	2,726.61	3,718.61	25.00	17.94	10/29/2014		2,726.61
4" Compound Badger Meter - 665 Lakeshore Blvd. - Burnt Cedar Beach		10851	Water Service Distribution Infrastructure	Infrastructure	992.00	2,726.60	3,718.60	25.00	17.95	11/03/2014		2,726.60
6" Compound Badger Meter - 991 Driver Way - Champ Golf		10845	Water Service Distribution Infrastructure	Infrastructure	992.00	2,726.61	3,718.61	25.00	17.98	11/14/2014		2,726.61
6" Compound Badger Meter - 630 14th Green Dr. - Champ Golf		10848	Water Service Distribution Infrastructure	Infrastructure	967.20	2,751.41	3,718.61	25.00	18.40	04/15/2015		2,751.41
3" Turbo Badger Meter		10905	Water Service Distribution Infrastructure	Infrastructure	258.40	761.75	1,020.15	25.00	18.52	05/31/2015		761.75
4" Compound Badger Meter		10920	Water Service Distribution Infrastructure	Infrastructure	1,121.00	3,302.42	4,423.42	25.00	18.52	05/31/2015		3,302.42
3" Compound Badger Meter		10907	Water Service Distribution Infrastructure	Infrastructure	1,121.00	3,302.52	4,423.52	25.00	18.52	05/31/2015		3,302.52
4" Compound Badger Meter		10908	Water Service Distribution Infrastructure	Infrastructure	1,121.00	3,302.52	4,423.52	25.00	18.52	05/31/2015		3,302.52
6" Compound Badger Meter		10909	Water Service Distribution Infrastructure	Infrastructure	1,121.00	3,302.52	4,423.52	25.00	18.52	05/31/2015		3,302.52
6" Compound Badger Meter		10910	Water Service Distribution Infrastructure	Infrastructure	1,121.00	3,302.52	4,423.52	25.00	18.52	05/31/2015		3,302.52
3" Compound Badger Meter		10911	Water Service Distribution Infrastructure	Infrastructure	1,121.00	3,302.52	4,423.52	25.00	18.52	05/31/2015		3,302.52
6" Compound Badger Meter		10912	Water Service Distribution Infrastructure	Infrastructure	1,121.00	3,302.52	4,423.52	25.00	18.52	05/31/2015		3,302.52
6" Compound Badger Meter		10913	Water Service Distribution Infrastructure	Infrastructure	1,121.00	3,302.52	4,423.52	25.00	18.52	05/31/2015		3,302.52
4" Compound Badger Meter		10914	Water Service Distribution Infrastructure	Infrastructure	1,121.00	3,302.52	4,423.52	25.00	18.52	05/31/2015		3,302.52
3" Compound Badger Meter		10915	Water Service Distribution Infrastructure	Infrastructure	1,121.00	3,302.52	4,423.52	25.00	18.52	05/31/2015		3,302.52
3" Compound Badger Meter		10916	Water Service Distribution Infrastructure	Infrastructure	1,121.00	3,302.52	4,423.52	25.00	18.52	05/31/2015		3,302.52
4" Compound Badger Meter		10917	Water Service Distribution Infrastructure	Infrastructure	1,121.00	3,302.52	4,423.52	25.00	18.52	05/31/2015		3,302.52
3" Compound Badger Meter		10918	Water Service Distribution Infrastructure	Infrastructure	1,121.00	3,302.52	4,423.52	25.00	18.52	05/31/2015		3,302.52
3" Compound Badger Meter		10919	Water Service Distribution Infrastructure	Infrastructure	1,121.00	3,302.52	4,423.52	25.00	18.52	05/31/2015		3,302.52
WATER SYSTEM REPAIR		2812	Water Service Distribution Infrastructure	Infrastructure	164,985.33	754.17	165,739.50	40.00	0.09	01/01/1982		754.17
Pump Control Claval		5852	Water Service Distribution Infrastructure	Infrastructure	1,211.00	0.00	1,211.00	20.00		11/30/1994		
Pump Control Claval		5853	Water Service Distribution Infrastructure	Infrastructure	1,211.00	0.00	1,211.00	20.00		11/30/1994		
Pump Control Claval		5854	Water Service Distribution Infrastructure	Infrastructure	1,211.00	0.00	1,211.00	20.00		11/30/1994		
Pump Control Claval		5855	Water Service Distribution Infrastructure	Infrastructure	1,211.00	0.00	1,211.00	20.00		11/30/1994		
Pump Control Claval		5856	Water Service Distribution Infrastructure	Infrastructure	1,211.00	0.00	1,211.00	20.00		11/30/1994		
Pump Control Claval		5857	Water Service Distribution Infrastructure	Infrastructure	1,211.00	0.00	1,211.00	20.00		11/30/1994		
Hollowshaft Motor		5834	Water Service Distribution Infrastructure	Infrastructure	2,282.47	0.00	2,282.47	10.00		11/30/1994		
Hollowshaft Motor		5835	Water Service Distribution Infrastructure	Infrastructure	2,282.48	0.00	2,282.48	10.00		11/30/1994		
Hollowshaft Motor		5836	Water Service Distribution Infrastructure	Infrastructure	2,282.48	0.00	2,282.48	10.00		11/30/1994		
Hollowshaft Motor		5837	Water Service Distribution Infrastructure	Infrastructure	2,282.48	0.00	2,282.48	10.00		11/30/1994		
Hollowshaft Motor		5838	Water Service Distribution Infrastructure	Infrastructure	2,282.48	0.00	2,282.48	10.00		11/30/1994		
Hollowshaft Motor		5839	Water Service Distribution Infrastructure	Infrastructure	2,282.48	0.00	2,282.48	10.00		11/30/1994		
#808 2019 buyers salt dog sander		11531-A	Water Service Equipment	Machinery & Equipment	1,370.04	2,544.62	3,914.66	5.00	3.20	01/31/2020		2,544.62
2017 Boss SNOWPLOW #763 (Water)		11210-A	Water Service Equipment	Machinery & Equipment	2,673.60	668.54	3,342.14	5.00	0.91	10/18/2017		668.54
MAINTENANCE FACILITY GARAGE		6789	Sewer Buildings and Structures	Building & Renovations	25,285.04	17,065.58	42,350.62	40.00	16.10	12/31/1997	17,065.58	
Wetlands fence repairs and 2 gates		10977	Sewer Buildings and Structures	Building & Renovations	4,516.96	10,133.04	14,650.00	20.00	13.73	08/14/2015		
WASTE WATER TREATMENT PLANT		9603	Sewer Buildings and Structures	Building & Renovations	4,125.19	0.00	4,125.19	10.00		10/01/2005		
WASTE WATER TREATMENT PLANT		9604	Sewer Buildings and Structures	Building & Renovations	4,125.19	0.00	4,125.19	10.00		10/01/2005		
WASTE WATER TREATMENT PLANT		9601	Sewer Buildings and Structures	Building & Renovations	4,125.20	0.00	4,125.20	10.00		10/01/2005		
WASTE WATER TREATMENT PLANT		9602	Sewer Buildings and Structures	Building & Renovations	4,125.20	0.00	4,125.20	10.00		10/01/2005		
Levee Repairs		11400	Sewer Service Distribution Infrastructure	Infrastructure	7,006.98	21,987.31	28,994.29	10.00	7.53	05/31/2019		
WETLANDS - LEVEE REPAIR		10076	Sewer Service Distribution Infrastructure	Infrastructure	18,766.08	8,263.41	27,029.49	20.00	6.10	12/31/2007		
WETLANDS - LEVEE REPAIR 08/		10349	Sewer Service Distribution Infrastructure	Infrastructure	26,885.10	16,239.72	43,124.82	20.00	7.44	05/01/2009		
Manhole and sewer line repairs 1120 Lakeshore		11198	Sewer Service Distribution Infrastructure	Infrastructure	4,890.00	18,582.84	23,472.84	20.00	15.78	08/31/2017	18,582.84	
Roadway repairs at wetlands		11335	Sewer Service Distribution Infrastructure	Infrastructure	9,422.80	32,980.25	42,403.05	15.00	11.61	06/30/2018		
Repairs at wetlands for Spring 2018 flood damage (Levees and roadways)		11355	Sewer Service Distribution Infrastructure	Infrastructure	6,269.20	31,345.26	37,614.46	20.00	16.61	07/01/2018		
Roadway Repairs at Wetlands		11442	Sewer Service Distribution Infrastructure	Infrastructure	9,833.88	53,383.78	63,217.66	25.00	12.57	06/15/2019		
REPLACE/REPAIR SEWERLINES '		5596	Sewer Service Distribution Infrastructure	Infrastructure	96,542.18	0.00	96,542.18	20.00		11/30/1993		
AUTOMATIC TRANSFER SWITCH		9832	Sewer Service Distribution Infrastructure	Infrastructure	982.58	315.92	1,298.50	20.00	4.84	09/27/2006		315.92
AUTOMATIC TRANSFER SWITCH		9833	Sewer Service Distribution Infrastructure	Infrastructure	1,738.14	571.72	2,309.86	20.00	4.86	10/04/2006		571.72
AUTOMATIC TRANSFER SWITCH		9829	Sewer Service Distribution Infrastructure	Infrastructure	1,372.52	481.46	1,853.98	20.00	5.16	01/20/2007		481.46
#808 2019 buyers salt dog sander		11531-B	Water Service Equipment	Machinery & Equipment	1,370.04	2,544.61	3,914.65	5.00	3.20	01/31/2020		2,544.61
2017 Boss SNOWPLOW (Water)		11210-B	Sewer Service Equipment	Machinery & Equipment	2,673.60	668.53	3,342.13	5.00	0.91	10/18/2017		668.53
					77,625.56	316,885.22	794,510.78					

174,332.77 Wetlands

Description	Fixed Asset#	FA Type	FA Category	Accumulated Deprecia	Book Value	Cost	Est. Useful life (year)	Useful	In Use Date	Repairs and Maintenance	Under \$5,000
<b>Golf Courses</b>											
TREES - NO. 6 GREEN	7044	Land	Wetlands	82,701.00	174,332.77	257,033.77					
EXEC MAINTENANCE BLDG	2872	Recreation Buildings and Structures	Land		1,112.36	1,112.36	0.00		10/31/1997		1,112.36
CHAMP MAINTENANCE BLDG	2813	Recreation Buildings and Structures	Building & Renovations	71,614.35	0.00	71,614.35	25.00		05/01/1980		
Mountain Course Golf Cart Path Repairs	11248	Recreation Buildings and Structures	Building & Renovations	770,147.50	0.00	770,147.50	25.00		05/15/1993		
Championship Course Golf Cart Path Repairs	11247	Golf Course Improvements	Venue Improvements	31,857.20	47,800.65	79,657.85	10.00	5.95	10/31/2017		
Mt. Course Cart Paths Paving Maintenance & Draining Repairs	11500	Golf Course Improvements	Venue Improvements	43,908.34	68,197.66	112,106.00	10.00	6.03	11/30/2017		
Champ Golf Cart Path Repairs	11491	Golf Course Improvements	Venue Improvements	10,362.35	26,210.65	36,573.00	5.00	3.53	05/31/2020		
Tables and Chairs for Deck	11268	Recreation Service Equipment	Machinery & Equipment	8,085.54	48,988.46	57,074.00	10.00	8.53	06/01/2020	194,471.22	Golf Course Repairs
F&B Shared POS - Mountain Course	10984	Recreation Office Equipment	Machinery & Equipment	1,346.85	2,594.70	3,941.55	10.00	6.48	05/15/2018		2,594.70
				2,804.90	2,003.70	4,808.60	10.00	4.03	12/01/2015		2,003.70
				<u>940,137.03</u>	<u>196,908.18</u>	<u>1,137,045.21</u>					
<b>Facilities</b>											
ASPEN GROVE IMPROVEMENTS	8605	Recreation Buildings and Structures	Building & Renovations	1,851.88	0.00	1,851.88	10.00		10/31/2001		
ASPEN GROVE IMPROVEMENTS	8606	Recreation Buildings and Structures	Building & Renovations	1,851.88	0.00	1,851.88	10.00		10/31/2001		
ASPEN GROVE IMPROVEMENTS	8607	Recreation Buildings and Structures	Building & Renovations	1,851.88	0.00	1,851.88	10.00		10/31/2001		
ASPEN GROVE IMPROVEMENTS	8608	Recreation Buildings and Structures	Building & Renovations	1,851.89	0.00	1,851.89	10.00		10/31/2001		
ASPEN GROVE IMPROVEMENTS	8609	Recreation Buildings and Structures	Building & Renovations	1,851.89	0.00	1,851.89	10.00		10/31/2001		
				<u>9,259.42</u>	<u>0.00</u>	<u>9,259.42</u>					
				94,223.43	191,197.42	285,420.85					
<b>Ski</b>											
NEW SLOPE ADDITION	3364	Land	Land		2,361.40	2,361.40	0.00		10/28/1986		2,361.40
CONTINGENCY	3885	Land	Land		338.58	338.58	0.00		08/31/1987		338.58
ENVIRONMENTAL DESIGN WRK	3883	Land	Land		3,716.24	3,716.24	0.00		08/31/1987		3,716.24
EROSION CONTROL	3370	Land	Land		4,452.66	4,452.66	0.00		09/30/1987		4,452.66
UTILITY CORRIDOR	3373	Land	Land		549.60	549.60	0.00		10/31/1987		549.60
LAND APPRAISAL PLANNING	3886	Land	Land		3,500.00	3,500.00	0.00		05/10/1988		3,500.00
88/89 WATER QUALITY	3889	Land	Land		2,221.00	2,221.00	0.00		03/06/1989		2,221.00
EROSION CONTROL PKING LOT	3382	Land	Land		1,942.50	1,942.50	0.00		06/30/1989		1,942.50
007- BASE AREA IMPROVEMENT	3384	Land	Land		2,268.16	2,268.16	0.00		01/31/1990		2,268.16
Site Improvements/BMPs '93	5909	Land	Land		2,425.13	2,425.13	0.00		09/30/1993		2,425.13
Site Improvements/BMPs '96	6482	Land	Land		4,914.27	4,914.27	0.00		10/31/1996		4,914.27
Site Improvements/BMPs '96	7183	Land	Land		1,936.00	1,936.00	0.00		09/30/1998		1,936.00
Site Improvements/BMPs 1999	8489	Land	Land		4,957.50	4,957.50	0.00		10/15/1999		4,957.50
Site Improvements/BMPs 2001	8785	Land	Land		2,900.00	2,900.00	0.00		05/06/2002		2,900.00
Site Improvements/BMPs 2002	9010	Land	Land		2,461.50	2,461.50	0.00		09/15/2002		2,461.50
Snowflake Roof Maintenance	11363	Recreation Buildings and Structures	Building & Renovations	2,600.36	14,266.64	16,867.00	20.00	16.86	09/30/2018	14,266.64	
SNOWMAKING MASTER PLAN	8989	Slope and Mountain Improvements	Venue Improvements	176,716.12	8,845.07	185,561.19	20.00	0.91	10/21/2002	8,845.07	
SNOW MAKING GUN	8620	Slope and Mountain Improvements	Venue Improvements	2,002.95	0.00	2,002.95	10.00		12/05/2001		
SNOW MAKING GUN	8621	Slope and Mountain Improvements	Venue Improvements	2,002.95	0.00	2,002.95	10.00		12/05/2001		
SNOW MAKING GUN	8622	Slope and Mountain Improvements	Venue Improvements	2,002.95	0.00	2,002.95	10.00		12/05/2001		
SNOW MAKING GUN	8618	Slope and Mountain Improvements	Venue Improvements	2,002.96	0.00	2,002.96	10.00		12/05/2001		
SNOW MAKING GUN	8619	Slope and Mountain Improvements	Venue Improvements	2,002.96	0.00	2,002.96	10.00		12/05/2001		
Snow Gun Mounting Pedestals Welding	11239	Slope and Mountain Improvements	Venue Improvements	1,200.00	1,800.00	3,000.00	10.00	5.95	10/31/2017		1,800.00
F&B Shared POS - Snowflake Lodge	10986	Recreation Office Equipment	Machinery & Equipment	2,844.97	1,963.63	4,808.60	10.00	4.03	12/01/2015		1,963.63
				<u>193,376.22</u>	<u>67,819.88</u>	<u>261,196.10</u>					
<b>Rec Center</b>											
Slurry Seal and paving repairs - Rec. Center Entry Road & parking lot	11521	Recreation Buildings and Structures	Building & Renovations	7,753.19	19,610.85	27,364.04	5.00	3.53	05/31/2020	19,610.85	Recreation Center
LifeFitness Integrity SC Upright Bikes with Televisions	11577	Recreation Service Equipment	Machinery & Equipment	790.30	3,273.80	4,064.10	6.00	4.77	08/27/2020		3,273.80
LifeFitness Integrity SC Upright Bikes with Televisions	11578	Recreation Service Equipment	Machinery & Equipment	790.30	3,273.80	4,064.10	6.00	4.77	08/27/2020		3,273.80
LifeFitness Integrity SC Upright Bikes with Televisions	11579	Recreation Service Equipment	Machinery & Equipment	790.30	3,273.80	4,064.10	6.00	4.77	08/27/2020		3,273.80
Matrix Strength Leg Extension Machine	11152	Recreation Service Equipment	Machinery & Equipment	2,477.18	597.82	3,075.00	6.00	1.10	12/21/2016		597.82
Matrix Strength Chest Press Machine	11153	Recreation Service Equipment	Machinery & Equipment	2,477.18	597.82	3,075.00	6.00	1.10	12/21/2016		597.82
Matrix Strength Rear Delt/Fly Machine	11154	Recreation Service Equipment	Machinery & Equipment	2,477.18	597.82	3,075.00	6.00	1.10	12/21/2016		597.82
Matrix Strength Biceps/Triceps Machine	11155	Recreation Service Equipment	Machinery & Equipment	2,477.18	597.82	3,075.00	6.00	1.10	12/21/2016		597.82
LifeFitness Group Exercise LifeCycle Bike	11125	Recreation Service Equipment	Machinery & Equipment	1,682.24	120.13	1,802.37	5.00	0.22	02/07/2017		120.13
LifeFitness Group Exercise LifeCycle Bike	11126	Recreation Service Equipment	Machinery & Equipment	1,682.24	120.13	1,802.37	5.00	0.22	02/07/2017		120.13
LifeFitness Group Exercise LifeCycle Bike	11127	Recreation Service Equipment	Machinery & Equipment	1,682.24	120.13	1,802.37	5.00	0.22	02/07/2017		120.13
LifeFitness Group Exercise LifeCycle Bike	11128	Recreation Service Equipment	Machinery & Equipment	1,682.24	120.13	1,802.37	5.00	0.22	02/07/2017		120.13
LifeFitness Group Exercise LifeCycle Bike	11121	Recreation Service Equipment	Machinery & Equipment	1,682.24	120.14	1,802.38	5.00	0.22	02/07/2017		120.14
LifeFitness Group Exercise LifeCycle Bike	11122	Recreation Service Equipment	Machinery & Equipment	1,682.24	120.14	1,802.38	5.00	0.22	02/07/2017		120.14
LifeFitness Group Exercise LifeCycle Bike	11123	Recreation Service Equipment	Machinery & Equipment	1,682.24	120.14	1,802.38	5.00	0.22	02/07/2017		120.14
LifeFitness Group Exercise LifeCycle Bike	11124	Recreation Service Equipment	Machinery & Equipment	1,682.24	120.14	1,802.38	5.00	0.22	02/07/2017		120.14
Precor Recumbent Bike with TV	11576	Recreation Service Equipment	Machinery & Equipment	259.25	4,096.40	4,355.65	7.00	6.50	05/20/2021		4,096.40
Matrix Glute Machine	11305	Recreation Service Equipment	Machinery & Equipment	775.31	1,493.94	2,269.25	10.00	6.45	05/04/2018		1,493.94
Matrix Seated Row	11307	Recreation Service Equipment	Machinery & Equipment	781.46	1,505.79	2,287.25	10.00	6.45	05/04/2018		1,505.79
Matrix Shoulder Press	11306	Recreation Service Equipment	Machinery & Equipment	825.74	1,591.51	2,417.25	10.00	6.45	05/04/2018		1,591.51
Matrix Lat Pulldown	11309	Recreation Service Equipment	Machinery & Equipment	825.74	1,591.51	2,417.25	10.00	6.45	05/04/2018		1,591.51

Description	Fixed Asset#	FA Type	FA Category	Accumulated Deprecia	Book Value	Cost	rt. Useful life (years)	Useful	In Use Date	Repairs and Maintenance	Under \$5,000
Matrix Leg Press	11308	Recreation Service Equipment	Machinery & Equipment	958.99	1,848.26	2,807.25	10.00	6.45	05/04/2018		1,848.26
Matrix Versa Seated Leg Curl Plus	11406	Recreation Service Equipment	Machinery & Equipment	798.95	1,515.30	2,314.25	7.00	4.45	05/05/2019		1,515.30
Matrix Versa AB/AD	11405	Recreation Service Equipment	Machinery & Equipment	895.81	1,699.19	2,595.00	7.00	4.45	05/05/2019		1,699.19
				<u>39,611.98</u>	<u>48,126.51</u>	<u>87,738.49</u>					
<b>Recreation Administration</b>											
Vermont Maintenance Trac Work Order Software	11446	Information Technology Communications	Machinery & Equipment	22,962.45	655.97	23,618.42	3.00	0.03	12/01/2018		655.97
<b>Parks</b>											
EROSION CONTROL - 3RD CREEK	4189	Land	Land		595.00	595.00	0.00		06/15/1988		595.00
<b>Beaches</b>											
Ski Beach Boat Ramp Repairs	10890	Field and Parks Improvements	Venue Improvements	5,868.72	12,664.76	18,533.48	20.00	13.52	05/31/2015		12,664.76
Ski Beach Pavement Maintenance	11251	Field and Parks Improvements	Venue Improvements	15,525.00	24,975.00	40,500.00	10.00	6.11	12/31/2017		24,975.00
DRINKING FOUNTAIN	9405	Field and Parks Improvements	Venue Improvements	1,839.59	0.00	1,839.59	10.00		10/01/2002		
DRINKING FOUNTAIN	9406	Field and Parks Improvements	Venue Improvements	1,839.59	0.00	1,839.59	10.00		10/01/2002		
DRINKING FOUNTAIN	9404	Field and Parks Improvements	Venue Improvements	1,839.60	0.00	1,839.60	10.00		10/01/2002		
Playground - Burnt Cedar	8966	Recreation Service Equipment	Machinery & Equipment	2,080.20	0.00	2,080.20	10.00		10/31/2002		
Playground - Burnt Cedar	8968	Recreation Service Equipment	Machinery & Equipment	3,608.80	0.00	3,608.80	10.00		10/31/2002		
Playground - Burnt Cedar	8967	Recreation Service Equipment	Machinery & Equipment	3,669.74	0.00	3,669.74	10.00		10/31/2002		
				<u>36,271.24</u>	<u>37,639.76</u>	<u>73,911.00</u>					
<b>UNKNOWN</b>											
.32 A/C NORTHWOOD EST	2005	Land	Land		285.00	285.00	0.00		08/28/1968		285.00
PARCEL A A I.V. UNIT 2	2017	Land	Land		715.00	715.00	0.00		02/17/1969		715.00
PARCEL G G I.V. UNIT 2	2018	Land	Land		715.00	715.00	0.00		02/17/1969		715.00
PARCEL C C I.V. UNIT 2	2016	Land	Land		3,800.00	3,800.00	0.00		02/17/1969		3,800.00
PARCEL C I.V. UNIT 1-A	2020	Land	Land		285.00	285.00	0.00		08/14/1969		285.00
PARCEL B I.V. UNIT 1-B	2013	Land	Land		715.00	715.00	0.00		10/07/1969		715.00
GENERAL USE PROPERTY	2002	Land	Land		285.00	285.00	0.00		05/14/1970		285.00
OFFICE BUILDING SITE	2001	Land	Land		2,000.00	2,000.00	0.00		05/14/1970		2,000.00
				<u>0.00</u>	<u>8,800.00</u>	<u>8,800.00</u>					

1,719,243.90 677,430.52 2,396,674.42

\$ 75,826	\$ 426,055	128,209	50,615
\$498,607		Less than \$5,000	\$178,824

Report	\$	500,017		177,414
Difference	\$	1,410	\$	(1,410)

MEMORANDUM

TO: Audit Committee

FROM: Clifford F. Dobler and Sara Schmitz

SUBJECT: Inconsistency in the Accounting and Reporting of Facility Fees Revenues in the completed 2020/2021 and the planned 2021/2022 Annual Comprehensive Financial Reports.

STRATEGIC PLAN REFERENCE(S): None

DATE: May 25, 2022

Board  
No.

right  
operating s/s

finely.

I. RECOMMENDATION

The Audit Committee makes a motion to request that the Board of Trustees direct IVGID Staff to employ the recommendations provided by Moss Adams as outlined in their report dated January 14, 2021 relating to accounting and reporting of Facility Fees in the Annual Comprehensive Financial Report for the year ended June 30, 2022. The four items to be addressed are:

- A. Disclosure of policy for the Facility Fee revenue in the notes to the financial statements. Currently there is no reference to Facility Fees in the Notes to Financial Statements.
- B. The District should "stick" to the non-exchange classification of the Facility Fee
- C. The Facility Fees should be reported within the non operating section in the Statement of Revenues and Expenses and the non-capital related financing activities section in the Statement of Cash Flows for the Community Services and Beach enterprise funds.
- D. The Facility Fees should be reported as program revenue in the government-wide Statement of Activities as opposed to general revenues of the District. Page 64 of Moss Adams report (GASB Cod Sec 2200. 136-140).

why?

Agree

not complicated?

## II. BACKGROUND AND ANALYSIS

Since 2015, an inconsistency has existed in the reporting of Facility Fees for Community Services and Beaches in the Comprehensive Annual Financial Reports based on the concept that the Facility Fees are non exchange transactions. On the one hand, the Facility Fees have been reported as a General Revenue in the Government Wide Statement of Activities and on the other hand the same Facility Fees have been reported as an Operating Revenues in the Statements of Revenues, Expenditures and Changes in Net Position.

Moss Adams LLP was engaged in 2020 to review Punch Card Accounting and provided a report on observations and recommendations. During the engagement, the review was extended to incorporate how the annual Facility Fees should be classified and reported in the financial statements. Attached is the Punch Card Accounting Section of the Moss Adams Report which incorporates a section titled **Applicable revenue recognition guidance applicable to the Facility Fees**. This memorandum ONLY reflects the accounting and reporting of facility fees as determined in the observations and recommendations of item #3 of the Punch Card Accounting Section and DOES NOT ADDRESS ACCOUNTING FOR PUNCH CARDS. Specific paragraphs have been redlined for review.

The historic issue and disagreement between IVGID management and citizens has been whether the Facility Fees are exchange or non-exchange transactions. Moss Adams concludes that the Facility Fees are a non-exchange transaction under guidance provided in GASB Statement No 33 which generally provides for asset recognition when a resource is received or at the time a legal right to resources exist, and revenues recognized when all eligibility criteria are met securing the entity's (IVGID) right to the resource. Since the Facility Fee is collected by Washoe County, secured by liens on property and no requirement is placed on IVGID's right to use the Facility Fees then the Facility Fees are deemed to be non-exchange transactions.

### **Recommendations of Moss Adams LLP**

*"We find that the classification of the Facility Fees in the government-wide statement of activities since 2015 as a general revenue is inconsistent with GAAP in that the Fees are assessed specifically to finance the District's recreational activities. As such it meets the criteria to be reported as a program revenue in the statement of activities. (GASB Code Sec 22--.137)*

*"We recommend the District include its policy on the classification of Facility Fees in the footnotes to the financial statements."*

*"If the District reports the recreational activities in enterprise funds, we recommend the fee be reported as non-operating revenue."*

Exhibit A - Moss Adams Report - ~~Punch Card Accounting~~ Section regarding accounting and reporting of Facility Fees

**III. BID RESULTS**

Not required

**IV. FINANCIAL IMPACT AND BUDGET**

Improper budgeting and reporting has occurred in the past 7 years.

**V. ALTERNATIVES**

None

**VI. COMMENTS**

~~IVGID Staff has concluded that reporting of Facility Fees as General Revenue in the Statement of Activities is proper because the Facility Fees are non exchange transaction. This conclusion has no bearing on how the Facility Fees should be reported. The key factor of reporting facility fees as program revenue in the Statement of Activities is based on the nature of the restricted use of the Fees. The Facility Fees are appropriated annually via a resolution by the Board of Trustees for the sole purpose of providing resources specifically for the Community Services and Beaches and not for use by the entire District.~~

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

None

**VIII. BUSINESS IMPACT**

Proper reporting to users of the ACFR.

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## Punch Card Accounting

Based on input gathered from interviews, documents reviewed, and our evaluation of existing practices compared to applicable accounting standards and best practices, we have the following observations and recommendations.

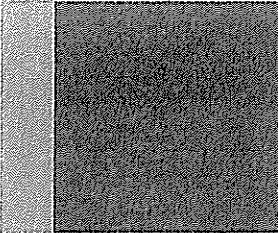
<b>1</b>	<b>Observation</b>	The District's current punch card accounting methodology attempts to recognize the value associated with the benefits of the Facility Fees within the activities by fund where the picture passes and punch cards are presented for use. Further, we found that the District estimates the usage of picture passes and punch cards and the budgeted revenues by fund are consistent with that estimate.
	<b>Recommendation</b>	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. This methodology complicates revenue estimates to use for budget purposes, is confusing to stakeholders, and requires a significant amount of staff time during the year to administer. The time, cost, and complexity involved appears to outweigh the benefits perceived to be achieved.

<b>2</b>	<b>Observation</b>	The Board has the authority to, or not to, assess Facility Fees in support of Beach and Community Service venues, as well as to determine the allocation of the Facility Fees to fund operations, capital asset acquisitions, and/or debt service of both Community Services and Beach. The allocation in any particular year can address the immediate needs of the District as determined by the Board.
	<b>Recommendation</b>	The District should record revenues from charges for services and Facility Fees within the different activities and funds according to the net cash collected from rates charged and the allocation of Facility Fees determined by the Board at the time of the budget adoption.

<b>3</b>	<b>Observation</b>	Management has been classifying Facility Fees as a non-program related general revenue and therefore resulting from a non-exchange transactions since 2015 but has not specifically disclosed its policy on its revenue classification in the notes to the financial statements.
	<b>Recommendation</b>	Whether the District continues to report its recreational activities within governmental funds or switches to enterprise funds, its policy on the

*\$ - material ?*



 classification of the Facility Fee revenue should be disclosed in the notes to the financial statements. We recommend the District stick to the non-exchange classification of the Facility fees, and if the decision is to switch to enterprise fund reporting, to report the fees within the non-operating section in the statement of revenues and expenses and the non-capital related financing activities section in the statement of cash flows.

**Observation of current punch card accounting.**

Board Policy 2.1.0.2.4 provides for the reporting of the annual recreation and beach Facility Fees and the allocation of these fees to the District's various recreational activities, capital projects, and debt service. The policy provides that the Board will authorize the assessment and allocation through the budget process.

Policy 16.1.1 provides the authority for charging the Facility Fees and the basis for which it will be assessed, the method and manner of the assessment and collection of the fees, and the benefits the fees provide residents through certain uses and rates at the District's various recreational facilities. The Board approved Ordinance 7 provides for the establishment of the uses and rates, rules and regulations for recreation passes and punch cards which are presented by residents at the recreational facilities to obtain the benefits and privileges provided to them in exchange for payment of the fees.

By Resolution and through the budget adoption process, the Board determines the assessment of the Facility Fees among the different recreational activities reported in Community Services and Beach funds, as well as amounts allocated for capital asset acquisitions and debt service benefitting the activities within these two funds.

To take advantage of the privileges provided by Ordinance 7, members have the option of receiving a picture pass or punch cards to present when utilizing the various recreational activities and facilities that, among other benefits, allow for reduced pricing compared to rates charged the general public.

We found that the District has been utilizing a contra-revenue accounting methodology that tracks the location where picture passes and punch cards are presented for use at the various recreational venues, as well as to recognize the value of the punch cards between the Community Services and Beach venues. From inquiries of management, we learned that the budgeted revenues by fund as adopted contains an estimate of the relative values of the benefits members obtain from usage of the punch cards at venues within Community Services and Beach.

In our interviews with various stakeholders, we heard that the initial purpose of the contra-revenue accounting methodology was developed in an effort to better align the values associated with the punch cards with the venues where presented for use. However, we heard from many stakeholders the current revenue recognition practice is complicated, confusing, requires significant staff time, and seems inconsistent with the authority of the Board to assess the Facility Fees to fund the various recreational activities and related capital acquisitions and debt service pursuant to their discretion.

We understand that some District stakeholders have raised the question as to whether the contra-revenue accounting methodology ends up with a reallocation of the Recreation Facility Fee revenues





paid by certain residents that don't have beach privileges away from the Community Services Fund and records them as revenues within the Beach Fund. From inquiries of management and the observations of documents provided to us, we did not find that resources from the Fees paid by members without beach privileges were reallocated and transferred out of the Community Services Fund. Nor did we find actual revenues reported for a year to be inconsistent with the intent of the adopted budget.

From review of past comprehensive annual financial reports, we find that management has been inconsistent in the classification of the Facility Fees revenue within the financial statements, and not currently following GAAP. Prior to 2016 when the District was reporting its recreational activities within enterprise funds, the Facility Fees were classified as 'operating revenue' consistent with exchange or exchange-like accounting guidance. After 2016 the District classified the fees as 'general revenues' which is consistent with the non-exchange transaction accounting guidance, and only appropriate when the fees are unrelated to funding specific programs or activities of the District.

#### **Applicable revenue recognition guidance applicable to the Facility Fees.**

A governmental accounting system must make it possible to present fairly and with full disclosure the funds and activities of the governmental unit in conformity with GAAP, and to determine and demonstrate compliance with finance related legal and contractual provisions. Governing bodies, by definition, exercise the "power of the purse" by their responsibility to authorize the entity to raise and spend public money. This authorization in Nevada comes through the adoption of the annual budget. (GASB Cod Sec 1100.101, GAAFR 4-2, NRS 354.596-598)

The use of funds is the established mechanism to meet the objective noted above. A fund reports financial resources which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with regulations, restrictions, or limitations. The particular use of a fund can be dictated by laws, regulations, or often as determined at the discretion of the governing board. (GAAFR 4-1&2)

GAAP provides for revenue recognition based on the classification of the underlying transactions which generally falls into two classifications of exchange or exchange-like, and non-exchange. Exchange transactions generally result from fees charged to users for goods or services where the fee is commensurate with the value received by the user. Greens fees at a golf course or the day-use fee at a gym are examples. Non-exchange transactions result when the provider of the resources does not necessarily receive something of equal value in return. Examples include the payment of taxes to fund general government services like community planning and public safety. The classification of the underlying revenue has significant implications on the timing of recognition of a resource (an asset or reduction of a liability) and revenue. It also has implications on the fund-type to be used for the underlying activity. (GAAFR 8-1&2)

There are instances the parties to the services may be willing to receive or pay amounts that are similar, but may not be same, as the value of the underlying goods and services. These transactions are classified as exchange-like transactions. The difference between exchange and exchange-like transactions is a matter of degree. In contrast to a "pure" exchange transaction, an exchange-like transaction is one in which the values exchanged, though related, may not be quite equal or in which the direct benefits may not be exclusively for the parties to the transaction. Nevertheless, the exchange characteristics are strong enough to justify treating the transaction as exchange for accounting purposes. (GASB Cod Sec N50.503)



Exchange and exchange-like transactions are to be recognized as, or over the period when, the underlying service is provided. Non-exchange transaction accounting guidance is provided by GASB Statement No. 33 which generally provides for asset recognition when a resources are received or at the time a legal right to resources exist, and revenues recognized when all eligibility criteria are met securing the entity's right to the resources.

There is diversity in practice in the application of existing guidance with transactions that are not pure exchange or non-exchange. As a result, GAAP requires management to set a policy to be consistently applied as to the nature of transactions considered program revenues for its governmental activities, and operating revenues for its business-type activities and to disclose the policy in the footnotes to the financial statements. From review of past CAFR's, we did not find a disclosure specific to the revenue classification of the District's Facility Fees. (GASB Cod Sec 2300.106)

In the government-wide statement of activities, revenues are to be classified as either program or general. Program revenues are defined as those directly associated with the function or program and would disappear if the function or program were eliminated. Examples include fees and charges paid by those who purchase, use, or otherwise directly benefit from the service, program-specific grants and contributions restricted to financing the underlying function or activity, and interest earnings on investments restricted to use by a specific function or activity. General revenues are defined as those not directly related to financing a specific function or activity. Examples are taxes, grants and contributions that are not restricted to a specific function or activity, and interest on invested resources not restricted to specific functions or activities. (GASB Cod Sec 2200.136-140)

**Evaluation of the District's current Punch Card accounting methodology**

We find that the District's Board has the authority to assess the Facility Fees in support of activities and venues reported within the Beach and Community Services as provided in the Board Policies and Ordinances as well as NRS 318.197. Further, the Board has the authority to determine the allocation of the fees in support of operations, capital expenditures and debt service which is memorialized in Board Resolutions and the District's adopted budget. As noted above, the budgeted revenues by fund have included revisions for the District's estimated usage of punch cards among the various recreational activities prior to adoption by the District's Board.

In addition, we find that the District's current contra-revenue accounting methodology results in revenues recognized by the various activities and funds in accordance with the intent of the approved budget, as well as the accounting literature for reporting revenue within the various funds of an entity at the discretion of the governing board.

Further, based on existing guidance available today and on the diversity in practice in the application of revenue classification criteria for certain transactions, we can understand why management has not been able to come to a definitive conclusion on the classification of the District's Facility Fees presumably resulting in the switch in classification after 2015. While the fee is not 'pure' in the same sense as the payment of greens fees for a round of golf, the fee does provide specific rights and privileges to residents to the District's recreational activities along with the District's policy of using the fee, in addition to user charges, to directly finance recreational activity operations, capital needs, and debt service.



One factor that would seem to support management's current classification as 'non-exchange' is the fact that the assessment and payment of the fee lacks the mutual assent of the parties. Residents do not have a choice on the payment of the fee unlike the decision to play golf and incur greens fees. GASB's new revenue and expense recognition project currently under deliberation provides for four criteria to be met for a transaction to be considered exchange or exchange-like including the concept of 'mutual assent' of the parties. This concept is not included in current accounting standards and is being discussed, in part, to provide clearer guidance on what constitutes an exchange transaction. (GASB Revenue and Expense Recognition Preliminary Views Ch 3, par 3)

We find that the classification of the Facility Fees in the government-wide statement of activities since 2015 as a general revenue is inconsistent with GAAP in that the fees are assessed specifically to finance the District's recreational activities. As such, it meets the criteria to be reported as a program revenue in the statement of activities. Further, the fees meet the criteria to be included in the charges for services column in the statement. (GASB Cod Sec 2200.137)

#### Recommendations.

We recommend ceasing the use of contra-revenue accounting currently applied to the value received for the payment of Facility Fees attributed to the use of picture passes and punch cards. We question the benefits derived compared to cost incurred by the District to administer this approach especially given the Board's authority to allocate the resources they deem appropriate to best meet the needs for the ensuing year through the adopted budget. In addition, eliminating the use of contra revenue accounting will eliminate the variability that results when picture passes and punch cards are utilized differently from preliminary estimates included in the budget thereby providing management more certainty as to actual resources available to finance each activity during the year, and should significantly reduce staff time and effort required to perform the daily and monthly accounting.

We recommend the charges for services revenues be reported within the activities and funds at the net rates collected at each venue, and Facility Fees reported within each fund be consistent with the assessment and allocation initially set by the Board during the budget adoption process.

We recommend the District include its policy on the classification of Facility Fees as either program or general revenue, or, either operating or non-operating, in the footnotes to the financial statements. If the District continues to report its recreational activities within governmental funds, we recommend the fees be classified as program revenues and reported in the charges for services column and on the appropriate lines for the portions related to Community Services and Beach activities. If the District reports the recreational activities in enterprise funds, we recommend the fee be reported as non-operating revenue.

Add to #16.

MEMORANDUM

*EM*

**TO:** Audit Committee  
**FROM:** Paul Navazio  
Director of Finance  
  
Martin Williams  
Controller

**SUBJECT:** Additional Information Related to Management's Response to the Audit Committee's Report on the 2020-21 ACFR, dated March 9, 2022

**DATE:** June 16, 2022

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BACKGROUND

Pursuant to section 2.3.7 of Board Policy 15.1.0, the Audit Committee issued its report on the 2020-21 Annual Comprehensive Financial Report (ACFR) to the Board of Trustees on March 9, 2022.

Board action on the recommendations contained in the Audit Committee report were deferred until the meeting of April 13<sup>th</sup>. At the Board's request, management prepared a companion memorandum in response to the Audit Committee's final report and recommendations, which was included in the Board agenda packet for the meeting of April 13<sup>th</sup> (see Exhibit 9).

As noted in the April 13<sup>th</sup> memorandum from management, staff concurred with several of the Audit Committee's recommendations; specifically, recommendations 1 (related to expanding the scope of the 2021-22 audit and recommendation 6 (presentation of capital improvement projects and capital maintenance and repairs - expense items).

However, management did not concur with the Audit Committee's recommendation(s) related to the need for additional prior period adjustments, as referenced in recommendations 2a, 2b, 3, 4 and 5.

The Audit Committee has requested that staff provide the Committee with additional information in support of management position on these areas of disagreement.

In addition, this memo includes a discussion of the accounting treatment for the Facility Fees as Program or General Revenue (within the Statement of Activities) as well as the classification as Operating or Non-Operating Revenue (Statement of Revenue, Expenditures and Change in Net Position).

ATTACHMENTS:

Attachment 1 - Audit Committee Recommendation #2a and #2b (March 9, 2022) - Capitalization of items considered to be maintenance and repairs.

Attachment 2 - Audit Committee Recommendation #3 and #4 (March 9, 2022) - Items capitalized in past ACFR's identified by Auditors as candidates for expensing, and retained as capital in final ACFR.

Attachment 3 - Audit Committee recommendation #5 (March 9, 2022) - Allocation of investment earnings.

Attachment 4 - Additional Topics of Concern to Audit Committee -Reporting of Facility Fees in District's financial statements

EXHIBITS:

- 1) Moss Adams report EXCERPT – Capital Asset Accounting
- 2) Listing of Capital Items retained as Capital Assets 2020/21 ACFR
- 3) Listing of Capital Items EXPENSED in 2020/21 ACFR
- 4) Board Policy 9.1.0 – Establishing Capitalization Thresholds (July 2016)
- 5) Governmental Accounting Standards Series – Implementation Guide 2021-1
- 6) History of Reporting of Facility Fee in District's Financial Statements
- 7) Moss Adams report EXCERPT – Punch Card Accounting (Facility Fees)
- 8) Governmental Accounting, Auditing and Financial Reporting – Using the GASB 34 Model, GFOA
- 9) Governmental GAAP Guide, 2020 Edition
- 10) Audit Committee Report on 2020/21 ACFR (March 9, 2022)

Audit Committee Recommendation #2a and #2b (March 9, 2022) - Capitalization of items considered to be maintenance and repairs.

**The Audit Committee recommends a prior period adjustment to expense items 2a and 2b for consistency and accuracy of our financial statements.**

Management Response (memo dated April 13, 2022) -

*All FY2020/21 capital and construction-in-process items were reviewed by management and the auditor and concluded that capitalization was appropriate.*

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Additional information in support of Management's Response:

- As part of the preparation of the District's FY2020/21 financial statements, management reviewed items reported as Construction-In-Process to ascertain if properly reflected consistent with generally-accepted accounting practices as well as conformity with applicable Board policy. This review was done in consultation with the District's independent auditor.
- Management's evaluation of specific project costs entailed a review of not simply formal project "name" of project "description", but included a review of individual contracts, purchase orders and specific work performed.
- The Audit Committee report cites the Moss Adams report as guidance with respect to capitalization of items considered to be repairs and maintenance as well as costs associated with feasibility studies, master plans, and preliminary engineering activities (see Exhibit 1, Moss Adams, *Evaluation of Certain Financial Reporting Matters*, 1/14/2021, pages 25-28).
- Management would highlight the following criteria as applicable in determining if a particular project-related cost – whether consultant study, evaluation, preliminary engineering or repair project – is appropriate to capitalize or expense:
  - Was work performed associated with a particular project that was, or may be, ultimately constructed. Costs deemed appropriate to be capitalized are recorded as Construction-In-Process until the project is completed and the resulting fixed asset is put in service.
  - Repair and maintenance projects MAY be appropriate to capitalize if the work performed had the effect of expanding service capacity and/or extending the useful life of the asset. *This is distinguished from routine maintenance and repair work that merely maintains – or returns – the asset*

*to its normal operating condition such that the original expected useful life can be reached.*

- The criteria are supported by generally-accepted accounting practices, applicable Board Policy related to capitalization and the Moss Adams report:

Moss Adams (pp. 26-28):

*There is relatively little material in the accounting standards to provide specific guidance on when it is appropriate to treat an expenditure as a capital. Rather, most of the guidance is based on GASB Concepts Statement No. 4 which provides general concepts only; anecdotal guidance from other standards like the accounting for intangible assets, asset impairments, elimination of the capitalization of interest costs, among others; and what has evolved in practice.*

*Current established practice includes the capitalization of certain costs incurred in a preliminary stage such as engineering, architectural, and design for projects that are actually constructed to the extent those costs would have been necessary for the project in any event*

*Further, we found the District's Board policies and practices lacked a framework for recognition and nature of costs incurred in the various stages of a project along with the accounting treatment to be applied with each stage.*

*Policies should provide guidance for the capitalization of certain engineering, architectural, and design costs incurred in the preliminary stage for projects actually constructed in addition to the costs incurred in the construction stage.*

Also, Moss Adams, pg. 26 -

*“Board practice 2.9.0.1.2.4 provides guidance for when repair project expenditures would be eligible for capitalization including the concept of increases to ‘productivity’ that are necessary in addition to the concept of increasing the useful life.”*

Board Practice 2.9 –

*1.2.4 In case of repair or refurbishment, the outlay will substantially prolong the life on an existing fixed asset or increase its productivity significantly, rather than merely returning the asset to a functioning unit or making repairs of a routine nature.*

Conclusion:

- There are accepted instances where costs incurred in preliminary feasibility studies, alternatives analysis, master plans and preliminary engineering design work are appropriate to be capitalized – provided that they contribute to the construction of an asset that is ultimately placed in service.
- Repair and maintenance costs that are determined as resulting in an expansion of service capacity and/or extension of the useful life of an asset are, in fact, appropriate to capitalize.

Audit Committee Recommendation #3 and #4 (March 9, 2022) - Items capitalized in past ACFR's identified by Auditors as candidates for expensing, and retained as capital in final ACFR.

**The Audit Committee recommends a prior year adjustment to expense these items for compliance with Board Practice and consistency and accuracy of our financial statements.**

Management Response (memo dated April 13, 2022)

*As discussed with the Audit Committee, and supported by the Auditor, at issue are items that the Auditor had identified as potential write-offs, based on their review of Board Policy and GAAP/GASB guidelines. The reversals of items initially written-off were all reviewed with the Auditor and were only reversed upon concurrence of the Auditor.*

*Moreover, management believes that the review of capital assets and subsequent write-offs to be consistent with Board Policy 9.1 and Board Practice 9.2. At the same time, given the identified need to clarify aspects of the capitalization policy, these have been largely addressed in the updated capitalization policy approved by the Board in January.*

*Staff notes that in following up with both the external auditor and the District's legal counsel, the comments attributed to both in this Audit Committee recommendation are taken out of context and should not be viewed as concurrence with the Audit Committee's position.*

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Additional information in support of Management's Response:

- Management again would highlight the fact that the items in question were reviewed with the external auditor and only retained as capital assets upon concurrence by the audit team.
- Management re-affirms its position that its review of items to be either retained as capital assets or expensed was performed consistent with Board Policy and Practice related to capitalization.
- The Audit Committee points to a section 3.0 of Board Policy 9.1 and section 1.2.5 of Board Practice 2.9 as evidence of management violating Board policy in retaining certain items as capital assets rather than expensing them as falling under the capitalization threshold:



Board Policy 9.1 -

3.0 In no case will the District establish a capitalization threshold of less than \$5,000 for any individual item

Board Practice 2.0 - .

1.2.5 The capitalization threshold is applied to individual items rather than to groups of similar items (e.g. desks and tables).

- In management's view, the entirety of Board Policy 9.1 and Board Practice 2.9 should be considered, which includes the following provisions:
  - 2.0 Capitalization thresholds are best applied to individual items rather than to groups of similar items (e.g., desks and tables), unless the effect of doing so would be to eliminate a significant portion of total capital assets.
  - 5.0 Capitalization of buildings and infrastructure should consider the use of componentization as a way to reflect the varying life cycle considerations of mechanical, structural elements, and wear items that may require different cycles of maintenance and replacement from the main asset being capitalized. The significance of such componentization takes precedent over the \$5,000 threshold, and thus smaller amounts may be listed to facilitate proper asset management.
- In its review of items that were capitalized by prior management – including staff that drafted and recommended applicable Board Policy 9.1 and Practice 2.9 – current staff looked for areas where, in our opinion, there was a clear and obvious case for writing-off items previously capitalized. Acknowledging that several of these assets were capitalized many years ago (in fact, many having been fully-depreciated), when staff found no clear evidence to make the determination that an asset should not have been capitalized, the asset was retained as previously recorded.
- Finally, management believes that many of the issues and concerns identified in the area of capitalization, including specific recommendations made by Moss Adams, have been incorporated into the District's update Capitalization Policy approved by the Board of Trustees earlier this year.

Audit Committee recommendation #5 (March 9, 2022) - Allocation of investment earnings.

**The Audit Committee recommends a prior period adjustment removing investment income credited to the General Fund and included in the fund balances for the fund(s) which had cash invested at LGIP, as it had historically been done, prior to FY 2018-2019.**

**Additionally, the committee recommends the approach for distribution of investment income be based solely on cash invested by fund or to have separate LGIP accounts by fund, like the Utility Fund, to avoid any confusion.**

Management Response (memo dated April 13, 2022):

*The accounting for investment income has been modified beginning with the 2021/22 (current) fiscal year. This change in methodology is consistent with best management practices and, staff believes, is more closely aligned with the implied goal of the Audit Committee's recommendation.*

*Staff does not concur with the Audit Committee's recommendation to record prior period adjustments related to past practice of allocating investment earnings.*

*Simply stated, the District's past practice was to record and track investments in LGIP and the District's investment portfolio "by fund." Accordingly, individual funds were credited with investment earnings based on the interest received by investments held by each individual fund. Under this approach, the General Fund was historically credited with interest earnings from pooled cash within the District's governmental funds.*

*Beginning July 1, 2021, management modified the methodology for allocating investment earnings. Consistent with best management practices, all available cash on hand is pooled for investment purposes. Individual investments are not recorded, or tracked, by fund, but rather investments are managed under a pooled portfolio, with interest earnings allocated to each of the District's individual funds based on each fund's proportional share of cash balances available for investment.*

Additional information in support of Management's Response:

- The practice currently adopted is consistent with industry best practices
- This issue may warrant consideration by Board of Trustees regarding alternative approaches to allocation of investment earnings.

Additional Topics of Concern to Audit Committee

Reporting of Facility Fees in District's financial statements

- The Audit Committee has made a recommendation that the Facility Fees assessed on parcel owners to support operations, capital and debt expenditures within the District's Community Services and Beach funds be reported as Program Revenues within the Statement of Activities and as Non-operating revenues within the Statement of Revenue, Expense and Change in Net Position
- This recommendation is supported by observations and recommendations contained in the Moss Adams report (Financial Reporting Matters), based on their review of the nature of the District's Facility Fee and applicable guidance in the accounting standards.

Management Comments:

- It is worth noting the history of the reporting of Facility Fees within the District's financial statements. Prior to the transition from proprietary to special revenue fund accounting for the Community Services and Beach funds (for fiscal year 2015/16), Facility Fee revenues were consistently reported as Program Revenues in the Statement of Activities and as Operating Revenues in the Statement of Revenue, Expense and Change in Net Position:

HISTORY OF REPORTING OF FACILITY FEES IN DISTRICT FINANCIAL STATEMENTS

FYE	Statement of Activities		Statement of Revenues, Expenses and Change in Net Position		Statement of Cash Flows				Independent External Auditor
	Program Revenues	General Revenues	Operating Revenues	Non-Operating Revenues	Operating Activities	Capital Financing Activities	and Related Financing	Investing Activities	
<i>Proprietary (Enterprise) Funds</i>									
6/30/2022									
<i>Governmental (Special Revenue) Funds</i>									
6/30/2021		X							
6/30/2020		X							
6/30/2019		X							
6/30/2018		X							
6/30/2017		X							
6/30/2016		X							
6/30/2015		X							
<i>Proprietary (Enterprise) Funds</i>									
6/30/2014	X		X		X				
6/30/2013	X		X		X				
6/30/2012	X		X		X				
6/30/2011	X		X		X				
6/30/2010	X		X		X				
6/30/2009	X		X		X				
6/30/2008	X		X		X				

- As noted by Moss Adams and as referenced in various accounting standards documentation, there is diversity of practice on the classification of exchange-like transactions. These are defined as transactions *“where the value exchanged, though related, may not be quite equal or in which the benefits may not be exclusively for the parties to the transaction. Nevertheless, the exchange characteristics are strong enough to justify treating the transactions as exchange for accounting purposes.”* (GASB Cod Sec N50.503 - Moss Adams, page 22).
- The Moss Adams report also has language to the effect of:  
*“Prior to 2016, when the District was reporting its recreational activities with enterprise funds, the Facility Fees were classified as “operating revenues” consistent with exchange or exchange-like accounting guidance. After 2016, the District classified the fees as “general revenues” which is consistent with non-exchange transactions accounting guidance, and only appropriate when the fees are unrelated to funding specific programs and activities.”*
- Management notes that the primary recommendation put forth by Moss Adams on the reporting of the Facility Fee, states:  
*“Whether the District continues to report its recreational activities within governmental funds or switches to enterprise funds, its policy on the classification of the Facility Fee revenue should be disclosed in the notes to the financial statements.”* (Moss Adams, page 21).
- In direct response to this recommendation, the District’s 2019/20 ACFR included Note, as follows:

**T. Accounting for Facility Fees**

Each year, the District establishes an annual Recreation Facility Fee and Beach Facility Fee to be collected from property owners within the District through a levy placed on the property tax bill and collected on behalf of the District by the Washoe County Treasurer’s Office. These fees are established based on the revenues required to support debt, capital expenditure and operations for the District’s various recreation and beach facilities. These revenues, combined with service charges collected by the District for facility use and program activities serve to support the operations of the District. These revenues are recorded as general revenues within the government-wide statement of activities as opposed to charges for services. The Facility Fees are recorded as revenues to the Community Services Special Revenue Fund and the Beach Special Revenues fund, with subsequent transfers to Capital and Debt fund, as required, to support actual expenditures.

While this Note was (erroneously) omitted from the District’s 2020/21 ACFR, future ACFR’s will include an explanation of the accounting treatment of the District’s Facility Fee.

A) Program Revenue vs General Revenues (*Statement of Activities*)

- In light of the District converting back to proprietary (enterprise) funds for its Community Services and Beach Funds, commencing with the 2021/22 fiscal year, management will review this issue with the District's external auditor for guidance on proper reporting in the Statement of Activities.
- GASB 34 paragraph 49 discusses Program Revenues and states, "*These revenues arise from charges to customers or applicants who purchase, use, or directly benefit from the goods, services, or privileges provided. Revenues in this category include ... operating special assessments, such as for street cleaning or special street lighting; and any other amounts charges to service recipients.*"

B) Operating vs Non-Operating Revenues (*Statement of Revenue, Expense and Change in Net Position*).

- Management believes that the reporting of the Facility Fees as Operating Revenues in the Statement of Revenue, Expense and Change in Net Position is correct, and consistent with GAAP as well as long-standing District practice.
- *See also:*
  - *Governmental and Accounting, Auditing and Financial Reporting – GFOA practice guide:*

*"GAAP requires that the statement of activities for proprietary funds distinguish operating from non-operating revenues and expenses. GAAP do not provide an authoritative definition of operating and non-operating revenues and expenses for the purpose, although GAAP indicate that financial statement preparers may wish to consider the authoritative guidance on identifying cash flows from operating activities in arriving at their own definition.*
  - *Governmental GAAP Guide for State and Local Government*

*Includes subsidies as examples of non-operating expenses; however, subsidies are (proposed to be) defined as funding sources from "another party or fund," and thus implying not established for the specific purpose of providing for the operation, capital and debt requirements of the activity.*



## Capital Asset Accounting

Based on input gathered from interviews, documents reviewed, and our evaluation of existing practices compared to applicable accounting standards and best practices, we have the following observations and recommendations.

1	<p><b>Observation</b></p>	<p>The District's current accounting practice includes posting certain costs incurred to its construction-in-progress account based on the nature of an expenditure, or services provided to the District by certain employees, without requiring a clear connection of the cost incurred to the increased service capacity of a specific capital asset. The costs posted to construction-in-progress are later transferred and included in the capitalized cost of existing and new capital assets. Further, we found that costs are capitalized without an evaluation of what stage a particular project is in whether a preliminary or feasibility stage, actual construction stage, or post-construction stage. As a result, expenditures incurred in preliminary stages have been capitalized by the District that don't meet current accounting guidance for capitalization.</p>
	<p><b>Recommendation</b></p>	<p>The District's practices and policies should be revised to acknowledge different stages to a project, definition of costs incurred in each stage, and how to account for the expenditures incurred in each stage, consistent with established and accepted governmental accounting practices.</p>
2	<p><b>Observation</b></p>	<p>The District's past history of capitalizing costs incurred for feasibility studies and master plans is not consistent with with current recognized governmental accounting practice.</p>
	<p><b>Recommendation</b></p>	<p>In most cases, the District should expense expenditures for feasibility studies and master plans. Policies should be revised to address the few circumstances where preliminary engineering, architectural, or design costs are actually utilized in a capital project and eligible for capitalization.</p>



3	<b>Observation</b>	The District has historically capitalized repair projects without a complete evaluation of whether the repair truly increased the capacity of the asset to provide service. Board policies currently do not provide sufficient guidance on what constitutes an increase in service capacity for its various types of capital assets.
	<b>Recommendation</b>	Board policies and practices should be revised to provide for capitalization of expenditures that truly increase service capacity, and further, that provide the criteria to be followed in making the increased service capacity decision on expenditures by nature or function of the different asset types versus expenditures that should be expensed.

### **Observation of current capitalization practices.**

From our interviews of various stakeholders, we learned that the District has routinely treated a number of different types of expenditures initially as capital outlays and included in the capital asset account titled 'construction-in-progress'. These costs are allocated to and included with the costs incurred to actually construct a project and reclassified to other capital asset classifications once projects are completed.

Costs initially included in construction in progress include master plans, feasibility studies, and payroll costs for certain District employees like engineers involved in the District's capital asset planning processes. Decisions on whether to include a cost in construction in progress appear to be more from established practice based on the nature of a type of expenditure like engineering staff payroll costs, instead of based on an evaluation of whether the costs were incurred to actually construct a specific asset and without consideration of what stage a project is in.

Board policy 8.1.0 and 9.1.0 establish some of the elements of a framework with which to establish whether an expenditure should be capitalized including the useful life for a particular capital asset. 9.1.0.1.0 provides that an asset must provide utility for two years or more to be eligible for capitalization. 9.1.0.3.0 provides that only expenditures in excess of \$5,000 will be eligible for capitalization.

Board practice 2.9.0.1.2.1 provides that an asset must have a useful life of at least three years to be eligible for capitalization which is inconsistent with the guidance in policy 9.1.0.

Board practice 2.9.0.1.2.4 provides guidance for when repair project expenditures would be eligible for capitalization including the concept of increases to 'productivity' that are necessary in addition to the concept of increasing the useful life.

### **Applicable capital expenditure and best practice accounting guidance.**

There is relatively little material in the accounting standards to provide specific guidance on when it is appropriate to treat an expenditure as a capital. Rather, most of the guidance is based on GASB Concepts Statement No. 4 which provides general concepts only; anecdotal guidance from other standards like the accounting for intangible assets, asset impairments, elimination of the capitalization of interest costs, among others; and what has evolved in practice. Existing guidance defines capital assets as land, improvement to land, easements, buildings, building improvements, vehicles,



machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible and intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period. Infrastructure assets are long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets including roads, bridges, tunnels, drainage water and sewer systems. (GASB Cod Sec 1400.103)

Accepted practice includes recognition of the different stages of a project including preliminary, construction, and post-construction. Preliminary stage activities include conceptual formulation and evaluation of alternatives, determination of future needs, feasibility studies, and development of financing alternatives. Construction stage includes the engineering and design work on the chosen alternative, actual construction costs, direct payroll of employees working on the project along with certain overhead, and ancillary charges necessary to get the asset in working condition. Post construction stage includes, among other costs, training of employees on use of a particular asset. (GASB Cod Sec 1400.143-149)

Costs incurred in the preliminary and post-construction stages are typically expensed as they are not directly connected with creating service capacity of a particular asset. A project is not considered to enter the construction stage until an actual project alternative has been selected, it is determined the selected alternative will meet the intended needs and objectives, financing for the project has been identified, and the entity establishes in some meaningful way it is committed to proceed with the project such as, for example, including the financing sources and necessary expenditures in the budget. (GAAFR 23-7 to 9)

Governments often expend resources on existing capital assets. Most often, these expenditures simply preserve the asset's utility and are expensed as routine repairs and maintenance. Any outlay that does no more than return a capital asset to its original condition, regardless of the amount expended, should be classified as maintenance and repairs. Since maintenance and repairs provide no additional value, their cost should be recognized as expense when incurred. (GAAFR 23-10)

Best practices to consider for inclusion in policies and practices include:

- The different stages of a project and the types of costs incurred in the different stages.
- The accounting treatment of costs incurred in the different stages.
- What elements or criteria need to be met for expenditures associated with a repair project to be eligible for capitalization based on the concept of service capacity in addition to the extension of useful life of an asset.
- Provide for a different dollar threshold for the different classifications of capital assets. (GFOA best practices)

#### **Evaluation of the District's current capitalization practices.**

We find that the District's practice of capitalizing expenditures incurred in what would meet the definition of the preliminary stage of a project as noted above is inconsistent with the accepted practice. Examples include payments to external consultants and internal staff payroll costs to develop master plans, feasibility studies, and related engineering and overall system planning. Current established practice includes the capitalization of certain costs incurred in a preliminary stage such as engineering, architectural, and design for projects that are actually constructed to the extent those costs would have been necessary for the project in any event.





In addition, we find that the District has capitalized expenditures incurred for repair projects without a careful consideration of portions of the costs incurred that bring the asset back to its previous service capacity and therefore should be expensed, versus the portion of costs that actually increased the service capacity and or significantly increased the asset's useful life. When a particular project has elements of both repairs and improvements, an appropriate portion of the cost should be allocated to repairs and therefore expensed, and a portion to the improvement and capitalized. (GAAFR 27-10)

Further, we found the District's Board policies and practices lacked a framework for recognition and nature of costs incurred in the various stages of a project along with the accounting treatment to be applied with each stage.

### **Recommendations.**

The District's policies and practices should be expanded to provide additional guidance. One area to consider is revisions to recognize, provide descriptions of the types and nature of expenditures incurred in, and provide guidance on how to account for, the various stages of a capital project. The stages should include, at a minimum, preliminary, development or construction, and post-development or construction. Policies should provide guidance for the capitalization of certain engineering, architectural, and design costs incurred in the preliminary stage for projects actually constructed in addition to the costs incurred in the construction stage. Another area to consider is a revision of the dollar thresholds to apply to the different classes of capital assets.

Generally, costs incurred for master plans, feasibility studies, exploration of various project financing alternatives; and all internal payroll costs for engineering, planning, and administrative efforts incurred in what would fall into the preliminary project stage should be expensed when incurred. Only costs incurred in the preliminary stage for projects actually constructed that are necessary project costs and related to adding to service capacity should be eligible for capitalization.

Each project related to an existing capital asset should be carefully evaluated with respect to the objective of the project. For example, determine if the project is part of the ongoing and necessary maintenance to keep the asset in good working order without increasing service capacity and therefore not eligible for capitalization, a repair that was not anticipated but necessary to keep the asset in good working order without increasing the service capacity and therefore not eligible for capitalization, or was the project previously identified as part of an overall plan to increase the service capacity or the overall remaining useful life of the asset and therefore is eligible for capitalization. The policy could provide the criteria to be applied unique to the different classes of capital assets necessary to make the determination on whether a significant increase in service capacity or useful life will result. As an example, policies for road resurfacing might include that laying more than a certain number of inches of new asphalt on an existing road is required to support the service capacity has been increased and the resurfacing project costs are eligible for capitalization. Application of sealants or laying new asphalt of less than a certain depth is considered repairs and maintenance and expensed when incurred.

# EXHIBIT 2

Description	Fixed Asset#	FA Type	FA Category	Accumulated Depreciation	Book Value	Cost	Est. Useful life (years)	Remaining Useful Life (years)	In Use Date	Reason to retain capitalization
MAINTENANCE FACILITY GARAGE	6788	Water Buildings and Structures	Building & Renovations	25,285.04	17,065.56	42,350.60	40.00	16.10	12/31/1997	Building construction
MAINTENANCE FACILITY GARAGE	6789	Sewer Buildings and Structures	Building & Renovations	25,285.04	17,065.58	42,350.62	40.00	16.10	12/31/1997	Building construction
Levee Repairs	11400	Sewer Service Distribution Infrastructure	Infrastructure	7,006.98	21,987.31	28,994.29	10.00	7.53	05/31/2019	Levee replacement
WETLANDS - LEVEE REPAIR	10076	Sewer Service Distribution Infrastructure	Infrastructure	18,766.08	8,263.41	27,029.49	20.00	6.10	12/31/2007	Levee replaced
WETLANDS - LEVEE REPAIR 08/	10349	Sewer Service Distribution Infrastructure	Infrastructure	26,885.10	16,239.72	43,124.82	20.00	7.44	05/01/2009	Levee replaced
Ski Beach Boat Ramp Repairs	10890	Field and Parks Improvements	Venue Improvements	5,868.72	12,664.76	18,533.48	20.00	13.52	05/31/2015	Extended useful life
Wellands fence repairs and 2 gates	10977	Sewer Buildings and Structures	Building & Renovations	4,516.96	10,133.04	14,650.00	20.00	13.73	08/14/2015	Fencing and gate replacement
LifeFitness Integrity SC Upright Bikes with Televisions	11577	Recreation Service Equipment	Machinery & Equipment	790.30	3,273.80	4,064.10	6.00	4.77	08/27/2020	Gym Equipment
LifeFitness Integrity SC Upright Bikes with Televisions	11578	Recreation Service Equipment	Machinery & Equipment	790.30	3,273.80	4,064.10	6.00	4.77	08/27/2020	Gym Equipment
LifeFitness Integrity SC Upright Bikes with Televisions	11579	Recreation Service Equipment	Machinery & Equipment	790.30	3,273.80	4,064.10	6.00	4.77	08/27/2020	Gym Equipment
#808 2019 buyers s/dog sander	11531 A	Water Service Equipment	Machinery & Equipment	1,370.04	2,544.62	3,914.66	5.00	3.20	01/31/2020	Shared asset, total value over threshold
#808 2019 buyers s/dog sander	11531 B	Sewer Service Equipment	Machinery & Equipment	1,370.04	2,544.61	3,914.65	5.00	3.20	01/31/2020	Shared asset, total value over threshold
2017 Boss SNOWPLOW #763 (Water)	11210 A	Water Service Equipment	Machinery & Equipment	2,673.60	668.54	3,342.14	5.00	0.91	10/18/2017	Shared asset, total value over threshold
2017 Boss SNOWPLOW #763 (Sewer)	11210 B	Sewer Service Equipment	Machinery & Equipment	2,673.60	668.53	3,342.13	5.00	0.91	10/18/2017	Shared asset, total value over threshold
Matrix Strength Leg Extension Machine	11152	Recreation Service Equipment	Machinery & Equipment	2,477.18	597.82	3,075.00	6.00	1.10	12/27/2016	Gym Equipment
Matrix Strength Chest Press Machine	11153	Recreation Service Equipment	Machinery & Equipment	2,477.18	597.82	3,075.00	6.00	1.10	12/27/2016	Gym Equipment
Matrix Strength Rear Delt/Fly Machine	11154	Recreation Service Equipment	Machinery & Equipment	2,477.18	597.82	3,075.00	6.00	1.10	12/27/2016	Gym Equipment
Matrix Strength Biceps/Triceps Machine	11155	Recreation Service Equipment	Machinery & Equipment	2,477.18	597.82	3,075.00	6.00	1.10	12/27/2016	Gym Equipment
LifeFitness Group Exercise LifeCycle Bike	11125	Recreation Service Equipment	Machinery & Equipment	1,682.24	120.13	1,802.37	5.00	0.22	02/07/2017	Gym Equipment
LifeFitness Group Exercise LifeCycle Bike	11126	Recreation Service Equipment	Machinery & Equipment	1,682.24	120.13	1,802.37	5.00	0.22	02/07/2017	Gym Equipment
LifeFitness Group Exercise LifeCycle Bike	11127	Recreation Service Equipment	Machinery & Equipment	1,682.24	120.13	1,802.37	5.00	0.22	02/07/2017	Gym Equipment
LifeFitness Group Exercise LifeCycle Bike	11128	Recreation Service Equipment	Machinery & Equipment	1,682.24	120.13	1,802.37	5.00	0.22	02/07/2017	Gym Equipment
LifeFitness Group Exercise LifeCycle Bike	11121	Recreation Service Equipment	Machinery & Equipment	1,682.24	120.14	1,802.38	5.00	0.22	02/07/2017	Gym Equipment
LifeFitness Group Exercise LifeCycle Bike	11122	Recreation Service Equipment	Machinery & Equipment	1,682.24	120.14	1,802.38	5.00	0.22	02/07/2017	Gym Equipment
LifeFitness Group Exercise LifeCycle Bike	11123	Recreation Service Equipment	Machinery & Equipment	1,682.24	120.14	1,802.38	5.00	0.22	02/07/2017	Gym Equipment
LifeFitness Group Exercise LifeCycle Bike	11124	Recreation Service Equipment	Machinery & Equipment	1,682.24	120.14	1,802.38	5.00	0.22	02/07/2017	Gym Equipment
Manhole and sewer line repairs 1120 Lakeshore	11198	Sewer Service Distribution Infrastructure	Infrastructure	4,890.00	18,582.84	23,472.84	20.00	15.78	08/31/2017	Extend useful life
Mountain Course Golf Cart Path Repairs	11248	Golf Course Improvements	Venue Improvements	31,867.20	47,800.65	79,667.85	10.00	5.95	10/31/2017	Path replacement
Championship Course Golf Cart Path Repairs	11247	Golf Course Improvements	Venue Improvements	43,908.34	68,197.66	112,106.00	10.00	6.03	11/30/2017	Path replacement
Ski Beach Pavement Maintenance	11251	Field and Parks Improvements	Venue Improvements	15,525.00	24,975.00	40,500.00	10.00	6.11	12/31/2017	Payment replacement
Roadway repairs at wetlands	11335	Sewer Service Distribution Infrastructure	Infrastructure	9,422.80	32,980.25	42,403.05	15.00	11.61	06/30/2018	Roadway replacement
Repairs at wetlands for Spring 2018 flood damage (Levees and roa	11355	Sewer Service Distribution Infrastructure	Infrastructure	6,269.20	31,345.26	37,614.46	20.00	16.61	07/01/2018	Levee replacement
Snowflake Roof Maintenance	11363	Recreation Buildings and Structures	Building & Renovations	2,600.36	14,266.64	16,867.00	20.00	16.86	09/30/2018	Extended useful life, Snowflake lodge 100% depreciated before 2018
Vermont Maintenance Trac Work Order Software	11446	Information Technology Communications Equipment	Machinery & Equipment	22,962.45	655.97	23,618.42	3.00	0.03	12/01/2018	Software purchase
Roadway Repairs at Wetlands	11442	Sewer Service Distribution Infrastructure	Infrastructure	9,833.88	53,383.78	63,217.66	15.00	12.57	06/15/2019	Roadway replacement
Slurry seal and paving repairs -Rec Center Entry Road and Parking	11521	Recreation Buildings and Structures	Building & Renovations	7,753.19	19,610.85	27,364.04	5.00	3.53	5/31/2020	Roadway replacement
ML Course Cart Paths Paving Maintenance & Draining Repairs	11500	Golf Course Improvements	Venue Improvements	10,362.35	26,210.65	36,573.00	5.00	3.53	05/31/2020	Path replacement
Champ Golf Cart Path Repairs	11491	Golf Course Improvements	Venue Improvements	8,085.54	48,988.46	57,074.00	10.00	8.53	06/01/2020	Path replacement
Precor Recumbent Bike with TV	11576	Recreation Service Equipment	Machinery & Equipment	259.25	4,096.40	4,355.65	7.00	6.50	05/20/2021	Gym Equipment
Matrix Glute Machine	11305	Recreation Service Equipment	Machinery & Equipment	775.31	1,493.94	2,269.25	10.00	6.45	05/04/2018	Gym Equipment
Matrix Shoulder Press	11306	Recreation Service Equipment	Machinery & Equipment	825.74	1,591.51	2,417.25	10.00	6.45	05/04/2018	Gym Equipment
Matrix Seated Row	11307	Recreation Service Equipment	Machinery & Equipment	781.46	1,505.79	2,287.25	10.00	6.45	05/04/2018	Gym Equipment
Matrix Leg Press	11308	Recreation Service Equipment	Machinery & Equipment	958.89	1,848.26	2,807.25	10.00	6.45	05/04/2018	Gym Equipment
Matrix Lat Pulldown	11309	Recreation Service Equipment	Machinery & Equipment	825.74	1,591.51	2,417.25	10.00	6.45	05/04/2018	Gym Equipment
Matrix Versa AB/AD	11405	Recreation Service Equipment	Machinery & Equipment	835.81	1,699.19	2,595.00	7.00	4.45	05/05/2019	Gym Equipment
Matrix Versa Seated Leg Curl Plus	11406	Recreation Service Equipment	Machinery & Equipment	798.95	1,515.30	2,314.25	7.00	4.45	05/05/2019	Gym Equipment
F&B Shared POS - Mountain Course	10984	Recreation Office Equipment	Machinery & Equipment	2,804.90	2,003.70	4,808.60	10.00	4.03	12/01/2015	Software purchased
F&B Shared POS - Snowflake Lodge	10986	Recreation Office Equipment	Machinery & Equipment	2,844.97	1,963.63	4,808.60	10.00	4.03	12/01/2015	Software purchased
3" Compound Badger Meter	10839	Water Service Distribution Infrastructure	Infrastructure	463.20	1,272.46	1,735.66	25.00	17.89	10/13/2014	
3" Compound Badger Meter - 964 Incline Way - Rec. Center Meter	10840	Water Service Distribution Infrastructure	Infrastructure	992.00	2,726.61	3,718.61	25.00	17.88	10/09/2014	
3" Compound Badger Meter - 899 Southwood Blvd. - Lodgepole P:	10841	Water Service Distribution Infrastructure	Infrastructure	992.00	2,726.61	3,718.61	25.00	17.88	10/09/2014	
3" Compound Badger - Meter 931 Southwood Blvd. - Incline Middl	10842	Water Service Distribution Infrastructure	Infrastructure	992.00	2,726.61	3,718.61	25.00	17.88	10/08/2014	

Description	Fixed Asset#	FA Type	FA Category	Accumulated		Cost	Est. Useful life (years)	Remaining Useful life (years)	In Use Date	Reason to retain capitalization
				Depreciation	Book Value					
4" Compound Badger Meter - 111 Country Club - Hyatt Irrigation	10843	Water Service Distribution Infrastructure	Infrastructure	992.00	2,726.61	3,718.61	25.00	17.88	10/07/2014	
3" Compound Badger Meter - 861 Southwood Blvd. - High Sierra H	10844	Water Service Distribution Infrastructure	Infrastructure	992.00	2,726.61	3,718.61	25.00	17.87	10/06/2014	
6" Compound Badger Meter - 991 Driver Way - Champ Golf	10845	Water Service Distribution Infrastructure	Infrastructure	992.00	2,726.61	3,718.61	25.00	17.98	11/14/2014	
4" Compound Badger Meter - 725 Golfer's Pass - Mountain Golf	10846	Water Service Distribution Infrastructure	Infrastructure	992.00	2,726.61	3,718.61	25.00	17.93	10/17/2014	
4" Compound Badger Meter - 699 Birdy Court - Mountain Golf	10847	Water Service Distribution Infrastructure	Infrastructure	992.00	2,726.61	3,718.61	25.00	17.93	10/27/2014	
6" Compound Badger Meter - 955 Fairway Blvd. - Champ Golf Off	10849	Water Service Distribution Infrastructure	Infrastructure	992.00	2,726.61	3,718.61	25.00	17.94	10/19/2014	
6" Compound Badger Meter - 950 Fairway Blvd. - Chateau	10850	Water Service Distribution Infrastructure	Infrastructure	992.00	2,726.61	3,718.61	25.00	17.94	10/29/2014	
4" Compound Badger Meter - 665 Lakeshore Blvd. - Burnt Cedar B	10851	Water Service Distribution Infrastructure	Infrastructure	992.00	2,726.60	3,718.60	25.00	17.95	11/03/2014	
6" Compound Badger Meter - 630 14th Green Dr. - Champ Golf	10848	Water Service Distribution Infrastructure	Infrastructure	967.20	2,751.41	3,718.61	25.00	18.40	04/15/2015	
3" Turbo Badger Meter	10905	Water Service Distribution Infrastructure	Infrastructure	258.40	761.75	1,020.15	25.00	18.52	05/31/2015	
3" Compound Badger Meter	10907	Water Service Distribution Infrastructure	Infrastructure	1,121.00	3,302.52	4,423.52	25.00	18.52	05/31/2015	
4" Compound Badger Meter	10908	Water Service Distribution Infrastructure	Infrastructure	1,121.00	3,302.52	4,423.52	25.00	18.52	05/31/2015	
6" Compound Badger Meter	10909	Water Service Distribution Infrastructure	Infrastructure	1,121.00	3,302.52	4,423.52	25.00	18.52	05/31/2015	
6" Compound Badger Meter	10910	Water Service Distribution Infrastructure	Infrastructure	1,121.00	3,302.52	4,423.52	25.00	18.52	05/31/2015	
3" Compound Badger Meter	10911	Water Service Distribution Infrastructure	Infrastructure	1,121.00	3,302.52	4,423.52	25.00	18.52	05/31/2015	
6" Compound Badger Meter	10912	Water Service Distribution Infrastructure	Infrastructure	1,121.00	3,302.52	4,423.52	25.00	18.52	05/31/2015	
6" Compound Badger Meter	10913	Water Service Distribution Infrastructure	Infrastructure	1,121.00	3,302.52	4,423.52	25.00	18.52	05/31/2015	
4" Compound Badger Meter	10914	Water Service Distribution Infrastructure	Infrastructure	1,121.00	3,302.52	4,423.52	25.00	18.52	05/31/2015	
3" Compound Badger Meter	10915	Water Service Distribution Infrastructure	Infrastructure	1,121.00	3,302.52	4,423.52	25.00	18.52	05/31/2015	
3" Compound Badger Meter	10916	Water Service Distribution Infrastructure	Infrastructure	1,121.00	3,302.52	4,423.52	25.00	18.52	05/31/2015	
4" Compound Badger Meter	10917	Water Service Distribution Infrastructure	Infrastructure	1,121.00	3,302.52	4,423.52	25.00	18.52	05/31/2015	
3" Compound Badger Meter	10918	Water Service Distribution Infrastructure	Infrastructure	1,121.00	3,302.52	4,423.52	25.00	18.52	05/31/2015	
3" Compound Badger Meter	10919	Water Service Distribution Infrastructure	Infrastructure	1,121.00	3,302.52	4,423.52	25.00	18.52	05/31/2015	
4" Compound Badger Meter	10920	Water Service Distribution Infrastructure	Infrastructure	1,121.00	3,302.42	4,423.42	25.00	18.52	05/31/2015	
Playground - Burnt Cedar	8966	Recreation Service Equipment	Machinery & Equipment	2,080.20	0.00	2,080.20	10.00		10/31/2002	Fully Depreciated, write off would be zero
Playground - Burnt Cedar	8967	Recreation Service Equipment	Machinery & Equipment	3,669.74	0.00	3,669.74	10.00		10/31/2002	Fully Depreciated, write off would be zero
Playground - Burnt Cedar	8968	Recreation Service Equipment	Machinery & Equipment	3,608.80	0.00	3,608.80	10.00		10/31/2002	Fully Depreciated, write off would be zero
Drinking Fountain	9405	Field and Parks Improvements	Venue Improvements	1,839.59	0.00	1,839.59	10.00		10/01/2002	Fully Depreciated, write off would be zero
Drinking Fountain	9406	Field and Parks Improvements	Venue Improvements	1,839.59	0.00	1,839.59	10.00		10/02/2002	Fully Depreciated, write off would be zero
Drinking Fountain	9404	Field and Parks Improvements	Venue Improvements	1,839.60	0.00	1,839.60	10.00		10/03/2002	Fully Depreciated, write off would be zero
SNOWMAKING MASTER PLAN	8989	Slope and Mountain Improvements	Venue Improvements	176,716.12	8,845.07	185,561.19	20.00	0.91	10/21/2002	Design of snowmaking system currently installed at Diamond Peak
SNOW MAKING GUN	8618	Slope and Mountain Improvements	Venue Improvements	2,002.96	0.00	2,002.96	10.00		12/05/2001	Fully Depreciated, write off would be zero
SNOW MAKING GUN	8619	Slope and Mountain Improvements	Venue Improvements	2,002.96	0.00	2,002.96	10.00		12/05/2001	Fully Depreciated, write off would be zero
SNOW MAKING GUN	8620	Slope and Mountain Improvements	Venue Improvements	2,002.95	0.00	2,002.95	10.00		12/05/2001	Fully Depreciated, write off would be zero
SNOW MAKING GUN	8621	Slope and Mountain Improvements	Venue Improvements	2,002.95	0.00	2,002.95	10.00		12/05/2001	Fully Depreciated, write off would be zero
SNOW MAKING GUN	8622	Slope and Mountain Improvements	Venue Improvements	2,002.95	0.00	2,002.95	10.00		12/05/2001	Fully Depreciated, write off would be zero
ASPEN GROVE IMPROVEMENTS	8605	Recreation Buildings and Structures	Building & Renovations	1,851.88	0.00	1,851.88	10.00		10/31/2001	Fully Depreciated, write off would be zero
ASPEN GROVE IMPROVEMENTS	8606	Recreation Buildings and Structures	Building & Renovations	1,851.88	0.00	1,851.88	10.00		10/31/2001	Fully Depreciated, write off would be zero
ASPEN GROVE IMPROVEMENTS	8607	Recreation Buildings and Structures	Building & Renovations	1,851.88	0.00	1,851.88	10.00		10/31/2001	Fully Depreciated, write off would be zero
ASPEN GROVE IMPROVEMENTS	8608	Recreation Buildings and Structures	Building & Renovations	1,851.89	0.00	1,851.89	10.00		10/31/2001	Fully Depreciated, write off would be zero
ASPEN GROVE IMPROVEMENTS	8609	Recreation Buildings and Structures	Building & Renovations	1,851.89	0.00	1,851.89	10.00		10/31/2001	Fully Depreciated, write off would be zero
EXEC MAINTENANCE BLDG	2872	Recreation Buildings and Structures	Building & Renovations	71,614.35	0.00	71,614.35	25.00		05/01/1980	Fully Depreciated, write off would be zero
CHAMP MAINTENANCE BLDG	2813	Recreation Buildings and Structures	Building & Renovations	770,147.50	0.00	770,147.50	25.00		05/15/1993	Fully Depreciated, write off would be zero
Table and Charis for Deck	11268	Recreation Service Equipment	Machinery & Equipment	1,346.85	2,594.70	3,941.55	10.00	6.48		
Snow Gun Mounting Pedestals Welding	11239	Slope and Mountain Improvements	Venue Improvements	1,200.00	1,800.00	3,000.00	10.00	5.95	10/31/2017	Part of Snowmaking System
REPLACE/REPAIR SEWERLINES '	5596	Sewer Service Distribution Infrastructure	Infrastructure	96,542.18	0.00	96,542.18	20.00		11/30/1993	Fully Depreciated, write off would be zero
AUTOMATIC TRANSFER SWITCH	9832	Sewer Service Distribution Infrastructure	Infrastructure	982.58	315.92	1,298.50	20.00	4.84	09/27/2006	
AUTOMATIC TRANSFER SWITCH	9833	Sewer Service Distribution Infrastructure	Infrastructure	1,738.14	571.72	2,309.86	20.00	4.86	10/04/2006	
AUTOMATIC TRANSFER SWITCH	9829	Sewer Service Distribution Infrastructure	Infrastructure	1,372.52	481.46	1,853.98	20.00	5.16	01/20/2007	
WASTE WATER TREATMENT PLANT	9601	Sewer Buildings and Structures	Building & Renovations	4,125.20	0.00	4,125.20	10.00		10/01/2005	Fully Depreciated, write off would be zero
WASTE WATER TREATMENT PLANT	9602	Sewer Buildings and Structures	Building & Renovations	4,125.20	0.00	4,125.20	10.00		10/01/2005	Fully Depreciated, write off would be zero
WASTE WATER TREATMENT PLANT	9603	Sewer Buildings and Structures	Building & Renovations	4,125.19	0.00	4,125.19	10.00		10/01/2005	Fully Depreciated, write off would be zero
WASTE WATER TREATMENT PLANT	9604	Sewer Buildings and Structures	Building & Renovations	4,125.19	0.00	4,125.19	10.00		10/01/2005	Fully Depreciated, write off would be zero
WATER SYSTEM REPAIR	2812	Water Service Distribution Infrastructure	Infrastructure	164,985.33	754.17	165,739.50	40.00	0.09	01/01/1982	Large portion of water system replaced
Pump Control Claval	5852	Water Service Distribution Infrastructure	Infrastructure	1,211.00	0.00	1,211.00	20.00		11/30/1994	Fully Depreciated, write off would be zero
Pump Control Claval	5853	Water Service Distribution Infrastructure	Infrastructure	1,211.00	0.00	1,211.00	20.00		11/30/1994	Fully Depreciated, write off would be zero
Pump Control Claval	5854	Water Service Distribution Infrastructure	Infrastructure	1,211.00	0.00	1,211.00	20.00		11/30/1994	Fully Depreciated, write off would be zero
Pump Control Claval	5855	Water Service Distribution Infrastructure	Infrastructure	1,211.00	0.00	1,211.00	20.00		11/30/1994	Fully Depreciated, write off would be zero
Pump Control Claval	5856	Water Service Distribution Infrastructure	Infrastructure	1,211.00	0.00	1,211.00	20.00		11/30/1994	Fully Depreciated, write off would be zero
Pump Control Claval	5857	Water Service Distribution Infrastructure	Infrastructure	1,211.00	0.00	1,211.00	20.00		11/30/1994	Fully Depreciated, write off would be zero
Holloshaft Motor	5834	Water Service Distribution Infrastructure	Infrastructure	2,282.47	0.00	2,282.47	10.00		11/30/1994	Fully Depreciated, write off would be zero

Description	Fixed Asset#	FA Type	FA Category	Accumulated			Est. Useful life (years)	Remaining Useful life (years)	In Use Date	Reason to retain capitalization
				Depreciation	Book Value	Cost				
Holloshaft Motor	5835	Water Service Distribution Infrastructure	Infrastructure	2,282.48	0.00	2,282.48	10.00	11/30/1994	Fully Depreciated, write off would be zero	
Holloshaft Motor	5836	Water Service Distribution Infrastructure	Infrastructure	2,282.48	0.00	2,282.48	10.00	11/30/1994	Fully Depreciated, write off would be zero	
Holloshaft Motor	5837	Water Service Distribution Infrastructure	Infrastructure	2,282.48	0.00	2,282.48	10.00	11/30/1994	Fully Depreciated, write off would be zero	
Holloshaft Motor	5838	Water Service Distribution Infrastructure	Infrastructure	2,282.48	0.00	2,282.48	10.00	11/30/1994	Fully Depreciated, write off would be zero	
Holloshaft Motor	5839	Water Service Distribution Infrastructure	Infrastructure	2,282.48	0.00	2,282.48	10.00	11/30/1994	Fully Depreciated, write off would be zero	
92/93 INSTALLATIONS	5164	Land	Land		141.40	141.40	0.00	10/31/1992	No threshold for Land	
LAND & LAND RIGHTS	5538	Land	Land		134.00	134.00	0.00	07/31/1993	No threshold for Land	
TREES - NO. 6 GREEN	7044	Land	Land		1,112.36	1,112.36	0.00	10/31/1997	No threshold for Land	
NEW SLOPE ADDITION	3364	Land	Land		2,361.40	2,361.40	0.00	10/28/1986	No threshold for Land	
CONTINGENCY	3885	Land	Land		338.58	338.58	0.00	08/31/1987	No threshold for Land	
ENVIRONMENTAL DESIGN WORK	3883	Land	Land		3,716.24	3,716.24	0.00	08/31/1987	No threshold for Land	
EROSION CONTROL	3370	Land	Land		4,452.66	4,452.66	0.00	09/30/1987	No threshold for Land	
UTILITY CORRIDOR	3373	Land	Land		549.60	549.60	0.00	10/31/1987	No threshold for Land	
LAND APPRAISAL PLANNING	3886	Land	Land		3,500.00	3,500.00	0.00	05/10/1988	No threshold for Land	
88/89 WATER QUALITY	3889	Land	Land		2,221.00	2,221.00	0.00	03/06/1989	No threshold for Land	
EROSION CONTROL PKING LOT	3382	Land	Land		1,942.50	1,942.50	0.00	06/30/1989	No threshold for Land	
EROSION CONTROL - 3RD CREEK	4189	Land	Land		595.00	595.00	0.00	06/15/1988	No threshold for Land	
.32 A/C NORTHWOOD EST	2005	Land	Land		285.00	285.00	0.00	08/28/1968	No threshold for Land	
PARCEL B I.V. UNIT 1-B	2013	Land	Land		715.00	715.00	0.00	10/07/1969	No threshold for Land	
PARCEL C I.V. UNIT 2	2016	Land	Land		3,800.00	3,800.00	0.00	02/17/1969	No threshold for Land	
PARCEL A A.I.V. UNIT 2	2017	Land	Land		715.00	715.00	0.00	02/17/1969	No threshold for Land	
PARCEL G G.I.V. UNIT 2	2018	Land	Land		715.00	715.00	0.00	02/17/1969	No threshold for Land	
PARCEL C I.V. UNIT 1-A	2020	Land	Land		285.00	285.00	0.00	06/14/1969	No threshold for Land	
GENERAL USE PROPERTY	2002	Land	Land		285.00	285.00	0.00	05/14/1970	No threshold for Land	
OFFICE BUILDING SITE	2001	Land	Land		2,000.00	2,000.00	0.00	05/14/1970	No threshold for Land	
007- BASE AREA IMPROVEMENT	3384	Land	Land		2,268.16	2,268.16	0.00	01/31/1990	No threshold for Land	
Site Improvements/BMPs '93	5909	Land	Land		2,425.13	2,425.13	0.00	09/30/1993	No threshold for Land	
Site Improvements/BMPs '96	6482	Land	Land		4,914.27	4,914.27	0.00	10/31/1995	No threshold for Land	
Site Improvements/BMPs '95	7183	Land	Land		1,936.00	1,936.00	0.00	09/30/1998	No threshold for Land	
Site Improvements/BMPs 1999	8489	Land	Land		4,957.50	4,957.50	0.00	10/15/1999	No threshold for Land	
Site Improvements/BMPs 2001	8785	Land	Land		2,900.00	2,900.00	0.00	05/06/2002	No threshold for Land	
Site Improvements/BMPs 2002	9010	Land	Land		2,461.50	2,461.50	0.00	09/15/2002	No threshold for Land	

1,719,243.90 677,430.52 2,396,674.42

EXHIBIT 3

Description	Fixed Asset#	FA Type	FA Category	Accum Depr	Book Value	Cost	Est Use Life	In Use Date	Capital Acct	Clearing Acct	Accum Depr Acct	Life End
WAREHOUSE CAGING	9344	Water Buildings and Structures	Building & Renovations	2,548.13	0.00	2,548.13	10.00	05/24/2004	200-00-000-1030	200-22-990-8130	200-00-000-1990	05/24/2014
UPGRADE UTILITY BUILDINGS	6938	Water Buildings and Structures	Building & Renovations	2,409.63	0.00	2,409.63	20.00	11/30/1997	200-00-000-1030	200-22-990-8130	200-00-000-1990	11/30/2017
BURNT CEDAR WTP OFFICE	7768	Water Buildings and Structures	Building & Renovations	2,237.56	0.00	2,237.56	20.00	07/31/1999	200-00-000-1030	200-22-990-8130	200-00-000-1990	07/31/2019
Replace Carpeting Building A Public Works	11011-A	Water Buildings and Structures	Building & Renovations	2,185.79	437.10	2,622.89	5.00	05/01/2016	200-00-000-1030	200-22-990-8130	200-00-000-1990	05/01/2021
SEWER TRK GARAGE ADDITION	4886	Water Buildings and Structures	Building & Renovations	1,563.34	542.03	2,105.37	40.00	06/30/1991	200-00-000-1030	200-22-990-8130	200-00-000-1990	06/30/2031
Utilities Facilities Pavement - Road Repairs	11424-A	Water Buildings and Structures	Building & Renovations	1,360.32	2,040.18	3,400.50	5.00	06/30/2019	200-00-000-1030	200-22-990-8130	200-00-000-1990	06/29/2024
MAINTENANCE FACILITY GARAGE	6943	Water Buildings and Structures	Building & Renovations	1,009.59	764.31	1,773.90	40.00	04/30/1998	200-00-000-1030	200-22-990-8130	200-00-000-1990	04/30/2038
				13,314.36	3,783.62	17,097.98						
92/93 INSTALLATIONS	4562	Water Service Distribution Infrastructure	Infrastructure	4,234.82	0.00	4,234.82	5.00	06/30/1993	200-00-000-1035	200-22-990-8130	200-00-000-1990	06/30/1998
Holloshalt Motor	6365	Water Service Distribution Infrastructure	Infrastructure	4,210.75	0.00	4,210.75	10.00	06/30/1994	200-00-000-1035	200-22-990-8130	200-00-000-1990	06/29/2004
Main Busswork Relocation	7014	Water Service Distribution Infrastructure	Infrastructure	3,105.00	0.00	3,105.00	10.00	01/31/1998	200-00-000-1035	200-22-990-8130	200-00-000-1990	01/31/2008
Motor	6861	Water Service Distribution Infrastructure	Infrastructure	2,350.75	0.00	2,350.75	10.00	03/31/1998	200-00-000-1035	200-22-990-8130	200-00-000-1990	03/30/2008
Motor	7002	Water Service Distribution Infrastructure	Infrastructure	3,608.20	0.00	3,608.20	10.00	04/30/1998	200-00-000-1035	200-22-990-8130	200-00-000-1990	04/29/2008
Motor	7003	Water Service Distribution Infrastructure	Infrastructure	3,608.20	0.00	3,608.20	10.00	04/30/1998	200-00-000-1035	200-22-990-8130	200-00-000-1990	04/29/2008
2003/2004 INSTALLATIONS	9115	Water Service Distribution Infrastructure	Infrastructure	4,862.02	0.00	4,862.02	5.00	07/01/2003	200-00-000-1035	200-22-990-8130	200-00-000-1990	06/30/2008
2004/2005 INSTALLATIONS	9370	Water Service Distribution Infrastructure	Infrastructure	4,577.93	0.00	4,577.93	5.00	07/01/2004	200-00-000-1035	200-22-990-8130	200-00-000-1990	07/01/2009
CHLORINE FEED PUMP	9539	Water Service Distribution Infrastructure	Infrastructure	1,621.00	0.00	1,621.00	5.00	01/19/2005	200-00-000-1035	200-22-990-8130	200-00-000-1990	01/19/2010
CHLORINE FEED PUMP	9540	Water Service Distribution Infrastructure	Infrastructure	1,621.00	0.00	1,621.00	5.00	01/19/2005	200-00-000-1035	200-22-990-8130	200-00-000-1990	01/19/2010
Pump	7884	Water Service Distribution Infrastructure	Infrastructure	3,215.28	0.00	3,215.28	10.00	03/21/2000	200-00-000-1035	200-22-990-8130	200-00-000-1990	03/21/2010
ESRI PROGRAM - ARC EDITOR	9534	Water Service Distribution Infrastructure	Infrastructure	4,427.93	0.00	4,427.93	5.00	06/23/2005	200-00-000-1035	200-22-990-8130	200-00-000-1990	06/23/2010
Motor Control Center Upgrad	8190	Water Service Distribution Infrastructure	Infrastructure	4,897.00	0.00	4,897.00	10.00	08/17/2000	200-00-000-1035	200-22-990-8130	200-00-000-1990	08/17/2010
AIR & WTR BLDG ADDITION	2849	Water Service Distribution Infrastructure	Infrastructure	2,157.19	0.00	2,157.19	40.00	11/01/1970	200-00-000-1035	200-22-990-8130	200-00-000-1990	11/01/2010
TRANSIENT VOLTAGE SURGE SUR	8398	Water Service Distribution Infrastructure	Infrastructure	662.00	0.00	662.00	10.00	04/04/2001	200-00-000-1035	200-22-990-8130	200-00-000-1990	04/04/2011
TRANSIENT VOLTAGE SURGE SUR	8400	Water Service Distribution Infrastructure	Infrastructure	1,709.00	0.00	1,709.00	10.00	04/04/2001	200-00-000-1035	200-22-990-8130	200-00-000-1990	04/04/2011
TRANSIENT VOLTAGE SURGE SUR	8401	Water Service Distribution Infrastructure	Infrastructure	1,709.00	0.00	1,709.00	10.00	04/04/2001	200-00-000-1035	200-22-990-8130	200-00-000-1990	04/04/2011
MOTOR CONTROL CENTER UPGRAD	8427	Water Service Distribution Infrastructure	Infrastructure	4,853.96	0.00	4,853.96	10.00	05/15/2001	200-00-000-1035	200-22-990-8130	200-00-000-1990	05/15/2011
INSTALLATIONS LABOR	4856	Water Service Distribution Infrastructure	Infrastructure	68.52	0.00	68.52	40.00	04/30/1972	200-00-000-1035	200-22-990-8130	200-00-000-1990	04/30/2012
LAB EQUIPMENT	8816	Water Service Distribution Infrastructure	Infrastructure	1,105.95	0.00	1,105.95	10.00	06/20/2002	200-00-000-1035	200-22-990-8130	200-00-000-1990	06/19/2012
MISC MAIN EXTENSION	4487	Water Service Distribution Infrastructure	Infrastructure	648.73	0.00	648.73	40.00	06/30/1972	200-00-000-1035	200-22-990-8130	200-00-000-1990	06/30/2012
OZONE UPGRADE	9605	Water Service Distribution Infrastructure	Infrastructure	2,461.89	0.00	2,461.89	8.00	07/31/2004	200-00-000-1035	200-22-990-8130	200-00-000-1990	07/31/2012
RESIDENTIAL WM DATA WEST UP	9984	Water Service Distribution Infrastructure	Infrastructure	1,000.00	0.00	1,000.00	5.00	08/06/2007	200-00-000-1035	200-22-990-8130	200-00-000-1990	08/05/2012
INSTALL FIRE HYDRANTS	4859	Water Service Distribution Infrastructure	Infrastructure	507.40	0.00	507.40	40.00	08/31/1972	200-00-000-1035	200-22-990-8130	200-00-000-1990	08/31/2012
WATER MAIN REPLACEMENT 2002	8991	Water Service Distribution Infrastructure	Infrastructure	4,608.91	0.00	4,608.91	10.00	10/20/2002	200-00-000-1035	200-22-990-8130	200-00-000-1990	10/19/2012
1972-73 INSTALLATIONS	4519	Water Service Distribution Infrastructure	Infrastructure	3,681.33	0.00	3,681.33	40.00	01/01/1973	200-00-000-1035	200-22-990-8130	200-00-000-1990	01/01/2013
INSTALLATION LABOR	4860	Water Service Distribution Infrastructure	Infrastructure	226.96	0.00	226.96	40.00	04/30/1973	200-00-000-1035	200-22-990-8130	200-00-000-1990	04/30/2013
PORTABLE TRENCH SHORING	7151	Water Service Distribution Infrastructure	Infrastructure	3,761.50	0.00	3,761.50	15.00	07/22/1998	200-00-000-1035	200-22-990-8130	200-00-000-1990	07/21/2013
FLOW METERS	9606	Water Service Distribution Infrastructure	Infrastructure	1,392.81	0.00	1,392.81	10.00	09/30/2003	200-00-000-1035	200-22-990-8130	200-00-000-1990	09/29/2013
FLOW METERS	9607	Water Service Distribution Infrastructure	Infrastructure	1,392.81	0.00	1,392.81	10.00	09/30/2003	200-00-000-1035	200-22-990-8130	200-00-000-1990	09/29/2013
FLOW METERS	9608	Water Service Distribution Infrastructure	Infrastructure	1,392.81	0.00	1,392.81	10.00	09/30/2003	200-00-000-1035	200-22-990-8130	200-00-000-1990	09/29/2013
FLOW METERS	9609	Water Service Distribution Infrastructure	Infrastructure	1,392.81	0.00	1,392.81	10.00	09/30/2003	200-00-000-1035	200-22-990-8130	200-00-000-1990	09/29/2013
Crackfill & Seal Asphalt -W	10228	Water Service Distribution Infrastructure	Infrastructure	2,082.76	0.00	2,082.76	5.00	10/07/2008	200-00-000-1035	200-22-990-8130	200-00-000-1990	10/07/2013
Crackfill & Seal - PW Bldg.	10229	Water Service Distribution Infrastructure	Infrastructure	1,520.00	0.00	1,520.00	5.00	10/08/2008	200-00-000-1035	200-22-990-8130	200-00-000-1990	10/08/2013
PAVING	9252	Water Service Distribution Infrastructure	Infrastructure	3,330.50	0.00	3,330.50	10.00	11/25/2003	200-00-000-1035	200-22-990-8130	200-00-000-1990	11/24/2013
1973-74 INSTALLATIONS	4520	Water Service Distribution Infrastructure	Infrastructure	3,425.38	0.00	3,425.38	40.00	01/01/1974	200-00-000-1035	200-22-990-8130	200-00-000-1990	01/01/2014
MISC MAIN EXTENSION	4491	Water Service Distribution Infrastructure	Infrastructure	4,166.45	0.00	4,166.45	40.00	05/31/1974	200-00-000-1035	200-22-990-8130	200-00-000-1990	05/31/2014
Repave UT Facilities	10357	Water Service Distribution Infrastructure	Infrastructure	3,062.72	0.00	3,062.72	5.00	06/22/2009	200-00-000-1035	200-22-990-8130	200-00-000-1990	06/22/2014
REFINISH POTABLE RESERVOIR	9593	Water Service Distribution Infrastructure	Infrastructure	2,400.00	0.00	2,400.00	10.00	06/30/2004	200-00-000-1035	200-22-990-8130	200-00-000-1990	06/30/2014
2009/2010 METERS	10375	Water Service Distribution Infrastructure	Infrastructure	2,804.95	0.00	2,804.95	5.00	07/01/2009	200-00-000-1035	200-22-990-8130	200-00-000-1990	07/01/2014
WATER MAIN REPLACEMENT 2004	9467	Water Service Distribution Infrastructure	Infrastructure	2,000.00	0.00	2,000.00	10.00	07/01/2004	200-00-000-1035	200-22-990-8130	200-00-000-1990	07/01/2014
WATER MAIN REPLACEMENT 2004	9468	Water Service Distribution Infrastructure	Infrastructure	2,936.05	0.00	2,936.05	10.00	08/01/2004	200-00-000-1035	200-22-990-8130	200-00-000-1990	08/01/2014
1974-75 INSTALLATIONS	4521	Water Service Distribution Infrastructure	Infrastructure	1,622.81	0.00	1,622.81	40.00	01/01/1975	200-00-000-1035	200-22-990-8130	200-00-000-1990	01/01/2015
ADJ MANHOLES/VALVE BOXES 20	9626	Water Service Distribution Infrastructure	Infrastructure	923.05	0.00	923.05	10.00	09/20/2005	200-00-000-1035	200-22-990-8130	200-00-000-1990	09/20/2015
ADJ MANHOLES/VALVE BOXES 20	9632	Water Service Distribution Infrastructure	Infrastructure	1,640.57	0.00	1,640.57	10.00	09/20/2005	200-00-000-1035	200-22-990-8130	200-00-000-1990	09/20/2015
ADJ MANHOLES/VALVE BOXES 20	9642	Water Service Distribution Infrastructure	Infrastructure	1,640.57	0.00	1,640.57	10.00	09/20/2005	200-00-000-1035	200-22-990-8130	200-00-000-1990	09/20/2015
ADJ MANHOLES/VALVE BOXES 20	9640	Water Service Distribution Infrastructure	Infrastructure	1,870.01	0.00	1,870.01	10.00	09/20/2005	200-00-000-1035	200-22-990-8130	200-00-000-1990	09/20/2015
ADJ MANHOLES/VALVE BOXES 20	9630	Water Service Distribution Infrastructure	Infrastructure	2,213.21	0.00	2,213.21	10.00	09/20/2005	200-00-000-1035	200-22-990-8130	200-00-000-1990	09/20/2015
ADJ MANHOLES/VALVE BOXES 20	9644	Water Service Distribution Infrastructure	Infrastructure	2,336.72	0.00	2,336.72	10.00	09/20/2005	200-00-000-1035	200-22-990-8130	200-00-000-1990	09/20/2015
ADJ MANHOLES/VALVE BOXES 20	9638	Water Service Distribution Infrastructure	Infrastructure	2,556.93	0.00	2,556.93	10.00	09/20/2005	200-00-000-1035	200-22-990-8130	200-00-000-1990	09/20/2015
ADJ MANHOLES/VALVE BOXES 20	9636	Water Service Distribution Infrastructure	Infrastructure	3,080.73	0.00	3,080.73	10.00	09/20/2005	200-00-000-1035	200-22-990-8130	200-00-000-1990	09/20/2015
ADJ MANHOLES/VALVE BOXES 20	9628	Water Service Distribution Infrastructure	Infrastructure	3,133.93	0.00	3,133.93	10.00	09/20/2005	200-00-000-1035	200-22-990-8130	200-00-000-1990	09/20/2015
ADJ MANHOLES/VALVE BOXES 20	9634	Water Service Distribution Infrastructure	Infrastructure	4,660.99	0.00	4,660.99	10.00	09/20/2005	200-00-000-1035	200-22-990-8130	200-00-000-1990	09/20/2015
DOMESTIC WATER METERS 1999	8322	Water Service Distribution Infrastructure	Infrastructure	2,550.28	0.00	2,550.28	15.00	10/15/2000	200-00-000-1035	200-22-990-8130	200-00-000-1990	10/15/2015
1975-76 INSTALLATIONS	4522	Water Service Distribution Infrastructure	Infrastructure	2,150.42	0.00	2,150.42	40.00	01/01/1976	200-00-000-1035	200-22-990-8130	200-00-000-1990	01/01/2016
ADJ MANHOLES/VALVE BOXES 20	9785	Water Service Distribution Infrastructure	Infrastructure	917.50	0.00	917.50	10.00	09/05/2006	200-00-000-1035	200-22-990-8130	200-00-000-1990	09/04/2016

Description	Fixed Asset#	FA Type	FA Category	Accum Depr	Book Value	Cost	Est Use Life	In Use Date	Capital Acct	Clearing Acct	Accum Depr Acct	Life End
METER	8754	Water Service Distribution Infrastructure	Infrastructure	1,928.07	0.00	1,928.07	15.00	04/10/2002	200-00-000-1035	200-22-990-8130	200-00-000-1990	04/09/2017
METER	8755	Water Service Distribution Infrastructure	Infrastructure	1,928.07	0.00	1,928.07	15.00	04/10/2002	200-00-000-1035	200-22-990-8130	200-00-000-1990	04/09/2017
METER	8753	Water Service Distribution Infrastructure	Infrastructure	2,115.98	0.00	2,115.98	15.00	04/10/2002	200-00-000-1035	200-22-990-8130	200-00-000-1990	04/09/2017
METER	8756	Water Service Distribution Infrastructure	Infrastructure	1,097.79	0.00	1,097.79	15.00	04/20/2002	200-00-000-1035	200-22-990-8130	200-00-000-1990	04/19/2017
METER	8751	Water Service Distribution Infrastructure	Infrastructure	1,928.07	0.00	1,928.07	15.00	05/02/2002	200-00-000-1035	200-22-990-8130	200-00-000-1990	05/01/2017
METER	8752	Water Service Distribution Infrastructure	Infrastructure	934.89	0.00	934.89	15.00	05/06/2002	200-00-000-1035	200-22-990-8130	200-00-000-1990	05/05/2017
METER	8757	Water Service Distribution Infrastructure	Infrastructure	1,262.83	0.00	1,262.83	15.00	05/15/2002	200-00-000-1035	200-22-990-8130	200-00-000-1990	05/14/2017
METER	8841	Water Service Distribution Infrastructure	Infrastructure	1,928.07	0.00	1,928.07	15.00	07/10/2002	200-00-000-1035	200-22-990-8130	200-00-000-1990	07/09/2017
METER	8858	Water Service Distribution Infrastructure	Infrastructure	3,077.75	0.00	3,077.75	15.00	07/30/2002	200-00-000-1035	200-22-990-8130	200-00-000-1990	07/29/2017
METER	8900	Water Service Distribution Infrastructure	Infrastructure	3,699.33	0.00	3,699.33	15.00	09/04/2002	200-00-000-1035	200-22-990-8130	200-00-000-1990	09/03/2017
METER	8901	Water Service Distribution Infrastructure	Infrastructure	3,921.86	0.00	3,921.86	15.00	09/04/2002	200-00-000-1035	200-22-990-8130	200-00-000-1990	09/03/2017
METER	8899	Water Service Distribution Infrastructure	Infrastructure	4,323.80	0.00	4,323.80	15.00	09/12/2002	200-00-000-1035	200-22-990-8130	200-00-000-1990	09/11/2017
ADJ MANHOLES/VALVE BOXES 20	9978	Water Service Distribution Infrastructure	Infrastructure	2,007.56	0.00	2,007.56	10.00	09/18/2007	200-00-000-1035	200-22-990-8130	200-00-000-1990	09/17/2017
ADJ MANHOLES/VALVE BOXES 20	9972	Water Service Distribution Infrastructure	Infrastructure	2,574.59	0.00	2,574.59	10.00	09/18/2007	200-00-000-1035	200-22-990-8130	200-00-000-1990	09/17/2017
ADJ MANHOLES/VALVE BOXES 20	9976	Water Service Distribution Infrastructure	Infrastructure	3,409.80	0.00	3,409.80	10.00	09/18/2007	200-00-000-1035	200-22-990-8130	200-00-000-1990	09/17/2017
ADJ MANHOLES/VALVE BOXES 20	9970	Water Service Distribution Infrastructure	Infrastructure	4,477.44	0.00	4,477.44	10.00	09/18/2007	200-00-000-1035	200-22-990-8130	200-00-000-1990	09/17/2017
ADJ MANHOLES/VALVE BOXES 20	9974	Water Service Distribution Infrastructure	Infrastructure	4,495.32	0.00	4,495.32	10.00	09/18/2007	200-00-000-1035	200-22-990-8130	200-00-000-1990	09/17/2017
ADJ MANHOLES/VALVE BOXES 20	9968	Water Service Distribution Infrastructure	Infrastructure	4,717.53	0.00	4,717.53	10.00	09/18/2007	200-00-000-1035	200-22-990-8130	200-00-000-1990	09/17/2017
METER	8902	Water Service Distribution Infrastructure	Infrastructure	3,577.96	0.00	3,577.96	15.00	09/18/2002	200-00-000-1035	200-22-990-8130	200-00-000-1990	09/17/2017
METER	8898	Water Service Distribution Infrastructure	Infrastructure	4,802.79	0.00	4,802.79	15.00	09/26/2002	200-00-000-1035	200-22-990-8130	200-00-000-1990	09/25/2017
METER	8911	Water Service Distribution Infrastructure	Infrastructure	4,842.23	0.00	4,842.23	15.00	10/01/2002	200-00-000-1035	200-22-990-8130	200-00-000-1990	09/30/2017
METER	8894	Water Service Distribution Infrastructure	Infrastructure	4,888.10	0.00	4,888.10	15.00	10/03/2002	200-00-000-1035	200-22-990-8130	200-00-000-1990	10/02/2017
METER	8893	Water Service Distribution Infrastructure	Infrastructure	4,774.06	0.00	4,774.06	15.00	10/07/2002	200-00-000-1035	200-22-990-8130	200-00-000-1990	10/06/2017
METER	9030	Water Service Distribution Infrastructure	Infrastructure	3,686.07	0.00	3,686.07	15.00	12/10/2002	200-00-000-1035	200-22-990-8130	200-00-000-1990	12/09/2017
Repave UT Facilities - Water	10667A	Water Service Distribution Infrastructure	Infrastructure	3,200.00	0.00	3,200.00	5.00	02/01/2013	200-00-000-1035	200-22-990-8130	200-00-000-1990	02/01/2018
METER	9063	Water Service Distribution Infrastructure	Infrastructure	1,074.45	0.00	1,074.45	15.00	02/11/2003	200-00-000-1035	200-22-990-8130	200-00-000-1990	02/10/2018
1977-78 INSTALLATIONS	4525	Water Service Distribution Infrastructure	Infrastructure	363.95	0.00	363.95	40.00	07/01/1978	200-00-000-1035	200-22-990-8130	200-00-000-1990	07/01/2018
PAVEMENT REPLACEMENT-JUANIT	10248	Water Service Distribution Infrastructure	Infrastructure	2,013.40	0.00	2,013.40	10.00	10/15/2008	200-00-000-1035	200-22-990-8130	200-00-000-1990	10/15/2018
PAVEMENT REPLACEMENT-SWEETV	10247	Water Service Distribution Infrastructure	Infrastructure	4,520.88	0.00	4,520.88	10.00	10/15/2008	200-00-000-1035	200-22-990-8130	200-00-000-1990	10/15/2018
DOMESTIC WATER METERS '97	7372	Water Service Distribution Infrastructure	Infrastructure	4,262.18	0.00	4,262.18	20.00	04/01/1999	200-00-000-1035	200-22-990-8130	200-00-000-1990	04/01/2019
Pavement Maintenance Public Works Facility - Driveway Sealing	10866-A	Water Service Distribution Infrastructure	Infrastructure	8,696.50	0.00	8,696.50	5.00	10/01/2014	200-00-000-1035	200-22-990-8130	200-00-000-1990	10/01/2019
Vertical Turbine Pump	8033	Water Service Distribution Infrastructure	Infrastructure	3,180.00	0.00	3,180.00	20.00	06/08/2000	200-00-000-1035	200-22-990-8130	200-00-000-1990	06/08/2020
WATER MAIN REPLACEMENT 2000	8258	Water Service Distribution Infrastructure	Infrastructure	2,585.56	21.72	2,607.28	20.00	08/31/2000	200-00-000-1035	200-22-990-8130	200-00-000-1990	08/31/2020
TRANS & DISTER MAINS	4497	Water Service Distribution Infrastructure	Infrastructure	2,673.31	22.48	2,695.79	40.00	10/31/1980	200-00-000-1035	200-22-990-8130	200-00-000-1990	10/31/2020
UPGRADE FIRE HYDRANTS - 199	8276	Water Service Distribution Infrastructure	Infrastructure	4,130.45	105.90	4,236.35	20.00	12/31/2000	200-00-000-1035	200-22-990-8130	200-00-000-1990	12/31/2020
UPGRADE FIRE HYDRANTS - 199	8277	Water Service Distribution Infrastructure	Infrastructure	4,130.45	105.90	4,236.35	20.00	12/31/2000	200-00-000-1035	200-22-990-8130	200-00-000-1990	12/31/2020
78-1 ZOECON	4495	Water Service Distribution Infrastructure	Infrastructure	4,469.95	95.10	4,565.05	40.00	04/30/1981	200-00-000-1035	200-22-990-8130	200-00-000-1990	04/30/2021
WATER MAIN REPR-WSR	2936	Water Service Distribution Infrastructure	Infrastructure	2,417.51	10.12	2,427.63	40.00	07/16/1981	200-00-000-1035	200-22-990-8130	200-00-000-1990	07/16/2021
8 POST INDICATOR VALVE ASS	8995	Water Service Distribution Infrastructure	Infrastructure	1,107.47	101.98	1,209.45	20.00	11/12/2002	200-00-000-1035	200-22-990-8130	200-00-000-1990	11/12/2022
1982-83 INSTALLATIONS	4530	Water Service Distribution Infrastructure	Infrastructure	3,624.83	175.33	3,800.16	40.00	01/01/1983	200-00-000-1035	200-22-990-8130	200-00-000-1990	01/01/2023
Raise manholes/valve boxes	10672A	Water Service Distribution Infrastructure	Infrastructure	2,261.07	536.57	2,797.64	10.00	02/01/2013	200-00-000-1035	200-22-990-8130	200-00-000-1990	02/01/2023
PRV STATION-SADDLEHORN/TU	2857	Water Service Distribution Infrastructure	Infrastructure	2,269.08	125.92	2,395.00	40.00	04/15/1983	200-00-000-1035	200-22-990-8130	200-00-000-1990	04/15/2024
TRANS & DIST MAINS	2941	Water Service Distribution Infrastructure	Infrastructure	689.86	52.62	742.48	40.00	01/01/1984	200-00-000-1035	200-22-990-8130	200-00-000-1990	01/01/2024
1984-85 INSTALLATIONS	4532	Water Service Distribution Infrastructure	Infrastructure	476.43	57.50	533.93	40.00	06/30/1985	200-00-000-1035	200-22-990-8130	200-00-000-1990	06/30/2025
INSTALLATIONS 1984/85	4585	Water Service Distribution Infrastructure	Infrastructure	2,854.25	343.07	3,197.32	40.00	06/30/1985	200-00-000-1035	200-22-990-8130	200-00-000-1990	06/30/2025
UNIVERSAL SPUCE KITS	9839	Water Service Distribution Infrastructure	Infrastructure	2,727.73	1,020.27	3,748.00	20.00	08/15/2006	200-00-000-1035	200-22-990-8130	200-00-000-1990	08/15/2026
RESIDENTIAL WATER METER XPN	9946	Water Service Distribution Infrastructure	Infrastructure	2,540.80	1,185.48	3,726.28	20.00	07/31/2007	200-00-000-1035	200-22-990-8130	200-00-000-1990	07/31/2027
RESIDENTIAL WATER METER XPN	9945	Water Service Distribution Infrastructure	Infrastructure	3,387.20	1,581.17	4,968.37	20.00	07/31/2007	200-00-000-1035	200-22-990-8130	200-00-000-1990	07/31/2027
TRANSMITTER HANGER	10166	Water Service Distribution Infrastructure	Infrastructure	514.57	310.43	825.00	20.00	09/15/2008	200-00-000-1035	200-22-990-8130	200-00-000-1990	09/15/2028
UNIVERSAL ORION RTR	10133	Water Service Distribution Infrastructure	Infrastructure	729.97	440.03	1,170.00	20.00	09/15/2008	200-00-000-1035	200-22-990-8130	200-00-000-1990	09/15/2028
2 ORION TRANSMITTER REGIST	10132	Water Service Distribution Infrastructure	Infrastructure	3,018.16	1,822.84	4,841.00	20.00	09/15/2008	200-00-000-1035	200-22-990-8130	200-00-000-1990	09/15/2028
Remove,Replumb Meter Serv.Line	10584	Water Service Distribution Infrastructure	Infrastructure	1,323.23	1,486.77	2,810.00	20.00	09/26/2011	200-00-000-1035	200-22-990-8130	200-00-000-1990	09/26/2031
Meter Vault @ Champ Golf Cours	10702	Water Service Distribution Infrastructure	Infrastructure	1,092.89	1,757.11	2,850.00	20.00	06/24/2013	200-00-000-1035	200-22-990-8130	200-00-000-1990	06/24/2033
Meter Vault @ 999 Lakeshore Dr	10701	Water Service Distribution Infrastructure	Infrastructure	1,615.52	2,599.48	4,215.00	20.00	06/24/2013	200-00-000-1035	200-22-990-8130	200-00-000-1990	06/24/2033
3 Badger Compound Meter	10693	Water Service Distribution Infrastructure	Infrastructure	719.44	1,157.47	1,876.91	20.00	06/28/2013	200-00-000-1035	200-22-990-8130	200-00-000-1990	06/28/2033
REPLACE FIRE HYDRANTS - 199	6587	Water Service Distribution Infrastructure	Infrastructure	2,489.12	1,683.51	4,172.63	40.00	06/30/1996	200-00-000-1035	200-22-990-8130	200-00-000-1990	06/30/2036
WATER MAIN REPLACEMENT 1996	6476	Water Service Distribution Infrastructure	Infrastructure	807.30	517.05	1,324.35	40.00	10/31/1996	200-00-000-1035	200-22-990-8130	200-00-000-1990	10/31/2036
WATER MAIN REPLACEMENT 1996	6475	Water Service Distribution Infrastructure	Infrastructure	874.37	559.06	1,433.43	40.00	10/31/1996	200-00-000-1035	200-22-990-8130	200-00-000-1990	10/31/2036
Water System Improvements	10468	Water Service Distribution Infrastructure	Infrastructure	1,463.04	2,650.36	4,113.40	30.00	07/23/2010	200-00-000-1035	200-22-990-8130	200-00-000-1990	07/22/2040
Replace generator fuel lines	11006	Water Service Distribution Infrastructure	Infrastructure	1,069.50	2,780.50	3,850.00	15.00	03/25/2016	200-00-000-1035	200-22-990-8130	200-00-000-1990	03/25/2031
Badger Meter - CalNeva Resort	10944	Water Service Distribution Infrastructure	Infrastructure	0.00	0.00	0.00	25.00	11/01/2015	200-00-000-1035	200-22-990-8130	200-00-000-1990	10/31/2040
2011 Portable Welder #648 -Wtr	10496-1	Water Service Equipment	Machinery & Equipment	3,393.71	0.00	3,393.71	10.00	02/08/2011	200-00-000-1040	200-22-990-8130	200-00-000-1990	02/07/2021
Meter Testing Unit	11060	Water Service Equipment	Machinery & Equipment	3,168.55	287.99	3,456.54	5.00	09/06/2016	200-00-000-1040	200-22-990-8130	200-00-000-1990	09/06/2021
Boiler in Washbay	11226-A	Water Service Equipment	Machinery & Equipment	91.96	410.04	502.00	20.00	07/01/2017	200-00-000-1040	200-22-990-8130	200-00-000-1990	07/01/2037
14 FOOT SNOWPLOW-BALDERSO#307A	6516	Water Vehicles	Machinery & Equipment	6,654.22	698.03	7,352.25	3.00	12/16/1996	200-00-000-1050	200-22-990-8130	200-00-000-1990	12/16/1999
				4,999.00	0.00	4,999.00						
				343,905.06	27,787.39	371,692.45						
BUILDING LIFT STA. #3	5000	Sewer Buildings and Structures	Building & Renovations	2,500.00	0.00	2,500.00	40.00	10/31/1962	200-00-000-1130	200-25-990-8130	200-00-000-1990	10/31/2002
ADDITION TO TRTMT PLANT	5075	Sewer Buildings and Structures	Building & Renovations	227.33	0.00	227.33	40.00	09/01/1972	200-00-000-1130	200-25-990-8130	200-00-000-1990	09/01/2012

Description	Fixed Asset#	FA Type	FA Category	Accum Depr	Book Value	Cost	Est Use Life	In Use Date	Capital Acct	Clearing Acct	Accum Depr Acct	Life End
WAREHOUSE CAGING	9345	Sewer Buildings and Structures	Building & Renovations	2,548.13	0.00	2,548.13	10.00	05/24/2004	200-00-000-1130	200-25-990-8130	200-00-000-1990	05/24/2014
SHEETROCK GARAGE AT STP	5076	Sewer Buildings and Structures	Building & Renovations	768.00	0.00	768.00	40.00	02/08/1979	200-00-000-1130	200-25-990-8130	200-00-000-1990	02/08/2019
WWTP Garage Doors	11067	Sewer Buildings and Structures	Building & Renovations	1,704.64	1,948.65	3,653.29	10.00	07/01/2016	200-00-000-1130	200-25-990-8130	200-00-000-1990	07/01/2026
Utilities Facilities Pavement - Road Repairs	11424-B	Sewer Buildings and Structures	Building & Renovations	1,360.32	2,040.18	3,400.50	5.00	06/30/2019	200-00-000-1130	200-25-990-8130	200-00-000-1990	06/29/2024
Roof Repair @ Control Bldg at wetlands	11443	Sewer Buildings and Structures	Building & Renovations	762.84	6,865.16	7,628.00	10.00	06/27/2019	200-00-000-1130	200-25-990-8130	200-00-000-1990	06/26/2029
Control Building Repairs (Windows & Structural)	11167	Sewer Buildings and Structures	Building & Renovations	1,562.40	6,249.60	7,812.00	15.00	06/27/2017	200-00-000-1130	200-25-990-8130	200-00-000-1990	06/26/2022
Breezeway Concrete Repair	11071	Sewer Buildings and Structures	Building & Renovations	1,819.99	3,507.01	5,327.00	10.00	01/31/2017	200-00-000-1130	200-25-990-8130	200-00-000-1990	01/31/2027
MAINTENANCE FACILITY GARAGE	6944	Sewer Buildings and Structures	Building & Renovations	1,009.59	764.31	1,773.90	40.00	04/30/1998	200-00-000-1130	200-25-990-8130	200-00-000-1990	04/30/2038
				14,255.24	21,374.91	35,630.15	0.00					
WETLANDS SEEPAGE STUDY	4974	Sewer Service Distribution Infrastructure	Infrastructure	9,169.34	0.00	9,169.34	3.00	10/13/1987	200-00-000-1135	200-25-990-8130	200-00-000-1990	10/12/1990
14 FOOT SNOWFLOW-BALDERSO#307A	6517	Sewer Service Distribution Infrastructure	Infrastructure	4,999.00	0.00	4,999.00	3.00	12/16/1996	200-00-000-1135	200-25-990-8130	200-00-000-1990	12/16/1999
Wet Well Traffic Lids	6693	Sewer Service Distribution Infrastructure	Infrastructure	4,347.08	0.00	4,347.08	10.00	07/31/1997	200-00-000-1135	200-25-990-8130	200-00-000-1990	07/31/2007
Laboratory Sampler - Effluent	7418	Sewer Service Distribution Infrastructure	Infrastructure	3,129.70	0.00	3,129.70	10.00	05/01/1999	200-00-000-1135	200-25-990-8130	200-00-000-1990	04/30/2009
Laboratory Sampler - Influent	7421	Sewer Service Distribution Infrastructure	Infrastructure	3,129.70	0.00	3,129.70	10.00	05/01/1999	200-00-000-1135	200-25-990-8130	200-00-000-1990	04/30/2009
ADJ MANHOLES/VALVE BOXES 20 FROM PROJECT 69-2	8543	Sewer Service Distribution Infrastructure	Infrastructure	642.99	0.00	642.99	8.00	09/21/2001	200-00-000-1135	200-25-990-8130	200-00-000-1990	09/21/2009
ADJ MANHOLES/VALVE BOXES 20 FROM PROJECT 69-2	5116	Sewer Service Distribution Infrastructure	Infrastructure	136.86	0.00	136.86	40.00	06/30/1972	200-00-000-1135	200-25-990-8130	200-00-000-1990	06/30/2012
ADJ MANHOLES/VALVE BOXES 20 FROM PROJECT 69-2	5181	Sewer Service Distribution Infrastructure	Infrastructure	634.47	0.00	634.47	40.00	06/30/1972	200-00-000-1135	200-25-990-8130	200-00-000-1990	06/30/2012
ADJ MANHOLES/VALVE BOXES 20 FROM PROJECT 69-2	4982	Sewer Service Distribution Infrastructure	Infrastructure	1,120.06	0.00	1,120.06	40.00	06/30/1972	200-00-000-1135	200-25-990-8130	200-00-000-1990	06/30/2012
ADJ MANHOLES/VALVE BOXES 20 WATER MAIN REPLACEMENT 2002	8992	Sewer Service Distribution Infrastructure	Infrastructure	3,478.77	0.00	3,478.77	10.00	10/30/2002	200-00-000-1135	200-25-990-8130	200-00-000-1990	10/19/2012
ADJ MANHOLES/VALVE BOXES 20 SVCE INSTLINS 1972-73	5184	Sewer Service Distribution Infrastructure	Infrastructure	498.43	0.00	498.43	40.00	01/01/1973	200-00-000-1135	200-25-990-8130	200-00-000-1990	01/01/2013
ADJ MANHOLES/VALVE BOXES 20 TRANSIENT VOLTAGE SURGE SUR FROM PROJECT 69-2	9086	Sewer Service Distribution Infrastructure	Infrastructure	3,256.85	0.00	3,256.85	10.00	01/23/2003	200-00-000-1135	200-25-990-8130	200-00-000-1990	01/22/2013
ADJ MANHOLES/VALVE BOXES 20 FROM PROJECT 69-2	5185	Sewer Service Distribution Infrastructure	Infrastructure	652.21	0.00	652.21	40.00	06/30/1973	200-00-000-1135	200-25-990-8130	200-00-000-1990	06/30/2013
ADJ MANHOLES/VALVE BOXES 20 PORTABLE TRENCH SHORING	7152	Sewer Service Distribution Infrastructure	Infrastructure	3,761.50	0.00	3,761.50	15.00	07/22/1998	200-00-000-1135	200-25-990-8130	200-00-000-1990	07/21/2013
ADJ MANHOLES/VALVE BOXES 20 WWTP Crackfill & Seal Aspha	10227	Sewer Service Distribution Infrastructure	Infrastructure	4,926.00	0.00	4,926.00	5.00	10/07/2008	200-00-000-1135	200-25-990-8130	200-00-000-1990	10/07/2013
ADJ MANHOLES/VALVE BOXES 20 SVCE INSTLINS 1973-74	5186	Sewer Service Distribution Infrastructure	Infrastructure	1,611.12	0.00	1,611.12	40.00	01/01/1974	200-00-000-1135	200-25-990-8130	200-00-000-1990	01/01/2014
ADJ MANHOLES/VALVE BOXES 20 Repave UT Facilities - WWTP	10355	Sewer Service Distribution Infrastructure	Infrastructure	1,264.00	0.00	1,264.00	5.00	06/22/2009	200-00-000-1135	200-25-990-8130	200-00-000-1990	06/22/2014
ADJ MANHOLES/VALVE BOXES 20 Repave UT Facilities	10356	Sewer Service Distribution Infrastructure	Infrastructure	3,062.72	0.00	3,062.72	5.00	06/22/2009	200-00-000-1135	200-25-990-8130	200-00-000-1990	06/22/2014
ADJ MANHOLES/VALVE BOXES 20 Centrifugal Pump	5867	Sewer Service Distribution Infrastructure	Infrastructure	1,438.13	0.00	1,438.13	20.00	11/30/1994	200-00-000-1135	200-25-990-8130	200-00-000-1990	11/30/2014
ADJ MANHOLES/VALVE BOXES 20 Centrifugal Pump	5868	Sewer Service Distribution Infrastructure	Infrastructure	1,438.13	0.00	1,438.13	20.00	11/30/1994	200-00-000-1135	200-25-990-8130	200-00-000-1990	11/30/2014
ADJ MANHOLES/VALVE BOXES 20 Centrifugal Pump	5869	Sewer Service Distribution Infrastructure	Infrastructure	1,438.13	0.00	1,438.13	20.00	11/30/1994	200-00-000-1135	200-25-990-8130	200-00-000-1990	11/30/2014
ADJ MANHOLES/VALVE BOXES 20 Centrifugal Pump	5870	Sewer Service Distribution Infrastructure	Infrastructure	1,438.13	0.00	1,438.13	20.00	11/30/1994	200-00-000-1135	200-25-990-8130	200-00-000-1990	11/30/2014
ADJ MANHOLES/VALVE BOXES 20 Centrifugal Pump	5871	Sewer Service Distribution Infrastructure	Infrastructure	1,438.13	0.00	1,438.13	20.00	11/30/1994	200-00-000-1135	200-25-990-8130	200-00-000-1990	11/30/2014
ADJ MANHOLES/VALVE BOXES 20 Centrifugal Pump	5872	Sewer Service Distribution Infrastructure	Infrastructure	1,438.13	0.00	1,438.13	20.00	11/30/1994	200-00-000-1135	200-25-990-8130	200-00-000-1990	11/30/2014
ADJ MANHOLES/VALVE BOXES 20 SVCE INSTLINS 1974-75	5187	Sewer Service Distribution Infrastructure	Infrastructure	156.47	0.00	156.47	40.00	01/01/1975	200-00-000-1135	200-25-990-8130	200-00-000-1990	01/01/2015
ADJ MANHOLES/VALVE BOXES 20 ADJ MANHOLES/VALVE BOXES 20	9627	Sewer Service Distribution Infrastructure	Infrastructure	923.05	0.00	923.05	10.00	09/20/2005	200-00-000-1135	200-25-990-8130	200-00-000-1990	09/20/2015
ADJ MANHOLES/VALVE BOXES 20 ADJ MANHOLES/VALVE BOXES 20	9633	Sewer Service Distribution Infrastructure	Infrastructure	1,640.57	0.00	1,640.57	10.00	09/20/2005	200-00-000-1135	200-25-990-8130	200-00-000-1990	09/20/2015
ADJ MANHOLES/VALVE BOXES 20 ADJ MANHOLES/VALVE BOXES 20	9643	Sewer Service Distribution Infrastructure	Infrastructure	1,640.57	0.00	1,640.57	10.00	09/20/2005	200-00-000-1135	200-25-990-8130	200-00-000-1990	09/20/2015
ADJ MANHOLES/VALVE BOXES 20 ADJ MANHOLES/VALVE BOXES 20	9641	Sewer Service Distribution Infrastructure	Infrastructure	1,870.01	0.00	1,870.01	10.00	09/20/2005	200-00-000-1135	200-25-990-8130	200-00-000-1990	09/20/2015
ADJ MANHOLES/VALVE BOXES 20 ADJ MANHOLES/VALVE BOXES 20	9631	Sewer Service Distribution Infrastructure	Infrastructure	7,213.21	0.00	7,213.21	10.00	09/20/2005	200-00-000-1135	200-25-990-8130	200-00-000-1990	09/20/2015
ADJ MANHOLES/VALVE BOXES 20 ADJ MANHOLES/VALVE BOXES 20	9645	Sewer Service Distribution Infrastructure	Infrastructure	2,336.72	0.00	2,336.72	10.00	09/20/2005	200-00-000-1135	200-25-990-8130	200-00-000-1990	09/20/2015
ADJ MANHOLES/VALVE BOXES 20 ADJ MANHOLES/VALVE BOXES 20	9639	Sewer Service Distribution Infrastructure	Infrastructure	2,556.93	0.00	2,556.93	10.00	09/20/2005	200-00-000-1135	200-25-990-8130	200-00-000-1990	09/20/2015
ADJ MANHOLES/VALVE BOXES 20 ADJ MANHOLES/VALVE BOXES 20	9637	Sewer Service Distribution Infrastructure	Infrastructure	3,080.73	0.00	3,080.73	10.00	09/20/2005	200-00-000-1135	200-25-990-8130	200-00-000-1990	09/20/2015
ADJ MANHOLES/VALVE BOXES 20 ADJ MANHOLES/VALVE BOXES 20	9629	Sewer Service Distribution Infrastructure	Infrastructure	3,133.93	0.00	3,133.93	10.00	09/20/2005	200-00-000-1135	200-25-990-8130	200-00-000-1990	09/20/2015
ADJ MANHOLES/VALVE BOXES 20 ADJ MANHOLES/VALVE BOXES 20	9635	Sewer Service Distribution Infrastructure	Infrastructure	4,660.99	0.00	4,660.99	10.00	09/20/2005	200-00-000-1135	200-25-990-8130	200-00-000-1990	09/20/2015
ADJ MANHOLES/VALVE BOXES 20 Electric Controls	6275	Sewer Service Distribution Infrastructure	Infrastructure	421.52	0.00	421.52	20.00	09/30/1995	200-00-000-1135	200-25-990-8130	200-00-000-1990	09/30/2015
ADJ MANHOLES/VALVE BOXES 20 COMPRESSOR SPS-5	6272	Sewer Service Distribution Infrastructure	Infrastructure	384.39	0.00	384.39	20.00	12/31/1995	200-00-000-1135	200-25-990-8130	200-00-000-1990	12/31/2015
ADJ MANHOLES/VALVE BOXES 20 Electric Controls	6273	Sewer Service Distribution Infrastructure	Infrastructure	969.79	0.00	969.79	20.00	12/31/1995	200-00-000-1135	200-25-990-8130	200-00-000-1990	12/31/2015
ADJ MANHOLES/VALVE BOXES 20 Electrical Cabinets	6624	Sewer Service Distribution Infrastructure	Infrastructure	259.34	0.00	259.34	20.00	03/31/1996	200-00-000-1135	200-25-990-8130	200-00-000-1990	03/31/2016
ADJ MANHOLES/VALVE BOXES 20 Station Pumps Control Cabin	6268	Sewer Service Distribution Infrastructure	Infrastructure	1,940.64	0.00	1,940.64	20.00	03/31/1996	200-00-000-1135	200-25-990-8130	200-00-000-1990	03/31/2016
ADJ MANHOLES/VALVE BOXES 20 OZONE GAS MONITOR	10238	Sewer Service Distribution Infrastructure	Infrastructure	3,100.00	0.00	3,100.00	8.00	05/01/2008	200-00-000-1135	200-25-990-8130	200-00-000-1990	05/01/2016
ADJ MANHOLES/VALVE BOXES 20 Pump Guidance Rail System	6581	Sewer Service Distribution Infrastructure	Infrastructure	3,758.42	0.00	3,758.42	20.00	06/30/1996	200-00-000-1135	200-25-990-8130	200-00-000-1990	06/30/2016
ADJ MANHOLES/VALVE BOXES 20 Centrifugal Pump	6621	Sewer Service Distribution Infrastructure	Infrastructure	628.07	0.00	628.07	20.00	08/31/1996	200-00-000-1135	200-25-990-8130	200-00-000-1990	08/31/2016
ADJ MANHOLES/VALVE BOXES 20 ADJ MANHOLES/VALVE BOXES 20	9786	Sewer Service Distribution Infrastructure	Infrastructure	917.50	0.00	917.50	10.00	09/05/2006	200-00-000-1135	200-25-990-8130	200-00-000-1990	09/04/2016
ADJ MANHOLES/VALVE BOXES 20 ADJ MANHOLES/VALVE BOXES 20	9796	Sewer Service Distribution Infrastructure	Infrastructure	932.91	0.00	932.91	10.00	09/05/2006	200-00-000-1135	200-25-990-8130	200-00-000-1990	09/04/2016
ADJ MANHOLES/VALVE BOXES 20 ADJ MANHOLES/VALVE BOXES 20	9784	Sewer Service Distribution Infrastructure	Infrastructure	1,060.00	0.00	1,060.00	10.00	09/05/2006	200-00-000-1135	200-25-990-8130	200-00-000-1990	09/04/2016
ADJ MANHOLES/VALVE BOXES 20 ADJ MANHOLES/VALVE BOXES 20	9788	Sewer Service Distribution Infrastructure	Infrastructure	1,400.00	0.00	1,400.00	10.00	09/05/2006	200-00-000-1135	200-25-990-8130	200-00-000-1990	09/04/2016
ADJ MANHOLES/VALVE BOXES 20 ADJ MANHOLES/VALVE BOXES 20	9782	Sewer Service Distribution Infrastructure	Infrastructure	1,883.79	0.00	1,883.79	10.00	09/05/2006	200-00-000-1135	200-25-990-8130	200-00-000-1990	09/04/2016
ADJ MANHOLES/VALVE BOXES 20 ADJ MANHOLES/VALVE BOXES 20	9792	Sewer Service Distribution Infrastructure	Infrastructure	2,095.75	0.00	2,095.75	10.00	09/05/2006	200-00-000-1135	200-25-990-8130	200-00-000-1990	09/04/2016
ADJ MANHOLES/VALVE BOXES 20 ADJ MANHOLES/VALVE BOXES 20	9790	Sewer Service Distribution Infrastructure	Infrastructure	2,099.54	0.00	2,099.54	10.00	09/05/2006	200-00-000-1135	200-25-990-8130	200-00-000-1990	09/04/2016
ADJ MANHOLES/VALVE BOXES 20 ADJ MANHOLES/VALVE BOXES 20	9794	Sewer Service Distribution Infrastructure	Infrastructure	2,859.66	0.00	2,859.66	10.00	09/05/2006	200-00-000-1135	200-25-990-8130	200-00-000-1990	09/04/2016
ADJ MANHOLES/VALVE BOXES 20 Pump Guidance Rail System	6580	Sewer Service Distribution Infrastructure	Infrastructure	2,785.99	0.00	2						

Description	Fixed Asset#	FA Type	FA Category	Accum Depr	Book Value	Cost	Est Use Life	In Use Date	Capital Acct	Clearing Acct	Accum Depr Acct	Life End
SVCE INSTLTNS 1979-80	5190	Sewer Service Distribution Infrastructure	Infrastructure	2,300.35	0.00	2,300.35	40.00	01/01/1980	200-00-000-1135	200-25-990-8130	200-00-000-1990	01/01/2020
COLLECTION & TRANS MAINS	5192	Sewer Service Distribution Infrastructure	Infrastructure	754.35	19.32	773.67	40.00	06/30/1981	200-00-000-1135	200-25-990-8130	200-00-000-1990	06/30/2021
SCHNEIDER RANCH	4985	Sewer Service Distribution Infrastructure	Infrastructure	2,053.34	52.68	2,106.02	40.00	07/01/1981	200-00-000-1135	200-25-990-8130	200-00-000-1990	07/01/2021
TRANSIENT VOLTAGE SURGE SUR	8503	Sewer Service Distribution Infrastructure	Infrastructure	1,064.75	18.04	1,082.79	20.00	09/06/2001	200-00-000-1135	200-25-990-8130	200-00-000-1990	09/06/2021
MANHOLE RELINING	8891	Sewer Service Distribution Infrastructure	Infrastructure	4,491.97	310.23	4,802.20	20.00	06/28/2002	200-00-000-1135	200-25-990-8130	200-00-000-1990	06/28/2022
SVCE INSTLTNS 1981-82	5193	Sewer Service Distribution Infrastructure	Infrastructure	4,497.23	149.49	4,646.72	40.00	06/30/1982	200-00-000-1135	200-25-990-8130	200-00-000-1990	06/30/2022
MANHOLE	8886	Sewer Service Distribution Infrastructure	Infrastructure	4,273.58	332.34	4,605.92	20.00	08/18/2002	200-00-000-1135	200-25-990-8130	200-00-000-1990	08/18/2022
Raise manholes/valve boxes	106728	Sewer Service Distribution Infrastructure	Infrastructure	2,261.07	536.57	2,797.64	10.00	02/01/2013	200-00-000-1135	200-25-990-8130	200-00-000-1990	02/01/2023
Wetlands Facility Repairs	10769	Sewer Service Distribution Infrastructure	Infrastructure	8,736.00	3,743.76	12,479.76	10.00	03/02/2014	200-00-000-1135	200-25-990-8130	200-00-000-1990	03/01/2024
FLOW METER	9808	Sewer Service Distribution Infrastructure	Infrastructure	2,410.23	766.77	3,177.00	20.00	05/12/2005	200-00-000-1135	200-25-990-8130	200-00-000-1990	05/12/2025
SWING CHECK VALVE 4X8	9840	Sewer Service Distribution Infrastructure	Infrastructure	678.48	231.52	910.00	20.00	12/15/2005	200-00-000-1135	200-25-990-8130	200-00-000-1990	12/15/2025
SWING CHECK VALVE 4X8	9841	Sewer Service Distribution Infrastructure	Infrastructure	678.48	231.52	910.00	20.00	12/15/2005	200-00-000-1135	200-25-990-8130	200-00-000-1990	12/15/2025
AUTOMATIC TRANSFER SWITCH	9831	Sewer Service Distribution Infrastructure	Infrastructure	958.65	339.85	1,298.50	20.00	04/12/2006	200-00-000-1135	200-25-990-8130	200-00-000-1990	04/12/2026
AUTOMATIC TRANSFER SWITCH	9830	Sewer Service Distribution Infrastructure	Infrastructure	1,696.70	612.36	2,309.06	20.00	06/29/2006	200-00-000-1135	200-25-990-8130	200-00-000-1990	06/29/2026
SWING CHECK VALVE 4X4	9826	Sewer Service Distribution Infrastructure	Infrastructure	440.70	182.68	623.38	20.00	01/24/2007	200-00-000-1135	200-25-990-8130	200-00-000-1990	01/24/2027
SWING CHECK VALVE 4X4	9827	Sewer Service Distribution Infrastructure	Infrastructure	440.70	182.68	623.38	20.00	01/24/2007	200-00-000-1135	200-25-990-8130	200-00-000-1990	01/24/2027
SONIC LEVEL CONTROL	9828	Sewer Service Distribution Infrastructure	Infrastructure	1,390.63	576.12	1,966.75	20.00	01/24/2007	200-00-000-1135	200-25-990-8130	200-00-000-1990	01/24/2027
SEWER PUMP MODIFICATION	5162	Sewer Service Distribution Infrastructure	Infrastructure	2,615.30	608.15	3,223.45	40.00	09/30/1988	200-00-000-1135	200-25-990-8130	200-00-000-1990	09/30/2028
REPL. & RELINE SEWERMAINS 2	8546	Sewer Service Distribution Infrastructure	Infrastructure	2,891.07	1,583.27	4,474.34	30.00	10/18/2001	200-00-000-1135	200-25-990-8130	200-00-000-1990	10/18/2031
Levee Repairs at Wetlands	11334	Sewer Service Distribution Infrastructure	Infrastructure	1,047.04	6,805.74	7,852.78	20.00	06/30/2018	200-00-000-1135	200-25-990-8130	200-00-000-1990	06/30/2038
Effluent Export Line - Segment 3 pipe & Segment 4 ARV	11437	Sewer Service Distribution Infrastructure	Infrastructure	79,490.04	3,100,109.96	3,179,600.00	40.00	6/30/2019	200-00-000-1135	200-25-990-8130	200-00-000-1990	06/30/2059
				270,089.51	3,117,393.05	3,387,482.56						
2011 Portable Welder #648-Swr	10496-2	Sewer Service Equipment	Machinery & Equipment	3,393.70	0.00	3,393.70	10.00	02/08/2011	200-00-000-1140	200-25-990-8130	200-00-000-1990	02/07/2021
Boiler in Washbay	11226-8	Sewer Service Equipment	Machinery & Equipment	91.96	410.04	502.00	20.00	07/01/2017	200-00-000-1140	200-25-990-8130	200-00-000-1990	07/01/2037
				3,485.66	410.04	3,895.70						
#270 PIPELINE TRAILER	2306	Sewer Vehicles	Machinery & Equipment	3,849.15	0.00	3,849.15	10.00	03/26/1992	200-00-000-1150	200-25-990-8130	200-00-000-1990	03/26/2002
				3,849.15	0.00	3,849.15						
				291,679.56	3,139,178.00	3,430,857.56						
Green Brush attachment for Toro Greensmowers	11436	Recreation Service Equipment	Machinery & Equipment	319.60	447.29	766.89	4.00	06/30/2019	320-00-000-1240	320-31-420-8130	320-00-000-1990	06/30/2023
Green Brush attachment for Toro Greensmowers	11431	Recreation Service Equipment	Machinery & Equipment	319.60	447.29	766.89	4.00	06/30/2019	320-00-000-1240	320-31-420-8130	320-00-000-1990	06/30/2023
Green Brush attachment for Toro Greensmowers	11432	Recreation Service Equipment	Machinery & Equipment	319.60	447.29	766.89	4.00	06/30/2019	320-00-000-1240	320-31-420-8130	320-00-000-1990	06/30/2023
Green Brush attachment for Toro Greensmowers	11433	Recreation Service Equipment	Machinery & Equipment	319.60	447.29	766.89	4.00	06/30/2019	320-00-000-1240	320-31-420-8130	320-00-000-1990	06/30/2023
Green Brush attachment for Toro Greensmowers	11434	Recreation Service Equipment	Machinery & Equipment	319.60	447.29	766.89	4.00	06/30/2019	320-00-000-1240	320-31-420-8130	320-00-000-1990	06/30/2023
Green Brush attachment for Toro Greensmowers	11435	Recreation Service Equipment	Machinery & Equipment	319.60	447.29	766.89	4.00	06/30/2019	320-00-000-1240	320-31-420-8130	320-00-000-1990	06/30/2023
				1,917.60	2,683.73	4,601.33						
True Single Door Refrigerator	11146	Recreation Service Equipment	Machinery & Equipment	1,799.10	599.90	2,399.00	5.00	05/31/2017	320-00-000-1240	320-31-530-8130	320-00-000-1990	05/31/2022
Walk In Cooler Refurbishment (Shelving)	11149	Recreation Service Equipment	Machinery & Equipment	2,624.16	954.24	3,578.40	5.00	06/30/2017	320-00-000-1240	320-31-530-8130	320-00-000-1990	06/30/2022
Bartender Pass Through	10688	Recreation Service Equipment	Machinery & Equipment	3,912.94	1,080.06	4,993.00	10.00	06/01/2013	320-00-000-1240	320-31-530-8130	320-00-000-1990	06/01/2023
				8,336.20	2,634.20	10,970.40						
#97-072 FAIRWAY MOWER REELS	9218	Recreation Service Equipment	Machinery & Equipment	3,450.00	0.00	3,450.00	3.00	04/01/2003	320-00-000-1240	320-31-970-8130	320-00-000-1990	03/31/2006
#97-073 FAIRWAY MOWER REELS	9219	Recreation Service Equipment	Machinery & Equipment	3,450.00	0.00	3,450.00	3.00	04/01/2003	320-00-000-1240	320-31-970-8130	320-00-000-1990	03/31/2006
#97-074 FAIRWAY MOWER REELS	9220	Recreation Service Equipment	Machinery & Equipment	3,450.00	0.00	3,450.00	3.00	04/01/2003	320-00-000-1240	320-31-970-8130	320-00-000-1990	03/31/2006
#97-075 FAIRWAY MOWER REELS	9221	Recreation Service Equipment	Machinery & Equipment	3,450.00	0.00	3,450.00	3.00	04/01/2003	320-00-000-1240	320-31-970-8130	320-00-000-1990	03/31/2006
#97-076 FAIRWAY MOWER REELS	9222	Recreation Service Equipment	Machinery & Equipment	3,450.00	0.00	3,450.00	3.00	04/01/2003	320-00-000-1240	320-31-970-8130	320-00-000-1990	03/31/2006
				17,250.00	0.00	17,250.00						
CHATEAU	9426	Recreation Buildings and Structures	Building & Renovations	1,400.00	0.00	1,400.00	5.00	09/01/2004	320-00-000-1230	320-31-990-8130	320-00-000-1990	09/01/2009
Security System	9429	Recreation Buildings and Structures	Building & Renovations	3,569.65	0.00	3,569.65	5.00	09/01/2004	320-00-000-1230	320-31-990-8130	320-00-000-1990	09/01/2009
CHATEAU	9414	Recreation Buildings and Structures	Building & Renovations	773.35	1,832.40	2,605.75	51.00	09/01/2004	320-00-000-1230	320-31-990-8130	320-00-000-1990	09/01/2055
				5,743.00	1,832.40	7,575.40						
DRINKING FOUNTAIN	9403	Golf Course Improvements	Venue Improvements	1,839.60	0.00	1,839.60	10.00	10/01/2002	320-00-000-1232	320-31-990-8130	320-00-000-1990	09/30/2012
OVERLAY CHAMP MAINTENANCE Y	9738	Golf Course Improvements	Venue Improvements	15,944.00	0.00	15,944.00	10.00	07/06/2006	320-00-000-1232	320-31-990-8130	320-00-000-1990	07/05/2016
PAVE RESTROOM PATH- CHAMP G	10234	Golf Course Improvements	Venue Improvements	4,200.00	0.00	4,200.00	10.00	10/01/2008	320-00-000-1232	320-31-990-8130	320-00-000-1990	10/01/2018
EROSION CONTROL 15TH GREEN	8474	Golf Course Improvements	Venue Improvements	2,862.50	137.50	3,000.00	20.00	06/01/2001	320-00-000-1232	320-31-990-8130	320-00-000-1990	06/01/2021
BRIDGE - NO. 3	7046	Golf Course Improvements	Venue Improvements	2,945.30	200.75	3,146.05	25.00	06/30/1997	320-00-000-1232	320-31-990-8130	320-00-000-1990	06/30/2022
MASTER PLAN AND DESIGN FEES	8477	Golf Course Improvements	Venue Improvements	35,864.51	11,038.89	46,903.40	25.00	06/01/2001	320-00-000-1232	320-31-990-8130	320-00-000-1990	06/01/2026
				63,655.91	11,377.14	75,033.05						
WELDING EQUIPMENT	5808	Recreation Service Equipment	Machinery & Equipment	1,858.28	0.00	1,858.28	5.00	09/26/1994	320-00-000-1240	320-31-990-8130	320-00-000-1990	09/26/1999
#500 AERIFIER	10035	Recreation Service Equipment	Machinery & Equipment	2,575.00	0.00	2,575.00	4.00	10/12/2001	320-00-000-1240	320-31-990-8130	320-00-000-1990	10/12/2005
GOLF SHOP WASTE OIL SYSTEM	9276	Recreation Service Equipment	Machinery & Equipment	2,954.62	0.00	2,954.62	3.00	03/30/2004	320-00-000-1240	320-31-990-8130	320-00-000-1990	03/30/2007
#97-094 GREENS MOWER CUT UN	10110	Recreation Service Equipment	Machinery & Equipment	3,724.00	0.00	3,724.00	4.00	08/18/2008	320-00-000-1240	320-31-990-8130	320-00-000-1990	08/18/2012
#97-095 GREENS MOWER CUT UN	10111	Recreation Service Equipment	Machinery & Equipment	3,724.00	0.00	3,724.00	4.00	08/18/2008	320-00-000-1240	320-31-990-8130	320-00-000-1990	08/18/2012
#97-093 GREENS MOWER CUT UN	10109	Recreation Service Equipment	Machinery & Equipment	3,724.31	0.00	3,724.31	4.00	08/18/2008	320-00-000-1240	320-31-990-8130	320-00-000-1990	08/18/2012
#621 JD TC125 CORE HARVESTE	10114	Recreation Service Equipment	Machinery & Equipment	4,875.00	0.00	4,875.00	5.00	08/25/2008	320-00-000-1240	320-31-990-8130	320-00-000-1990	08/25/2013
JIB CRANE	9277	Recreation Service Equipment	Machinery & Equipment	3,066.52	0.00	3,066.52	10.00	03/30/2004	320-00-000-1240	320-31-990-8130	320-00-000-1990	03/30/2014
Square Club Washer	11548	Recreation Service Equipment	Machinery & Equipment	241.60	1,570.40	1,812.00	5.00	06/30/2020	320-00-000-1240	320-31-990-8130	320-00-000-1990	06/30/2025
				26,743.33	1,570.40	28,313.73						
POS TERMINAL - GOLF	10286	Recreation Office Equipment	Machinery & Equipment	2,550.00	0.00	2,550.00	5.00	11/28/2008	320-00-000-1245	320-31-990-8130	320-00-000-1990	11/28/2013
				2,550.00	0.00	2,550.00						



Description	Fixed Asset#	FA Type	FA Category	Accum Depr	Book Value	Cost	Est Use Life	In Use Date	Capital Acct	Clearing Acct	Accum Depr Acct	Life End
				98,692.24	14,779.94	113,472.18						
Irrigation Improvements	11282	Golf Course Improvements	Venue Improvements	813.60	4,068.50	4,882.10	20.00	06/30/2018	320-00-000-1232	320-32-410-8130	320-00-000-1990	
				813.60	4,068.50	4,882.10						
TOOL CHEST, CABINET & TOOLS	5806	Recreation Service Equipment	Machinery & Equipment	1,645.60	0.00	1,645.60	5.00	11/15/1994	320-00-000-1240	320-32-970-8130	320-00-000-1990	11/15/1999
				1,645.60	0.00	1,645.60						
BUILDING REPAIR EXEC '03	5561	Recreation Buildings and Structures	Building & Renovations	26,119.43	0.00	26,119.43	10.00	10/14/1993	320-00-000-1230	320-32-990-8130	320-00-000-1990	10/14/2003
Building Improvements	8970	Recreation Buildings and Structures	Building & Renovations	2,647.61	0.00	2,647.61	10.00	05/31/2002	320-00-000-1230	320-32-990-8130	320-00-000-1990	05/30/2012
EQUIPMENT STORAGE LOFT	6611	Recreation Buildings and Structures	Building & Renovations	2,479.00	0.00	2,479.00	20.00	11/30/1996	320-00-000-1230	320-32-990-8130	320-00-000-1990	11/30/2016
				31,246.04	0.00	31,246.04						
REPAVE RECREATION FACILITIE	6095	Golf Course Improvements	Venue Improvements	3,184.42	0.00	3,184.42	7.00	09/30/1995	320-00-000-1232	320-32-990-8130	320-00-000-1990	09/29/2002
Mt Course Tee/Bunker Renovatio	10628	Golf Course Improvements	Venue Improvements	2,138.40	1,560.60	3,699.00	15.00	06/30/2012	320-00-000-1232	320-32-990-8130	320-00-000-1990	06/30/2027
IMPROVE MT COURSE 2001	8689	Golf Course Improvements	Venue Improvements	3,754.76	45.24	3,800.00	84.00	03/11/2002	320-00-000-1232	320-32-990-8130	320-00-000-1990	03/11/2086
				9,077.58	1,605.84	10,683.42						
#500 AERIFIER	10036	Recreation Service Equipment	Machinery & Equipment	2,575.00	0.00	2,575.00	4.00	10/12/2001	320-00-000-1240	320-32-990-8130	320-00-000-1990	10/12/2005
#621 JD TC125 CORE HARVESTE	10115	Recreation Service Equipment	Machinery & Equipment	4,875.00	0.00	4,875.00	5.00	08/25/2008	320-00-000-1240	320-32-990-8130	320-00-000-1990	08/25/2013
GolfTrac Software System - Mountain Golf	11176-B	Information Technology Communications Equipment	Machinery & Equipment	4,397.39	0.00	4,397.39	3.00	05/01/2017	320-00-000-1240	320-32-990-8130	320-00-000-1990	04/30/2020
				11,847.39	0.00	11,847.39						
				52,171.01	1,605.84	53,776.85						
ASPEN GROVE IMPROVEMENTS	8110	Recreation Buildings and Structures	Building & Renovations	3,998.88	0.00	3,998.88	5.00	03/31/2000	330-00-000-1230	330-33-500-8130	330-00-000-1990	03/31/2005
Security System	9428	Recreation Buildings and Structures	Building & Renovations	3,569.65	0.00	3,569.65	5.00	09/01/2004	330-00-000-1230	330-33-500-8130	330-00-000-1990	09/01/2009
CHATEAU	9427	Recreation Buildings and Structures	Building & Renovations	4,550.00	0.00	4,550.00	5.00	09/01/2004	330-00-000-1230	330-33-500-8130	330-00-000-1990	09/01/2009
CHATEAU	9415	Recreation Buildings and Structures	Building & Renovations	790.69	1,815.05	2,605.74	50.00	09/01/2004	330-00-000-1230	330-33-500-8130	330-00-000-1990	09/01/2054
				12,909.22	1,815.05	14,724.27						
Stand Up Refrigerator	10721	Recreation Service Equipment	Machinery & Equipment	2,311.12	0.00	2,311.12	5.00	08/31/2013	330-00-000-1240	330-33-500-8130	330-00-000-1990	08/31/2018
Chateau Stand Up Freezer	10720	Recreation Service Equipment	Machinery & Equipment	2,849.84	0.00	2,849.84	5.00	08/31/2013	330-00-000-1240	330-33-500-8130	330-00-000-1990	08/31/2018
6 Farm Tables	11263	Recreation Service Equipment	Machinery & Equipment	3,520.00	1,280.00	4,800.00	5.00	07/01/2017	330-00-000-1240	330-33-500-8130	330-00-000-1990	07/01/2022
Reclaimed Wood Podium	11264	Recreation Service Equipment	Machinery & Equipment	418.88	381.12	800.00	7.00	07/01/2017	330-00-000-1240	330-33-500-8130	330-00-000-1990	06/30/2024
True Double Door Refrigerator	11142	Recreation Service Equipment	Machinery & Equipment	1,255.95	2,093.05	3,349.00	10.00	05/31/2017	330-00-000-1240	330-33-500-8130	330-00-000-1990	05/31/2027
6' Rolling Tables and stationary Tables	11265	Recreation Service Equipment	Machinery & Equipment	1,404.04	2,425.43	3,829.47	10.00	07/01/2017	330-00-000-1240	330-33-500-8130	330-00-000-1990	07/01/2027
Imperial 6 Burner Range with oven	11605	Recreation Service Equipment	Machinery & Equipment	225.75	3,644.21	3,869.96	10.00	07/31/2020	330-00-000-1240	330-33-500-8130	330-00-000-1990	07/31/2030
				11,985.58	9,823.81	21,809.39						
POS TERMINAL - FACILITIES	10287	Recreation Office Equipment	Machinery & Equipment	2,550.00	0.00	2,550.00	5.00	11/28/2008	330-00-000-1245	330-33-500-8130	330-00-000-1990	11/28/2013
Thermal Receipt Printers (10)	10517	Recreation Office Equipment	Machinery & Equipment	2,950.00	0.00	2,950.00	5.00	06/28/2011	330-00-000-1245	330-33-500-8130	330-00-000-1990	06/27/2016
CASH DRAWERS	10529	Recreation Office Equipment	Machinery & Equipment	932.69	0.00	932.69	5.00	07/01/2011	330-00-000-1245	330-33-500-8130	330-00-000-1990	06/30/2016
				6,432.69	0.00	6,432.69						
				31,327.49	11,638.86	42,966.35						
Table with Wood Block	10255	Recreation Service Equipment	Machinery & Equipment	313.00	0.00	313.00	5.00	12/15/2008	340-00-000-1240	340-34-530-8130	340-00-000-1990	12/15/2013
Hot Dog Roller	10256	Recreation Service Equipment	Machinery & Equipment	1,333.66	0.00	1,333.66	5.00	12/15/2008	340-00-000-1240	340-34-530-8130	340-00-000-1990	12/15/2013
Wall Shelves for Ski	10257	Recreation Service Equipment	Machinery & Equipment	1,387.20	0.00	1,387.20	5.00	12/15/2008	340-00-000-1240	340-34-530-8130	340-00-000-1990	12/15/2013
Work Top Refrigerator	10258	Recreation Service Equipment	Machinery & Equipment	1,540.22	0.00	1,540.22	5.00	12/15/2008	340-00-000-1240	340-34-530-8130	340-00-000-1990	12/15/2013
Steam Table	10735	Recreation Service Equipment	Machinery & Equipment	2,103.60	0.00	2,103.60	5.00	12/12/2013	340-00-000-1240	340-34-530-8130	340-00-000-1990	12/12/2018
Broiler on Table with Wheels	10734	Recreation Service Equipment	Machinery & Equipment	3,612.08	0.00	3,612.08	5.00	12/12/2013	340-00-000-1240	340-34-530-8130	340-00-000-1990	12/12/2018
				10,289.76	0.00	10,289.76						
FURNACE - SNOWFLAKE	8616	Recreation Buildings and Structures	Building & Renovations	4,362.31	0.00	4,362.31	10.00	10/01/2001	340-00-000-1230	340-34-990-8130	340-00-000-1990	10/01/2011
SSB Sheet Carpeting	10547	Recreation Buildings and Structures	Building & Renovations	2,802.15	121.85	2,924.00	10.00	12/01/2010	340-00-000-1230	340-34-990-8130	340-00-000-1990	11/30/2020
SSB Resilient Base	10548	Recreation Buildings and Structures	Building & Renovations	4,583.70	199.30	4,783.00	10.00	12/01/2010	340-00-000-1230	340-34-990-8130	340-00-000-1990	11/30/2020
Pavement repairs & slurry seal at Diamond Peak parking lot anc	11525	Recreation Buildings and Structures	Building & Renovations	10,451.13	37,784.35	48,235.48	5.00	05/31/2020	340-00-000-1230	340-34-990-8130	340-00-000-1990	05/31/2025
FIRE HYDRANT	3564	Recreation Buildings and Structures	Building & Renovations	2,482.35	322.34	2,804.69	40.00	10/03/1985	340-00-000-1230	340-34-990-8130	340-00-000-1990	10/03/2025
				24,681.64	38,427.84	63,109.48						
AUXILIARY ENGINE- School Hse	3459	Slope and Mountain Improvements	Venue Improvements	4,786.44	0.00	4,786.44	8.00	01/01/1979	340-00-000-1234	340-34-990-8130	340-00-000-1990	01/01/1987
002-LINE PIPE FITTINGS	3853	Slope and Mountain Improvements	Venue Improvements	2,117.28	0.00	2,117.28	20.00	12/31/1989	340-00-000-1234	340-34-990-8130	340-00-000-1990	12/31/2009
SKI MASTER PLAN	8576	Slope and Mountain Improvements	Venue Improvements	17,447.05	0.00	17,447.05	15.00	06/30/1997	340-00-000-1234	340-34-990-8130	340-00-000-1990	06/29/2012
SNOWMAKING P&E 90.301	3752	Slope and Mountain Improvements	Venue Improvements	2,164.82	0.00	2,164.82	22.00	04/30/1991	340-00-000-1234	340-34-990-8130	340-00-000-1990	04/29/2013
SNOWMAKING GUNS & SLEDS	9267	Slope and Mountain Improvements	Venue Improvements	4,151.45	696.69	4,848.14	20.00	01/16/2004	340-00-000-1234	340-34-990-8130	340-00-000-1990	01/16/2024
				30,667.04	696.69	31,363.73						
Sandwich Prep Table	10260	Recreation Service Equipment	Machinery & Equipment	2,627.25	0.00	2,627.25	5.00	12/15/2008	340-00-000-1240	340-34-990-8130	340-00-000-1990	12/15/2013
				2,627.25	0.00	2,627.25						
THERMAL RECEIPT PRINTER	10042	Recreation Office Equipment	Machinery & Equipment	2,950.00	0.00	2,950.00	5.00	12/13/2007	340-00-000-1245	340-34-990-8130	340-00-000-1990	12/12/2012
FARGO CARD PRINTER	10053	Recreation Office Equipment	Machinery & Equipment	2,235.00	0.00	2,235.00	5.00	12/30/2007	340-00-000-1245	340-34-990-8130	340-00-000-1990	12/29/2012
Mobile Radio and Antenna	9060	Recreation Office Equipment	Machinery & Equipment	788.58	0.00	788.58	10.00	01/03/2003	340-00-000-1245	340-34-990-8130	340-00-000-1990	01/02/2013
Ski Safe	10368	Recreation Office Equipment	Machinery & Equipment	2,500.00	0.00	2,500.00	10.00	07/01/2009	340-00-000-1245	340-34-990-8130	340-00-000-1990	07/01/2019
				8,473.58	0.00	8,473.58						
SNOW BLOWER #96-032	9775	Recreation Vehicles	Machinery & Equipment	1,757.00	0.00	1,757.00	5.00	09/19/2006	340-00-000-1250	340-34-990-8130	340-00-000-1990	09/19/2011
SNOW BLOWER - #96-033	9776	Recreation Vehicles	Machinery & Equipment	1,889.00	0.00	1,889.00	5.00	09/19/2006	340-00-000-1250	340-34-990-8130	340-00-000-1990	09/19/2011
SNOW BLOWER #96-034	9777	Recreation Vehicles	Machinery & Equipment	2,224.00	0.00	2,224.00	5.00	09/19/2006	340-00-000-1250	340-34-990-8130	340-00-000-1990	09/19/2011

Description	Fixed Asset#	FA Type	FA Category	Accum Depr	Book Value	Cost	Est Use Life	In Use Date	Capital Acct	Clearing Acct	Accum Depr Acct	Life End
				5,870.00	0.00	5,870.00						
				72,319.51	39,124.53	111,444.04						
CYBEX - TORSO	10012	Recreation Service Equipment	Machinery & Equipment	4,283.25	0.00	4,283.25	5.00	11/08/2007	350-00-000-1240	350-48-840-8130	350-00-000-1990	11/07/2012
LCD TV ATTACHED TO ELLIPTIC	10298	Recreation Service Equipment	Machinery & Equipment	1,560.00	0.00	1,560.00	5.00	02/20/2009	350-00-000-1240	350-48-840-8130	350-00-000-1990	02/20/2014
LCD TV ATTACHED TO ELLIPTIC	10299	Recreation Service Equipment	Machinery & Equipment	1,560.00	0.00	1,560.00	5.00	02/20/2009	350-00-000-1240	350-48-840-8130	350-00-000-1990	02/20/2014
VERSA-CLIMBER	10397	Recreation Service Equipment	Machinery & Equipment	3,858.00	0.00	3,858.00	5.00	09/01/2009	350-00-000-1240	350-48-840-8130	350-00-000-1990	09/01/2014
VANITIES	8338	Recreation Service Equipment	Machinery & Equipment	1,310.00	0.00	1,310.00	15.00	06/09/2000	350-00-000-1240	350-48-840-8130	350-00-000-1990	06/09/2015
Concept Row 2	10613	Recreation Service Equipment	Machinery & Equipment	1,320.00	0.00	1,320.00	7.00	04/16/2012	350-00-000-1240	350-48-840-8130	350-00-000-1990	04/16/2019
Upper Body Ergometer	10655	Recreation Service Equipment	Machinery & Equipment	4,025.00	0.00	4,025.00	7.00	12/11/2012	350-00-000-1240	350-48-840-8130	350-00-000-1990	12/11/2019
Freemotion CarbonDriver Cycles	10761	Recreation Service Equipment	Machinery & Equipment	3,190.33	290.01	3,480.34	7.00	01/21/2014	350-00-000-1240	350-48-840-8130	350-00-000-1990	01/20/2021
LifeFitness Upright Bike	10788	Recreation Service Equipment	Machinery & Equipment	4,376.61	460.72	4,837.33	7.00	03/05/2014	350-00-000-1240	350-48-840-8130	350-00-000-1990	03/04/2021
LifeFitness Upright Bike	10789	Recreation Service Equipment	Machinery & Equipment	4,376.61	460.72	4,837.33	7.00	03/05/2014	350-00-000-1240	350-48-840-8130	350-00-000-1990	03/04/2021
Precor Recumbent Cycle	10852	Recreation Service Equipment	Machinery & Equipment	3,179.68	748.32	3,928.00	7.00	07/01/2014	350-00-000-1240	350-48-840-8130	350-00-000-1990	06/30/2021
Precor Recumbent Cycle	10853	Recreation Service Equipment	Machinery & Equipment	3,179.68	748.32	3,928.00	7.00	07/01/2014	350-00-000-1240	350-48-840-8130	350-00-000-1990	06/30/2021
Motor Hoist	9339	Recreation Service Equipment	Machinery & Equipment	2,880.47	364.53	3,245.00	20.00	05/28/2003	350-00-000-1240	350-48-840-8130	350-00-000-1990	05/28/2023
				39,099.63	3,072.62	42,172.25						
EQUIPMENT STORAGE SHED	6237	Recreation Buildings and Structures	Building & Renovations	4,543.44	0.00	4,543.44	5.00	01/29/1995	350-00-000-1230	350-48-990-8130	350-00-000-1990	01/29/2000
HANDICAP DOORS - REC. CENTE	6008	Recreation Buildings and Structures	Building & Renovations	4,328.72	0.00	4,328.72	10.00	05/12/1995	350-00-000-1230	350-48-990-8130	350-00-000-1990	05/11/2005
				8,872.16	0.00	8,872.16						
CYBEX - AB/AD Machine	9240	Recreation Service Equipment	Machinery & Equipment	4,143.00	0.00	4,143.00	5.00	12/19/2003	350-00-000-1240	350-48-990-8130	350-00-000-1990	12/18/2008
LIFEFITNESS - DUAL ADJ PULL	9518	Recreation Service Equipment	Machinery & Equipment	4,338.40	0.00	4,338.40	5.00	02/22/2005	350-00-000-1240	350-48-990-8130	350-00-000-1990	02/22/2010
Ice Machine - Recreation Center	10827	Recreation Service Equipment	Machinery & Equipment	4,570.00	0.00	4,570.00	5.00	12/11/2014	350-00-000-1240	350-48-990-8130	350-00-000-1990	12/11/2019
Recreation Card Reading Machines	10881	Recreation Service Equipment	Machinery & Equipment	2,984.00	0.00	2,984.00	5.00	03/10/2015	350-00-000-1240	350-48-990-8130	350-00-000-1990	02/29/2020
Matrix Ab/Low Back Strength Machine	11001	Recreation Service Equipment	Machinery & Equipment	2,415.43	426.24	2,841.67	5.00	03/22/2016	350-00-000-1240	350-48-990-8130	350-00-000-1990	03/22/2021
Stages SCE Indoor Cycles with Power Meter & console	11004	Recreation Service Equipment	Machinery & Equipment	1,465.84	258.66	1,724.50	5.00	03/26/2016	350-00-000-1240	350-48-990-8130	350-00-000-1990	03/26/2021
Stages SCE Indoor Cycles with Power Meter & console	11005	Recreation Service Equipment	Machinery & Equipment	1,831.26	323.19	2,154.45	5.00	03/26/2016	350-00-000-1240	350-48-990-8130	350-00-000-1990	03/26/2021
Hammer Strength Hammer Select Assist Dip/Chin	11000	Recreation Service Equipment	Machinery & Equipment	3,387.90	677.60	4,065.50	5.00	04/26/2016	350-00-000-1240	350-48-990-8130	350-00-000-1990	04/26/2021
				25,135.83	1,685.69	26,821.52						
				34,007.99	1,685.69	35,693.68						
CARPET - PARKS BUILDING	10313	Recreation Buildings and Structures	Building & Renovations	3,555.00	0.00	3,555.00	7.00	10/01/2008	370-00-000-1230	370-43-780-8130	370-00-000-1990	10/01/2015
COMPRESSOR&STORAGE-PRKS. 8L	10311	Recreation Buildings and Structures	Building & Renovations	3,035.70	0.00	3,035.70	10.00	10/01/2008	370-00-000-1230	370-43-780-8130	370-00-000-1990	10/01/2018
LOCKERS - PARKS BLDG.	10307	Recreation Buildings and Structures	Building & Renovations	2,138.28	1,291.72	3,430.00	20.00	10/01/2008	370-00-000-1230	370-43-780-8130	370-00-000-1990	10/01/2028
				8,728.98	1,291.72	10,020.70						
IP #2 EXTENSION	4222	Field and Parks Improvements	Venue Improvements	3,944.00	0.00	3,944.00	5.00	07/12/1989	370-00-000-1236	370-43-780-8130	370-00-000-1990	07/12/1994
DRINKING FOUNTAIN	9401	Field and Parks Improvements	Venue Improvements	1,839.60	0.00	1,839.60	10.00	10/01/2002	370-00-000-1236	370-43-780-8130	370-00-000-1990	09/30/2012
DRINKING FOUNTAIN	9402	Field and Parks Improvements	Venue Improvements	1,839.60	0.00	1,839.60	10.00	10/01/2002	370-00-000-1236	370-43-780-8130	370-00-000-1990	09/30/2012
Incline Park #3 - SCORE BOOTH	8962	Field and Parks Improvements	Venue Improvements	4,145.00	0.00	4,145.00	10.00	10/01/2002	370-00-000-1236	370-43-780-8130	370-00-000-1990	09/30/2012
Aspen Grove Pavement	11051	Field and Parks Improvements	Venue Improvements	2,627.50	0.00	2,627.50	2.00	07/01/2015	370-00-000-1236	370-43-780-8130	370-00-000-1990	06/30/2017
Sewer Pump Station Vault LI	9205	Field and Parks Improvements	Venue Improvements	3,145.37	453.13	3,598.50	20.00	10/11/2003	370-00-000-1236	370-43-780-8130	370-00-000-1990	10/11/2023
Stair Replacement - Incline Park - Additional Costs to parent ass	11326	Field and Parks Improvements	Venue Improvements	161.20	758.30	919.50	19.00	10/31/2017	370-00-000-1236	370-43-780-8130	370-00-000-1990	10/30/2036
ADA Compliance/Lot Preston Fld	10706	Field and Parks Improvements	Venue Improvements	1,002.38	2,878.49	3,880.87	30.00	07/01/2013	370-00-000-1236	370-43-780-8130	370-00-000-1990	07/01/2043
				18,704.65	4,089.92	22,794.57						
				27,433.63	5,381.64	32,815.27						
Replace Tennis Roof	10634	Recreation Buildings and Structures	Building & Renovations	1,400.49	1,799.51	3,200.00	20.00	07/01/2012	380-00-000-1230	380-45-880-8130	380-00-000-1990	07/01/2032
				1,400.49	1,799.51	3,200.00						
Tennis Court Paver Installation	10900	Field and Parks Improvements	Venue Improvements	2,779.32	2,053.68	4,833.00	10.00	05/31/2015	380-00-000-1236	380-45-880-8130	380-00-000-1990	05/30/2025
				2,779.32	2,053.68	4,833.00						
				4,179.81	3,853.19	8,033.00						
Artistic Fence	10933	Field and Parks Improvements	Venue Improvements	2,798.00	0.00	2,798.00	5.00	06/30/2015	390-00-000-1236	390-39-780-8130	390-00-000-1990	06/29/2020
Bear Boxes	10927	Recreation Service Equipment	Machinery & Equipment	736.44	562.56	1,299.00	10.00	06/30/2015	390-00-000-1236	390-39-780-8130	390-00-000-1990	06/29/2025
				3,534.44	562.56	4,097.00						
Motor Hoist	9340	Recreation Buildings and Structures	Building & Renovations	2,454.51	304.49	2,759.00	20.00	05/28/2003	390-00-000-1230	390-39-850-8130	390-00-000-1990	05/28/2023
Burnt Cedar Building	9168	Recreation Buildings and Structures	Building & Renovations	3,132.10	1,327.85	4,459.95	25.00	08/15/2003	390-00-000-1230	390-39-850-8130	390-00-000-1990	08/14/2028
				5,586.61	1,632.34	7,218.95						
Implement Beach Improvement	9231	Field and Parks Improvements	Venue Improvements	4,706.78	0.00	4,706.78	10.00	08/31/2002	390-00-000-1236	390-39-850-8130	390-00-000-1990	08/30/2012
				4,706.78	0.00	4,706.78						
FRYER	9956	Recreation Service Equipment	Machinery & Equipment	735.00	0.00	735.00	3.00	06/30/2007	390-00-000-1240	390-39-850-8130	390-00-000-1990	06/29/2010
FRYER	9957	Recreation Service Equipment	Machinery & Equipment	735.00	0.00	735.00	3.00	06/30/2007	390-00-000-1240	390-39-850-8130	390-00-000-1990	06/29/2010
GRILL	9955	Recreation Service Equipment	Machinery & Equipment	2,600.00	0.00	2,600.00	3.00	06/30/2007	390-00-000-1240	390-39-850-8130	390-00-000-1990	06/29/2010
				4,070.00	0.00	4,070.00						
POS TERMINAL - BEACH	10285	Recreation Office Equipment	Machinery & Equipment	2,550.00	0.00	2,550.00	5.00	11/28/2008	390-00-000-1245	390-39-850-8130	390-00-000-1990	11/28/2013
				2,550.00	0.00	2,550.00						
				16,913.39	1,632.34	18,545.73						
BEACH LIFEGUARD CHAIRS	8392	Recreation Service Equipment	Machinery & Equipment	1,550.00	0.00	1,550.00	5.00	06/28/2000	390-00-000-1240	390-39-990-8130	390-00-000-1990	06/28/2005
BEACH LIFEGUARD CHAIRS	8393	Recreation Service Equipment	Machinery & Equipment	1,550.00	0.00	1,550.00	5.00	06/28/2000	390-00-000-1240	390-39-990-8130	390-00-000-1990	06/28/2005

Description	Fixed Asset#	FA Type	FA Category	Accum Depr	Book Value	Cost	Est Use Life	In Use Date	Capital Acct	Clearing Acct	Accum Depr Acct	Life End
BEACH LIFEGUARD CHAIRS	8394	Recreation Service Equipment	Machinery & Equipment	1,550.00	0.00	1,550.00	5.00	06/28/2000	390-00-000-1240	390-39-990-8130	390-00-000-1990	06/28/2005
KAYAK STORAGE RACKS	9360	Recreation Service Equipment	Machinery & Equipment	2,805.43	0.00	2,805.43	5.00	04/15/2004	390-00-000-1240	390-39-990-8130	390-00-000-1990	04/15/2009
Chaise lounge chairs for beaches	11277	Recreation Service Equipment	Machinery & Equipment	1,612.96	1,233.29	2,846.25	5.00	05/01/2018	390-00-000-1240	390-39-990-8130	390-00-000-1990	05/01/2023
Planters for Beaches	11278	Recreation Service Equipment	Machinery & Equipment	1,100.92	2,784.08	3,885.00	10.00	05/01/2018	390-00-000-1240	390-39-990-8130	390-00-000-1990	04/30/2028
Ski Beach Bathroom Remodel - ADA Compliant	10928	Recreation Buildings and Structures	Building & Renovations	536.52	1,831.56	2,368.08	25.00	06/30/2015	390-00-000-1230	390-39-990-8130	390-00-000-1990	06/29/2040
				10,705.83	5,848.93	16,554.76						
PLASMA CUTTER WITH ACCESSOR	9952	Administration Service Equipment	Machinery & Equipment	2,275.00	0.00	2,275.00	6.00	03/13/2007	410-00-000-1940	410-51-990-8130	410-00-000-1990	03/12/2013
#95-060 FIELD&ORCHARD SPRAY	8364	Administration Service Equipment	Machinery & Equipment	3,011.25	0.00	3,011.25	4.00	03/08/2001	410-00-000-1940	410-51-990-8130	410-00-000-1990	03/08/2005
LUBE REEL DELIVERY SYSTEM	9292	Administration Service Equipment	Machinery & Equipment	4,191.67	0.00	4,191.67	3.00	04/20/2004	410-00-000-1940	410-51-990-8130	410-00-000-1990	04/20/2007
				9,477.92	0.00	9,477.92						
EQUIPMENT TRAILER #539	9237	Administration Vehicles	Machinery & Equipment	3,794.87	0.00	3,794.87	10.00	01/06/2004	430-00-000-1950	430-53-940-8130	430-00-000-1990	01/05/2014
				3,794.87	0.00	3,794.87						
Dell Power Edge Server 2950	10369	Information Technology Communications Equipment	Machinery & Equipment	4,975.51	0.00	4,975.51	5.00	07/01/2009	990-00-000-1938	990-00-000-8130	990-00-000-1990	07/01/2014
Time Clock Memory Upgrade	11168	Information Technology Communications Equipment	Machinery & Equipment	4,950.00	0.00	4,950.00	3.00	06/30/2017	990-00-000-1938	990-00-000-8130	990-00-000-1990	06/29/2020
Computer Data Center	11323	Information Technology Communications Equipment	Machinery & Equipment	4,847.50	0.00	4,847.50	3.00	07/01/2017	990-00-000-1938	990-00-000-8130	990-00-000-1990	06/30/2020
Dell Laptop 3530, Dell Docking Station	11513	Information Technology Communications Equipment	Machinery & Equipment	611.49	1,546.61	2,158.10	5.00	08/09/2019	990-00-000-1938	990-00-000-8130	990-00-000-1990	08/08/2024
Xerox Multifunction Printer/Copier B405	11512	Information Technology Communications Equipment	Machinery & Equipment	155.30	776.70	932.00	5.00	03/11/2020	990-00-000-1938	990-00-000-8130	990-00-000-1990	03/11/2025
				15,539.80	2,323.31	17,863.11						
OFFICE CUBICLE	2141	Administration Office Equipment	Machinery & Equipment	1,930.08	0.00	1,930.08	5.00	05/14/1992	990-00-000-1945	990-00-000-8130	990-00-000-1990	05/14/1997
MODULAR OFFICE FURNITURE	6428	Administration Office Equipment	Machinery & Equipment	4,421.85	0.00	4,421.85	5.00	08/30/1996	990-00-000-1945	990-00-000-8130	990-00-000-1990	08/30/2001
MODULAR OFFICE FURNITURE	6690	Administration Office Equipment	Machinery & Equipment	2,675.42	0.00	2,675.42	5.00	07/23/1997	990-00-000-1945	990-00-000-8130	990-00-000-1990	07/23/2002
MODULAR OFFICE FURNITURE	9244	Administration Office Equipment	Machinery & Equipment	3,865.87	0.00	3,865.87	5.00	10/31/2003	990-00-000-1945	990-00-000-8130	990-00-000-1990	10/30/2008
				12,893.22	0.00	12,893.22						
				28,433.02	2,323.31	30,756.33						
				<u>1,107,928.16</u>	<u>3,267,861.27</u>	<u>4,375,789.43</u>						
				<u>79,490.04</u>	<u>3,100,109.96</u>	<u>3,179,600.00</u>						
				<u>1,028,438.12</u>	<u>167,751.31</u>	<u>1,196,189.43</u>						



**Accounting, Auditing and Financial Reporting**  
**Establishing Appropriate Capitalization Threshold for Capital Assets**  
**Policy 9.1.0**

**POLICY.** The District will consider the following guidelines in establishing capitalization thresholds:

- 1.0** Potentially capitalizable items should only be capitalized if they have an estimated useful life of greater than two years following the date of acquisition or placed into service.
- 2.0** Capitalization thresholds are best applied to individual items rather than to groups of similar items (e.g., desks and tables), unless the effect of doing so would be to eliminate a significant portion of total capital assets.
- 3.0** In no case will the District establish a capitalization threshold of less than \$5,000 for any individual item.
- 4.0** In establishing capitalization thresholds, when the District is a recipient of federal awards, then federal requirements that prevent the use of capitalization thresholds in excess of certain specified maximum amounts for purposes of federal reimbursement will prevail.
- 5.0** Capitalization of buildings and infrastructure should consider the use of componentization as a way to reflect the varying life cycle considerations of mechanical, structural elements, and wear items that may require different cycles of maintenance and replacement from the main asset being capitalized. The significance of such componentization takes precedent over the \$5,000 threshold, and thus smaller amounts may be listed to facilitate proper asset management.

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MAY 2021

# Governmental Accounting Standards Series

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## Implementation Guide No. 2021-1, *Implementation Guidance Update—2021*



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## Basic Financial Statements and Management's Discussion and Analysis

### **Question 7.9.8 in Implementation Guide 2015-1**

- 5.1. Q—Should a government's capitalization policy be applied only to individual assets or can it be applied to a group of assets acquired together? Consider a government that has established a capitalization threshold of \$5,000 for equipment. If the government purchases 100 computers costing \$1,500 each, should the computers be capitalized?

A—Capitalization policies adopted by governments include many considerations such as finding an appropriate balance between ensuring that all significant capital assets, collectively, are capitalized and minimizing the cost of recordkeeping for capital assets. A government should capitalize assets whose individual acquisition costs are less than the threshold for an individual asset if those assets in the aggregate are significant. Computers, classroom furniture, and library books are examples of asset types that may not meet a capitalization policy on an individual basis, yet could be significant collectively. In this example, if the \$150,000 aggregate amount (100 computers costing \$1,500 each) is significant, the government should capitalize the computers.

### **Question 7.33.5 in Implementation Guide 2015-1**

- 5.2. Q—In some communities, fines may be one of the largest sources of revenue reported in governmental activities. Because these communities rely on fines to provide resources to support many activities, would it be appropriate to report fines as *general* revenues, similar to other revenues that fund multiple programs?

A—No. As indicated in the answer to Question 7.33.4 in Implementation Guide 2015-1, the *use* of revenues from fees, fines, and charges does not affect the classification as a program revenue. The only consideration for nontax revenues is: "From which function does the revenue derive?"

### **Question 7.55.3 in Implementation Guide 2015-1**

- 5.3. Q—Is it allowable to report a particular fund (a capital projects fund, for example) as a major fund for only one or two years?

A—Yes. Although many funds will continue to pass the major fund test year after year, other funds may not. For example, capital projects funds often experience uneven expenditure levels and may exceed the major fund percentages for only a brief period (or sporadically over a longer period). Governments can, however, in the interest of consistency, choose to report a fund as a major fund even if it does not meet the percentage criteria.

## Other Implementation Guidance

### **Statement No. 48, Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues**

#### **Question 4.9 in Implementation Guide 2019-1**

- 5.4. Q—A government owns a building that it reports as a capital asset. The building has a carrying value of \$3 million and an appraised value of \$10 million. If the government





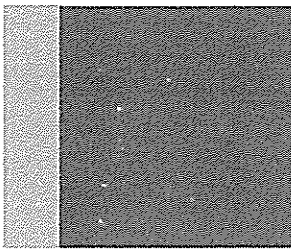
## Punch Card Accounting

Based on input gathered from interviews, documents reviewed, and our evaluation of existing practices compared to applicable accounting standards and best practices, we have the following observations and recommendations.

<b>1</b>	<b>Observation</b>	The District's current punch card accounting methodology attempts to recognize the value associated with the benefits of the Facility Fees within the activities by fund where the picture passes and punch cards are presented for use. Further, we found that the District estimates the usage of picture passes and punch cards and the budgeted revenues by fund are consistent with that estimate.
	<b>Recommendation</b>	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. This methodology complicates revenue estimates to use for budget purposes, is confusing to stakeholders, and requires a significant amount of staff time during the year to administer. The time, cost, and complexity involved appears to outweigh the benefits perceived to be achieved.

<b>2</b>	<b>Observation</b>	The Board has the authority to, or not to, assess Facility Fees in support of Beach and Community Service venues, as well as to determine the allocation of the Facility Fees to fund operations, capital asset acquisitions, and/or debt service of both Community Services and Beach. The allocation in any particular year can address the immediate needs of the District as determined by the Board.
	<b>Recommendation</b>	The District should record revenues from charges for services and Facility Fees within the different activities and funds according to the net cash collected from rates charged and the allocation of Facility Fees determined by the Board at the time of the budget adoption.

<b>3</b>	<b>Observation</b>	Management has been classifying Facility Fees as a non-program related general revenue and therefore resulting from a non-exchange transactions since 2015 but has not specifically disclosed its policy on its revenue classification in the notes to the financial statements.
	<b>Recommendation</b>	Whether the District continues to report its recreational activities within governmental funds or switches to enterprise funds, its policy on the



classification of the Facility Fee revenue should be disclosed in the notes to the financial statements. We recommend the District stick to the non-exchange classification of the Facility fees, and if the decision is to switch to enterprise fund reporting, to report the fees within the non-operating section in the statement of revenues and expenses and the non-capital related financing activities section in the statement of cash flows.

#### Observation of current punch card accounting.

Board Policy 2.1.0.2.4 provides for the reporting of the annual recreation and beach Facility Fees and the allocation of these fees to the District's various recreational activities, capital projects, and debt service. The policy provides that the Board will authorize the assessment and allocation through the budget process.

Policy 16.1.1 provides the authority for charging the Facility Fees and the basis for which it will be assessed, the method and manner of the assessment and collection of the fees, and the benefits the fees provide residents through certain uses and rates at the District's various recreational facilities. The Board approved Ordinance 7 provides for the establishment of the uses and rates, rules and regulations for recreation passes and punch cards which are presented by residents at the recreational facilities to obtain the benefits and privileges provided to them in exchange for payment of the fees.

By Resolution and through the budget adoption process, the Board determines the assessment of the Facility Fees among the different recreational activities reported in Community Services and Beach funds, as well as amounts allocated for capital asset acquisitions and debt service benefitting the activities within these two funds.

To take advantage of the privileges provided by Ordinance 7, members have the option of receiving a picture pass or punch cards to present when utilizing the various recreational activities and facilities that, among other benefits, allow for reduced pricing compared to rates charged the general public.

We found that the District has been utilizing a contra-revenue accounting methodology that tracks the location where picture passes and punch cards are presented for use at the various recreational venues, as well as to recognize the value of the punch cards between the Community Services and Beach venues. From inquiries of management, we learned that the budgeted revenues by fund as adopted contains an estimate of the relative values of the benefits members obtain from usage of the punch cards at venues within Community Services and Beach.

In our interviews with various stakeholders, we heard that the initial purpose of the contra-revenue accounting methodology was developed in an effort to better align the values associated with the punch cards with the venues where presented for use. However, we heard from many stakeholders the current revenue recognition practice is complicated, confusing, requires significant staff time, and seems inconsistent with the authority of the Board to assess the Facility Fees to fund the various recreational activities and related capital acquisitions and debt service pursuant to their discretion.

We understand that some District stakeholders have raised the question as to whether the contra-revenue accounting methodology ends up with a reallocation of the Recreation Facility Fee revenues



paid by certain residents that don't have beach privileges away from the Community Services Fund and records them as revenues within the Beach Fund. From inquiries of management and the observations of documents provided to us, we did not find that resources from the Fees paid by members without beach privileges were reallocated and transferred out of the Community Services Fund. Nor did we find actual revenues reported for a year to be inconsistent with the intent of the adopted budget.

From review of past comprehensive annual financial reports, we find that management has been inconsistent in the classification of the Facility Fees revenue within the financial statements, and not currently following GAAP. Prior to 2016 when the District was reporting its recreational activities within enterprise funds, the Facility Fees were classified as 'operating revenue' consistent with exchange or exchange-like accounting guidance. After 2016 the District classified the fees as 'general revenues' which is consistent with the non-exchange transaction accounting guidance, and only appropriate when the fees are unrelated to funding specific programs or activities of the District.

#### **Applicable revenue recognition guidance applicable to the Facility Fees.**

A governmental accounting system must make it possible to present fairly and with full disclosure the funds and activities of the governmental unit in conformity with GAAP, and to determine and demonstrate compliance with finance related legal and contractual provisions. Governing bodies, by definition, exercise the "power of the purse" by their responsibility to authorize the entity to raise and spend public money. This authorization in Nevada comes through the adoption of the annual budget. (GASB Cod Sec 1100.101, GAAFR 4-2, NRS 354.596-598)

The use of funds is the established mechanism to meet the objective noted above. A fund reports financial resources which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with regulations, restrictions, or limitations. The particular use of a fund can be dictated by laws, regulations, or often as determined at the discretion of the governing board. (GAAFR 4-1&2)

GAAP provides for revenue recognition based on the classification of the underlying transactions which generally falls into two classifications of exchange or exchange-like, and non-exchange. Exchange transactions generally result from fees charged to users for goods or services where the fee is commensurate with the value received by the user. Greens fees at a golf course or the day-use fee at a gym are examples. Non-exchange transactions result when the provider of the resources does not necessarily receive something of equal value in return. Examples include the payment of taxes to fund general government services like community planning and public safety. The classification of the underlying revenue has significant implications on the timing of recognition of a resource (an asset or reduction of a liability) and revenue. It also has implications on the fund-type to be used for the underlying activity. (GAAFR 8-1&2)

There are instances the parties to the services may be willing to receive or pay amounts that are similar, but may not be same, as the value of the underlying goods and services. These transactions are classified as exchange-like transactions. The difference between exchange and exchange-like transactions is a matter of degree. In contrast to a "pure" exchange transaction, an exchange-like transaction is one in which the values exchanged, though related, may not be quite equal or in which the direct benefits may not be exclusively for the parties to the transaction. Nevertheless, the exchange characteristics are strong enough to justify treating the transaction as exchange for accounting purposes. (GASB Cod Sec N50.503)



Exchange and exchange-like transactions are to be recognized as, or over the period when, the underlying service is provided. Non-exchange transaction accounting guidance is provided by GASB Statement No. 33 which generally provides for asset recognition when a resources are received or at the time a legal right to resources exist, and revenues recognized when all eligibility criteria are met securing the entity's right to the resources.

There is diversity in practice in the application of existing guidance with transactions that are not pure exchange or non-exchange. As a result, GAAP requires management to set a policy to be consistently applied as to the nature of transactions considered program revenues for its governmental activities, and operating revenues for its business-type activities and to disclose the policy in the footnotes to the financial statements. From review of past CAFR's, we did not find a disclosure specific to the revenue classification of the District's Facility Fees. (GASB Cod Sec 2300.106)

In the government-wide statement of activities, revenues are to be classified as either program or general. Program revenues are defined as those directly associated with the function or program and would disappear if the function or program were eliminated. Examples include fees and charges paid by those who purchase, use, or otherwise directly benefit from the service, program-specific grants and contributions restricted to financing the underlying function or activity, and interest earnings on investments restricted to use by a specific function or activity. General revenues are defined as those not directly related to financing a specific function or activity. Examples are taxes, grants and contributions that are not restricted to a specific function or activity, and interest on invested resources not restricted to specific functions or activities. (GASB Cod Sec 2200.136-140)

#### **Evaluation of the District's current Punch Card accounting methodology**

We find that the District's Board has the authority to assess the Facility Fees in support of activities and venues reported within the Beach and Community Services as provided in the Board Policies and Ordinances as well as NRS 318.197. Further, the Board has the authority to determine the allocation of the fees in support of operations, capital expenditures and debt service which is memorialized in Board Resolutions and the District's adopted budget. As noted above, the budgeted revenues by fund have included revisions for the District's estimated usage of punch cards among the various recreational activities prior to adoption by the District's Board.

In addition, we find that the District's current contra-revenue accounting methodology results in revenues recognized by the various activities and funds in accordance with the intent of the approved budget, as well as the accounting literature for reporting revenue within the various funds of an entity at the discretion of the governing board.

Further, based on existing guidance available today and on the diversity in practice in the application of revenue classification criteria for certain transactions, we can understand why management has not been able to come to a definitive conclusion on the classification of the District's Facility Fees presumably resulting in the switch in classification after 2015. While the fee is not 'pure' in the same sense as the payment of greens fees for a round of golf, the fee does provide specific rights and privileges to residents to the District's recreational activities along with the District's policy of using the fee, in addition to user charges, to directly finance recreational activity operations, capital needs, and debt service.



One factor that would seem to support management's current classification as 'non-exchange' is the fact that the assessment and payment of the fee lacks the mutual assent of the parties. Residents do not have a choice on the payment of the fee unlike the decision to play golf and incur greens fees. GASB's new revenue and expense recognition project currently under deliberation provides for four criteria to be met for a transaction to be considered exchange or exchange-like including the concept of 'mutual assent' of the parties. This concept is not included in current accounting standards and is being discussed, in part, to provide clearer guidance on what constitutes an exchange transaction. (GASB Revenue and Expense Recognition Preliminary Views Ch 3, par 3)

We find that the classification of the Facility Fees in the government-wide statement of activities since 2015 as a general revenue is inconsistent with GAAP in that the fees are assessed specifically to finance the District's recreational activities. As such, it meets the criteria to be reported as a program revenue in the statement of activities. Further, the fees meet the criteria to be included in the charges for services column in the statement. (GASB Cod Sec 2200.137)

### **Recommendations.**

We recommend ceasing the use of contra-revenue accounting currently applied to the value received for the payment of Facility Fees attributed to the use of picture passes and punch cards. We question the benefits derived compared to cost incurred by the District to administer this approach especially given the Board's authority to allocate the resources they deem appropriate to best meet the needs for the ensuing year through the adopted budget. In addition, eliminating the use of contra revenue accounting will eliminate the variability that results when picture passes and punch cards are utilized differently from preliminary estimates included in the budget thereby providing management more certainty as to actual resources available to finance each activity during the year, and should significantly reduce staff time and effort required to perform the daily and monthly accounting.

We recommend the charges for services revenues be reported within the activities and funds at the net rates collected at each venue, and Facility Fees reported within each fund be consistent with the assessment and allocation initially set by the Board during the budget adoption process.

We recommend the District include its policy on the classification of Facility Fees as either program or general revenue, or, either operating or non-operating, in the footnotes to the financial statements. If the District continues to report its recreational activities within governmental funds, we recommend the fees be classified as program revenues and reported in the charges for services column and on the appropriate lines for the portions related to Community Services and Beach activities. If the District reports the recreational activities in enterprise funds, we recommend the fee be reported as non-operating revenue.

**HISTORY OF REPORTING OF FACILITY FEES IN DISTRICT FINANCIAL STATEMENTS**

FYE	Statement of Activities		Statement of Revenues, Expenses and Change in Net Postion		Statement of Cash Flows				Independent External Auditor
	Program Revenues	General Revenues	Operating Revenues	Non-Operarting Revenues	Operating Activities	Non-Capital Financing Activities	Capital and Related Financing Activities	Investing Activities	
<i>Proprietary (Enterprise) Funds</i> 6/30/2022									
<i>Governmental (Special Revenue) Funds</i>									
6/30/2021		X							Davis Farr, LLP
6/30/2020		X							Eide Bailly, LLP
6/30/2019		X							Eide Bailly, LLP
6/30/2018		X							Eide Bailly, LLP
6/30/2017		X							Eide Bailly, LLP
6/30/2016		X							Eide Bailly, LLP
6/30/2015		X							Eide Bailly, LLP
<i>Proprietary (Enterprise) Funds</i>									
6/30/2014	X		X		X				Kafoury, Armstron & Co.
6/30/2013	X		X		X				Kafoury, Armstron & Co.
6/30/2012	X		X		X				Kafoury, Armstron & Co.
6/30/2011	X		X		X				Kafoury, Armstron & Co.
6/30/2010	X		X		X				Barnard, Vogler & Co.
6/30/2009	X		X		X				Barnard, Vogler & Co.
6/30/2008	X		X		X				Barnard, Vogler & Co.

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2021**

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	
<b>Primary government:</b>							
Governmental activities:							
General government	\$ 2,887,892	\$ 148	\$ 1,440	\$ -	\$ (2,886,304)	\$ -	\$ (2,886,304)
Community services	18,996,222	16,221,278	17,000	88,505	(2,669,439)	-	(2,669,439)
Beach	2,186,645	839,405	-	-	(1,347,240)	-	(1,347,240)
Total governmental-type activities	<u>24,070,759</u>	<u>17,060,831</u>	<u>18,440</u>	<u>88,505</u>	<u>(6,902,983)</u>	<u>-</u>	<u>(6,902,983)</u>
Business-type activities:							
Utilities	11,449,802	12,831,060	39,857	-	-	1,421,115	1,421,115
Total primary government	<u>\$ 35,520,561</u>	<u>\$ 29,891,891</u>	<u>\$ 58,297</u>	<u>\$ 88,505</u>	<u>(6,902,983)</u>	<u>1,421,115</u>	<u>(5,481,868)</u>
General revenues:							
Property taxes					1,812,958	-	1,812,958
Combined taxes					1,888,448	-	1,888,448
Facility Fees (Assessed)					6,537,641	-	6,537,641
Unrestricted investment earnings					73,594	33,681	107,275
Miscellaneous revenues					127,897	-	127,897
Total general revenues					<u>10,440,538</u>	<u>33,681</u>	<u>10,474,219</u>
Changes in net position					<u>3,537,555</u>	<u>1,454,796</u>	<u>4,992,351</u>
Net position - beginning, as previously reported					79,265,885	78,697,763	157,963,648
Prior Period Adjustment					142,617	(3,166,966)	(3,024,349)
Net positions, beginning					<u>79,408,502</u>	<u>75,530,797</u>	<u>154,939,299</u>
Net position - ending					<u>\$ 82,946,057</u>	<u>\$ 76,985,593</u>	<u>\$ 159,931,650</u>

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, 2021**

	GENERAL	COMMUNITY SERVICES SPECIAL REV.	BEACH SPECIAL REVENUE	COMMUNITY SERVICES CAP. PROJECTS	BEACH CAPITAL PROJECTS	COMMUNITY SERVICES DEBT SERV.	Nonmajor BEACH DEBT SERVICE	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES</b>								
Ad valorem taxes	\$ 1,760,049	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,760,049
Personal Property Tax	52,909	-	-	-	-	-	-	52,909
Intergovernmental	-	-	-	-	-	-	-	-
Consolidated taxes	1,629,192	-	-	-	-	-	-	1,629,192
Local Government Tax Act	259,256	-	-	-	-	-	-	259,256
Services	1,410	36,997	-	-	-	-	-	38,437
Charges for Services	-	16,092,512	839,405	-	-	-	-	16,931,917
Facility Fees	-	1,735,612	648,974	536,571	3,496,016	412,748	7,720	6,537,641
Interfund Services	-	91,769	-	-	-	-	-	91,769
Operating Grants	-	17,000	-	-	-	-	-	17,000
Capital Grants	-	-	-	88,505	-	-	-	88,505
Investment income	68,489	4,471	635	-	-	-	-	73,595
Miscellaneous	8,363	119,697	-	-	-	-	-	128,060
Total revenues	3,779,698	18,098,058	1,489,014	625,076	3,496,016	412,748	7,720	27,608,530
<b>EXPENDITURES</b>								
<b>GENERAL GOVERNMENT</b>								
Manager	397,556	-	-	-	-	-	-	397,556
Trustees	143,722	-	-	-	-	-	-	143,722
Accounting	324,601	-	-	-	-	-	-	324,601
Information Services	940,924	-	-	-	-	-	-	940,924
Human Resources	2,999	-	-	-	-	-	-	2,999
Health & Wellness	16,218	-	-	-	-	-	-	16,218
Community & Employee Relations	165,651	-	-	-	-	-	-	165,651
Administration	565,250	-	-	-	-	-	-	565,250
Capital Outlay	365,878	-	-	-	-	-	-	365,878
<b>RECREATION</b>								
Championship Golf	-	3,342,505	-	112,217	-	-	-	3,454,722
Montanan Golf	-	1,014,000	-	11,330	-	-	-	1,025,330
Facilities	-	1,005,717	-	60,107	-	-	-	1,065,824
Ski	-	6,603,759	-	287,796	-	-	-	6,891,555
Community Programming and Recreation Center	-	1,938,411	-	87,206	-	-	-	2,025,617
Parks	-	758,179	-	66,349	-	-	-	824,528
Tennis	-	249,060	-	73,392	-	-	-	322,452
Recreation Administration	-	377,556	-	7,000	-	-	-	384,556
Beach	-	-	1,700,422	-	234,767	-	-	1,935,189
Capital Outlay	-	-	-	785,415	-	-	-	785,415
Championship Golf	-	-	-	79,296	-	-	-	79,296
Montanan Golf	-	-	-	115,169	-	-	-	115,169
Ski	-	-	-	252,906	-	-	-	252,906
Community Programming and Recreation Center	-	-	-	170,123	-	-	-	170,123
Parks	-	-	-	798,648	-	-	-	798,648
Tennis	-	-	-	-	1,010,438	-	-	1,010,438
Beach	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	362,075	5,925	368,000
Principal	-	-	-	-	-	21,097	345	21,442
Interest	-	-	-	-	-	-	-	-
Total expenditures	7,922,799	15,289,187	1,700,422	2,907,354	1,245,205	383,172	6,270	24,454,389
Excess revenues (expenditures)	856,899	2,808,871	(211,408)	(2,282,178)	1,950,811	29,576	1,450	3,154,021
<b>OTHER FINANCING SOURCES:</b>								
Proceeds from Sale of Capital and Intangible Assets	-	52,250	-	1,500	-	-	-	53,750
Transfers In (Out) - Facility Fees for Capital Expenditure	-	(537,835)	-	537,835	-	-	-	-
Net change in fund balance	856,899	2,323,286	(211,408)	(1,743,843)	1,950,811	29,576	1,450	3,207,771
Fund Balance, July 1, as reported	4,630,149	15,280,913	2,591,632	-	-	-	-	22,502,694
Prior period adjustment	243,512	(1,637,400)	-	1,637,400	-	-	-	243,512
Fund balance, July 1 as adjusted	4,873,661	13,643,513	2,591,632	1,637,400	-	-	-	22,746,206
Fund balance, June 30	\$ 5,730,560	\$ 15,966,799	\$ 2,380,224	\$ (105,443)	\$ 1,950,811	\$ 29,576	\$ 1,450	\$ 25,933,977

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, 2020**

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		
					Governmental Activities	Business-type Activities	Total
<b>Primary government:</b>							
Governmental activities:							
General government	\$ 4,098,969	\$ -	\$ -	\$ -	\$ (4,098,969)	\$ -	\$ (4,098,969)
Community Services	19,596,517	15,597,229	17,000	1,637,399	(2,344,889)	-	(2,344,889)
Beach	2,010,652	1,619,582	-	-	(391,070)	-	(391,070)
Total governmental-type activities	<u>25,706,138</u>	<u>17,216,811</u>	<u>17,000</u>	<u>1,637,399</u>	<u>(6,834,928)</u>	<u>-</u>	<u>(6,834,928)</u>
Business-type activities:							
Utilities	11,495,874	12,564,466	-	-	-	1,068,592	1,068,592
Total primary government	<u>\$ 37,202,012</u>	<u>\$ 29,781,277</u>	<u>\$ 17,000</u>	<u>\$ 1,637,399</u>	<u>(6,834,928)</u>	<u>1,068,592</u>	<u>(5,766,336)</u>
<b>General revenues:</b>							
Property taxes					1,722,895	-	1,722,895
Combined taxes					1,719,933	-	1,719,933
Facility Fees (Assessed)					6,740,884	-	6,740,884
Unrestricted investment earnings					587,208	298,225	885,433
Gain (loss) on sale of capital assets					23,888	(22,332)	1,556
Insurance Proceeds					243,548	-	243,548
Miscellaneous revenues					116,993	-	116,993
Transfers In (Out)					(45,000)	45,000	-
Total general revenues and transfers					<u>11,110,349</u>	<u>320,893</u>	<u>11,431,242</u>
Changes in net position					<u>4,275,421</u>	<u>1,389,485</u>	<u>5,664,906</u>
Net position - beginning, as previously reported					75,655,473	77,308,278	152,963,751
Prior Period Adjustment					(665,009)	-	(665,009)
Net positions, beginning, as adjusted					<u>74,990,464</u>	<u>77,308,278</u>	<u>152,298,742</u>
Net position - ending					<u>\$ 79,265,885</u>	<u>\$ 78,697,763</u>	<u>\$ 157,963,648</u>

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, 2020**

	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
<b>REVENUES</b>								
Ad valorem taxes	\$ 1,706,170	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,706,170
Personal Property Tax	16,721	-	-	-	-	-	-	16,721
Intergovernmental								
Consolidated taxes	1,483,310	-	-	-	-	-	-	1,483,310
Local Government Tax Act Services	236,623	35,245	-	-	-	-	-	271,868
Charges for Services	-	15,485,428	1,619,582	-	-	-	-	17,104,910
Facility Fees	-	5,774,067	966,817	-	-	-	-	6,740,884
Interfund Services	-	76,558	-	-	-	-	-	76,558
Operating Grants	-	17,000	-	-	-	-	-	17,000
Capital Grants	-	-	-	1,637,399	-	-	-	1,637,399
Investment Income	432,643	136,143	28,422	-	-	-	-	597,208
Miscellaneous	952	116,042	-	-	-	-	-	116,994
Total revenues	<u>3,876,422</u>	<u>21,630,483</u>	<u>2,644,821</u>	<u>1,637,399</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,759,125</u>
<b>EXPENDITURES</b>								
<b>GENERAL GOVERNMENT</b>								
Manager	407,666	-	-	-	-	-	-	407,666
Trustees	168,531	-	-	-	-	-	-	168,531
Accounting	395,959	-	-	-	-	-	-	395,959
Information Services	735,979	-	-	-	-	-	-	735,979
Human Resources	34,343	-	-	-	-	-	-	34,343
Health & Wellness	33,532	-	-	-	-	-	-	33,532
Community & Employee Relations	118,664	-	-	-	-	-	-	118,664
Administration	537,961	-	-	-	-	-	-	537,961
Capital Outlay	279,424	-	-	-	-	-	-	279,424
<b>RECREATION</b>								
Championship Golf	-	4,255,618	-	-	-	-	-	4,255,618
Mountain Golf	-	960,547	-	-	-	-	-	960,547
Facilities	-	469,752	-	-	-	-	-	469,752
Ski	-	7,011,524	-	-	-	-	-	7,011,524
Community Programming and Recreation Center	-	2,189,572	-	-	-	-	-	2,189,572
Parks	-	813,619	-	-	-	-	-	813,619
Tennis	-	242,873	-	-	-	-	-	242,873
Recreation Administration	-	572,599	-	-	-	-	-	572,599
Beach	-	-	1,758,394	-	-	-	-	1,758,394
Capital Outlay	-	-	-	-	-	-	-	-
Championship Golf	-	-	-	439,872	-	-	-	439,872
Mountain Golf	-	-	-	1,592,962	-	-	-	1,592,962
Facilities	-	-	-	71,584	-	-	-	71,584
Ski	-	-	-	792,711	-	-	-	792,711
Community Programming and Recreation Center	-	-	-	244,815	-	-	-	244,815
Parks	-	-	-	1,944,812	-	-	-	1,944,812
Tennis	-	-	-	235,778	-	-	-	235,778
Recreation Administration	-	-	-	(264,500)	-	-	-	(264,500)
Beach	-	-	-	-	82,000	-	-	82,000
<b>DEBT SERVICE</b>								
Principal	-	-	-	-	-	355,188	5,812	361,000
Interest	-	-	-	-	-	29,166	477	29,643
Total expenditures	<u>3,711,859</u>	<u>16,516,101</u>	<u>1,758,394</u>	<u>5,059,031</u>	<u>82,000</u>	<u>384,354</u>	<u>6,289</u>	<u>26,538,049</u>
Excess revenues (expended)	1,164,563	5,084,379	886,427	(1,421,632)	(82,000)	(384,354)	(6,289)	3,211,085
<b>OTHER FINANCING SOURCES:</b>								
Proceeds from Sale of Capital and Intangible Assets	-	44,639	-	-	-	-	-	44,639
Insurance Proceeds	-	243,548	-	-	-	-	-	243,548
Transfers In (Out) - Facility Fees for Capital Expenditure	-	(3,421,632)	(82,199)	3,421,632	82,000	-	-	-
Transfers In (Out) - Facility Fees for Debt Service	-	(384,354)	(6,289)	-	-	384,354	6,289	-
Transfers In (Out) - From (To) Other Sources	(300,100)	241,875	13,125	-	-	-	-	(45,000)
Net change in fund balance	<u>864,563</u>	<u>1,888,435</u>	<u>781,251</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,354,279</u>
Fund Balance, July 1, as reported	3,765,586	13,333,953	1,810,378	-	-	-	-	18,909,917
Prior period adjustment	-	138,505	-	-	-	-	-	138,505
Fund Balance, July 1 as adjusted	<u>3,765,586</u>	<u>13,472,458</u>	<u>1,810,378</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,048,422</u>
Fund Balance, June 30	<u>\$ 4,630,149</u>	<u>\$ 15,289,913</u>	<u>\$ 2,591,629</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,502,691</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	
<b>Primary government:</b>							
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  
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
<b>REVENUES</b>								
Ad valorem taxes	\$ 1,615,540	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1,615,540
Personal Property Tax	17,871	-	-	-	-	-	-	17,871
Intergovernmental	-	-	-	-	-	-	-	-
Consolidated taxes	1,440,697	-	-	-	-	-	-	1,440,697
Local Government Tax Act	249,615	-	-	-	-	-	-	249,615
Services	-	14,570	-	-	-	-	-	14,570
Charges for Services	-	17,648,914	1,492,687	-	-	-	-	19,141,701
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
<b>Total revenues</b>	<b>3,653,434</b>	<b>23,900,518</b>	<b>2,503,956</b>	<b>31,958</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,689,922</b>
<b>EXPENDITURES</b>								
<b>GENERAL GOVERNMENT</b>								
Manager	418,829	-	-	-	-	-	-	418,829
Trustees	175,882	-	-	-	-	-	-	175,882
Accounting	881,240	-	-	-	-	-	-	881,240
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	191,398	-	-	-	-	-	-	191,398
Administration	583,203	-	-	-	-	-	-	583,203
Central Services Cost Allocation Income	(1,169,409)	-	-	-	-	-	-	(1,169,409)
Capital Outlay	121,257	-	-	-	-	-	-	121,257
<b>RECREATION</b>								
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	-	2,276,972	-	-	-	-	-	2,276,972
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	281,298	-	-	6,324,798
Debt Service	-	-	-	-	-	344,365	5,635	350,000
Principal	-	-	-	-	-	37,036	696	37,732
Interest	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>2,885,006</b>	<b>17,288,580</b>	<b>1,906,516</b>	<b>6,043,500</b>	<b>281,298</b>	<b>381,401</b>	<b>6,241</b>	<b>28,795,512</b>
Excess revenues (expenditures)	768,428	6,611,938	597,440	(6,011,542)	(281,298)	(381,401)	(6,241)	1,294,380
<b>OTHER FINANCING SOURCES:</b>								
Sale of Capital and Intangible 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)	(323,945)	35,000	1,169,945	-	-	-	554,356
<b>Net change in fund balance:</b>	<b>442,884</b>	<b>3,333,481</b>	<b>432,287</b>	<b>(2,327,477)</b>	<b>(83,740)</b>	<b>(51,553)</b>	<b>(1,606)</b>	<b>1,239,195</b>
Fund balance, July 1, as previously reported	2,522,786	10,645,469	1,413,991	2,327,477	85,740	51,553	4,606	17,050,722
Prior period adjustment	880,000	(645,000)	(35,000)	-	-	-	-	120,000
Fund balance, July 1, as adjusted	3,322,786	10,000,469	1,378,991	2,327,477	85,740	51,553	4,606	17,170,722
Fund balance, June 30	\$ 3,765,580	\$ 13,333,953	\$ 1,811,278	\$ -	\$ -	\$ -	\$ -	\$ 18,909,917

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, 2018**

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		
					Governmental Activities	Business-type Activities	Total
<b>Primary government:</b>							
Governmental activities:							
General government	\$ 3,828,917	\$ 1,094,000	\$ -	\$ -	\$ (2,734,917)	\$ -	\$ (2,734,917)
Community Services	19,043,639	14,726,788	17,000	558,128	(3,741,723)	-	(3,741,723)
Beach	1,849,659	1,266,613	-	-	(583,046)	-	(583,046)
Internal Services	3,056,400	3,190,849	-	-	134,449	-	134,449
Total governmental-type activities	<u>27,778,615</u>	<u>20,278,250</u>	<u>17,000</u>	<u>558,128</u>	<u>(6,925,237)</u>	<u>-</u>	<u>(6,925,237)</u>
Business-type activities:							
Utilities	10,253,834	11,925,557	-	199,934	-	1,871,657	1,871,657
Total primary government	<u>\$ 38,032,449</u>	<u>\$ 32,203,807</u>	<u>\$ 17,000</u>	<u>\$ 758,062</u>	<u>(6,925,237)</u>	<u>1,871,657</u>	<u>(5,053,580)</u>
General revenues:							
Property taxes					1,546,575	-	1,546,575
Combined taxes					1,637,250	-	1,637,250
Facility Fees					6,771,522	-	6,771,522
Unrestricted investment earnings					175,122	77,280	252,402
Gain (loss) on sale of capital assets					79,083	50,020	129,103
Miscellaneous revenues					111,495	-	111,495
Transfers In (Out)					(120,000)	120,000	-
Total general revenues and transfers					<u>10,201,047</u>	<u>247,300</u>	<u>10,448,347</u>
Changes in net position					<u>3,275,810</u>	<u>2,118,957</u>	<u>5,394,767</u>
Net position - beginning					<u>67,797,956</u>	<u>72,659,077</u>	<u>140,457,033</u>
Net position - ending					<u>\$ 71,073,766</u>	<u>\$ 74,778,034</u>	<u>\$ 145,851,800</u>

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, 2018**

	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
<b>REVENUES</b>								
Ad valorem taxes	\$ 1,524,623	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1,524,623
Personal Property Tax	12,671	-	-	-	-	-	-	12,671
Intergovernmental								
Consolidated taxes	1,388,529	-	-	-	-	-	-	1,388,529
Local Government Tax Ad Services	248,721	-	-	-	-	-	-	248,721
Services	-	20,220	-	-	-	-	-	20,220
Charges for Services	-	14,632,554	1,266,613	-	-	-	-	15,899,167
Interfund Services	-	74,014	-	-	-	-	-	74,014
Facility Fees - Operations	-	1,759,641	637,842	-	-	-	-	2,417,483
Facility Fees - Capital Expenditure	-	2,700,842	301,833	-	-	-	-	3,002,675
Facility Fees - Debt Service	-	1,309,499	7,739	-	-	-	-	1,317,238
Operating Grants	-	17,000	-	-	-	-	-	17,000
Capital Grants	-	-	-	156,775	-	-	-	156,775
Investment income	89,964	69,303	2,258	-	-	-	-	161,525
Miscellaneous	2,033	109,462	-	-	-	-	-	111,495
<b>Total revenues</b>	<b>3,226,537</b>	<b>20,692,535</b>	<b>2,236,315</b>	<b>156,775</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26,332,162</b>
<b>EXPENDITURES</b>								
<b>GENERAL GOVERNMENT</b>								
Manager	353,012	-	-	-	-	-	-	353,012
Treasurer	176,450	-	-	-	-	-	-	176,450
Accounting	833,348	-	-	-	-	-	-	833,348
Information Services	820,658	-	-	-	-	-	-	820,658
Risk Management	127,032	-	-	-	-	-	-	127,032
Human Resources	597,875	-	-	-	-	-	-	597,875
Health & Wellness	24,594	-	-	-	-	-	-	24,594
Community & Employee Relations	188,682	-	-	-	-	-	-	188,682
Administration	462,552	-	-	-	-	-	-	462,552
Central Services Cost Allocation Income	(1,094,000)	-	-	-	-	-	-	(1,094,000)
Capital Outlay	113,813	-	-	-	-	-	-	113,813
<b>RECREATION</b>								
Championship Golf	-	4,055,702	-	-	-	-	-	4,055,702
Mountain Golf	-	972,171	-	-	-	-	-	972,171
Facilities	-	448,797	-	-	-	-	-	448,797
Sea	-	7,021,327	-	-	-	-	-	7,021,327
Community Programming and Recreation Center	-	2,232,105	-	-	-	-	-	2,232,105
Parks	-	818,298	-	-	-	-	-	818,298
Tennis	-	228,530	-	-	-	-	-	228,530
Recreation Administration	-	357,498	-	-	-	-	-	357,498
Beach	-	-	1,619,746	-	-	-	-	1,619,746
Capital Outlay	-	-	-	3,905,926	221,218	-	-	4,127,144
Debt Service	-	-	-	-	-	1,181,494	5,506	1,187,000
Principal	-	-	-	-	-	103,816	731	104,547
Interest	-	-	-	-	-	1,285,340	6,237	1,291,577
<b>Total expenditures</b>	<b>2,646,016</b>	<b>16,137,128</b>	<b>1,619,746</b>	<b>3,905,926</b>	<b>221,218</b>	<b>1,285,340</b>	<b>6,237</b>	<b>25,781,911</b>
Excess revenues (expenditures)	600,521	4,555,407	616,569	(3,749,151)	(221,218)	(1,285,340)	(6,237)	570,221
<b>OTHER FINANCING SOURCES:</b>								
Sale of Capital Assets	16	85,562	837	1,980	-	-	-	88,415
Transfers In (Out) - Facility Fees for Capital Expenditure	-	(2,700,842)	(301,833)	2,700,842	301,833	-	-	-
Transfers In (Out) - Facility Fees for Debt Service	-	(1,309,499)	(7,739)	-	-	1,309,499	7,739	-
Transfers In (Out) - From (to) Other Sources	-	(305,000)	35,000	950,000	-	-	-	680,000
<b>Net change on fund balance</b>	<b>600,537</b>	<b>325,328</b>	<b>342,854</b>	<b>(96,329)</b>	<b>80,585</b>	<b>21,159</b>	<b>1,502</b>	<b>1,338,636</b>
Fund balance, July 1	1,862,249	10,320,141	1,070,237	2,421,806	5,155	27,391	3,101	15,712,086
Fund balance, June 30	\$ 2,522,786	\$ 10,645,469	\$ 1,413,091	\$ 2,325,477	\$ 85,740	\$ 51,553	\$ 4,603	\$ 17,050,722

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, 2017

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		
					Governmental Activities	Business-type Activities	Total
<b>Primary government:</b>							
Governmental activities:							
General government	\$ 3,814,458	\$ 1,177,200	\$ 1,440	\$ -	\$ (2,635,818)	\$ -	\$ (2,635,818)
Community Services	18,599,633	16,820,165	17,000	113,615	(1,648,853)	-	(1,648,853)
Beach	1,802,103	1,065,015			(737,088)	-	(737,088)
Internal Services	<u>3,107,668</u>	<u>3,114,747</u>			<u>7,079</u>	-	<u>7,079</u>
Total governmental-type activities	<u>27,323,862</u>	<u>22,177,127</u>	<u>18,440</u>	<u>113,615</u>	<u>(5,014,680)</u>	-	<u>(5,014,680)</u>
Business-type activities:							
Utilities	<u>9,883,961</u>	<u>11,813,169</u>	-	<u>425,509</u>	-	<u>2,354,717</u>	<u>2,354,717</u>
Total primary government	<u>\$ 37,207,823</u>	<u>\$ 33,990,296</u>	<u>\$ 18,440</u>	<u>\$ 539,124</u>	<u>(5,014,680)</u>	<u>2,354,717</u>	<u>(2,659,963)</u>
General revenues:							
Property taxes					1,476,148	-	1,476,148
Combined taxes					1,484,830	-	1,484,830
Facility Fees					6,749,251	-	6,749,251
Unrestricted investment earnings					83,842	60,132	143,974
Gain (loss) on sale of capital assets					111,696	17,730	129,426
Miscellaneous revenues					<u>198,729</u>	-	<u>198,729</u>
Total general revenues					<u>10,104,496</u>	<u>77,862</u>	<u>10,182,358</u>
Changes in net position					<u>5,089,816</u>	<u>2,432,579</u>	<u>7,522,395</u>
Net position - beginning					<u>62,708,136</u>	<u>70,226,498</u>	<u>132,934,634</u>
Net position - ending					<u>\$ 67,797,952</u>	<u>\$ 72,659,077</u>	<u>\$ 140,457,029</u>

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, 2017**

	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
<b>REVENUES</b>								
Ad valorem taxes	\$ 1,462,289	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1,462,289
Personal Property Tax	13,737	-	-	-	-	-	-	13,737
Intergovernmental:								
Consolidated taxes	1,252,014	-	-	-	-	-	-	1,252,014
Local Government Tax Act	232,786	-	-	-	-	-	-	232,786
Services	1,410	22,233	-	-	-	-	-	23,673
Charges for Services	-	16,797,912	1,065,015	-	-	-	-	17,862,947
Facility Fees - Operations	-	2,050,534	581,653	-	-	-	-	2,632,187
Facility Fees - Capital Expenditure	-	2,619,078	185,937	-	-	-	-	2,805,015
Facility Fees - Debt Service	-	1,309,510	7,747	-	-	-	-	1,317,257
Operating Grants	-	17,000	-	-	-	-	-	17,000
Capital Grants	-	-	-	113,615	-	-	-	113,615
Investment income	51,680	23,608	6,078	-	-	-	-	81,366
Sale of Capital Assets	-	78,264	-	62,952	-	-	-	141,216
Miscellaneous	3,198	195,531	-	-	-	-	-	198,729
<b>Total revenues</b>	<b>3,017,165</b>	<b>23,113,720</b>	<b>1,816,430</b>	<b>176,567</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,153,882</b>
<b>EXPENDITURES</b>								
<b>GENERAL GOVERNMENT</b>								
Manager	348,022	-	-	-	-	-	-	348,022
Trustees	168,718	-	-	-	-	-	-	168,718
Accounting	933,328	-	-	-	-	-	-	933,328
Information Services	689,500	-	-	-	-	-	-	689,500
Risk Management	128,644	-	-	-	-	-	-	128,644
Human Resources	527,667	-	-	-	-	-	-	527,667
Health & Wellness	22,966	-	-	-	-	-	-	22,966
Community & Employee Relations	233,073	-	-	-	-	-	-	233,073
Administration	551,749	-	-	-	-	-	-	551,749
Central Services Cost Allocation Income	(1,177,208)	-	-	-	-	-	-	(1,177,208)
Capital Outlay	148,435	-	-	-	-	-	-	148,435
<b>RECREATION</b>								
Clamplowship Golf	-	3,944,772	-	-	-	-	-	3,944,772
Mountain Golf	-	1,002,359	-	-	-	-	-	1,002,359
Paulines	-	498,578	-	-	-	-	-	498,578
Slu	-	6,810,598	-	-	-	-	-	6,810,598
Community Programming and Recreation Center	-	2,225,893	-	-	-	-	-	2,225,893
Parks	-	821,033	-	-	-	-	-	821,033
Tennis	-	262,369	-	-	-	-	-	262,369
Recreation Administration	-	354,357	-	-	-	-	-	354,357
Beach	-	-	1,587,259	-	-	-	-	1,587,259
Capital Outlay	-	-	-	3,633,210	256,161	-	-	3,889,371
Debt Service	-	-	-	-	-	1,117,639	5,361	1,123,000
Principal	-	-	-	-	-	166,618	854	167,472
Interest	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>2,574,902</b>	<b>15,919,959</b>	<b>1,587,259</b>	<b>3,633,210</b>	<b>256,161</b>	<b>1,284,257</b>	<b>6,215</b>	<b>25,261,963</b>
Excess revenues (expenditures)	-42,263	7,193,761	259,171	(3,456,643)	(256,161)	(1,284,257)	(6,215)	2,891,919
<b>OTHER FINANCING SOURCES:</b>								
Transfers In (Out) - Facility Fees for Capital Expenditure	-	(2,619,078)	(185,937)	2,619,078	185,937	-	-	-
Transfers In (Out) - Facility Fees for Debt Service	-	(1,309,510)	(7,747)	-	-	1,309,510	7,747	-
Transfers In (Out) - From (to) Other Sources	(400,000)	(799,830)	(55,000)	1,199,830	55,000	-	-	-
<b>Net change in fund balance</b>	<b>42,263</b>	<b>2,465,313</b>	<b>10,487</b>	<b>362,265</b>	<b>(15,224)</b>	<b>23,283</b>	<b>1,532</b>	<b>2,891,919</b>
Fund balance, July 1	1,819,986	7,854,828	1,059,750	2,061,511	20,379	2,111	1,572	12,820,167
<b>Fund balance, June 30</b>	<b>\$ 1,862,249</b>	<b>\$ 10,320,141</b>	<b>\$ 1,070,237</b>	<b>\$ 2,423,806</b>	<b>\$ 5,155</b>	<b>\$ 27,394</b>	<b>\$ 3,104</b>	<b>\$ 15,712,086</b>

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, 2016**

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		
					Governmental Activities	Business-type Activities	Total
<b>Primary government:</b>							
<b>Governmental activities:</b>							
General government	\$ 3,672,661	\$ 1,123,000	\$ 1,440	\$ -	\$ (2,548,221)	\$ -	\$ (2,548,221)
Community Services	17,442,179	15,596,222	18,440	586,361	(1,241,156)	-	(1,241,156)
Beach	1,690,445	1,002,518	-	-	(687,927)	-	(687,927)
Internal Services	2,972,060	2,935,521	-	-	(36,539)	-	(36,539)
<b>Total governmental-type activities</b>	<b>25,777,345</b>	<b>20,657,261</b>	<b>19,880</b>	<b>586,361</b>	<b>(4,513,843)</b>	<b>-</b>	<b>(4,513,843)</b>
<b>Business-type activities:</b>							
Utilities	9,901,095	11,158,119	-	-	-	1,257,024	1,257,024
<b>Total primary government</b>	<b>\$ 35,678,440</b>	<b>\$ 31,815,380</b>	<b>\$ 19,880</b>	<b>\$ 586,361</b>	<b>(4,513,843)</b>	<b>1,257,024</b>	<b>(3,256,819)</b>
<b>General revenues:</b>							
Property taxes					1,498,519	-	1,498,519
Combined taxes					1,487,986	-	1,487,986
Facility Fees					6,772,822	-	6,772,822
Unrestricted investment earnings					150,795	154,162	304,957
Gain (loss) on sale of capital assets					75,719	42,764	118,483
Miscellaneous revenues					203,756	-	203,756
Total general revenues					10,189,597	196,926	10,386,523
<b>Extraordinary items:</b>							
Extraordinary expense					-	(47,600)	(47,600)
Changes in net position					5,675,754	1,406,350	7,082,104
Net position - beginning					57,032,382	68,820,148	125,852,530
Net position - ending					\$ 62,708,136	\$ 70,226,498	\$ 132,934,634

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, 2016**

	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
<b>REVENUES</b>								
Ad valorem taxes	\$ 1,497,006	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1,497,006
Intergovernmental:								
Consolidated and other taxes	1,187,986	-	-	-	-	-	-	1,187,986
Services	-	15,787	-	-	-	-	-	15,787
Charges for Services	-	15,580,435	1,003,318	-	-	-	-	16,582,953
Facility Fees - Operations	-	2,180,524	582,059	-	-	-	-	2,762,582
Facility Fees - Capital Expenditure	-	2,524,818	186,259	-	-	-	-	2,711,077
Facility Fees - Debt Service	-	1,278,804	7,761	-	-	-	-	1,286,565
Operating Grants	1,440	18,440	-	-	-	-	-	19,880
Capital Grants	-	-	-	586,361	-	-	-	586,361
Investment income	45,989	58,438	11,263	-	-	-	-	115,690
Sale of Capital Assets	-	31,409	-	38,705	2,607	-	-	72,721
Miscellaneous	2,863	474,853	341	-	-	-	-	478,060
<b>Total revenues</b>	<b>3,035,284</b>	<b>22,166,508</b>	<b>1,799,203</b>	<b>625,064</b>	<b>2,607</b>	<b>-</b>	<b>-</b>	<b>27,619,666</b>
<b>EXPENDITURES</b>								
<b>GENERAL GOVERNMENT</b>								
Current:								
Manager	322,337	-	-	-	-	-	-	322,337
Trustees	173,671	-	-	-	-	-	-	173,671
Accounting	915,338	-	-	-	-	-	-	915,338
Information Services	700,124	-	-	-	-	-	-	700,124
Risk Management	127,565	-	-	-	-	-	-	127,565
Human Resources	513,369	-	-	-	-	-	-	513,369
Health & Wellness	23,125	-	-	-	-	-	-	23,125
Community & Employee Relations	159,260	-	-	-	-	-	-	159,260
Administration	575,458	-	-	-	-	-	-	575,458
Central Services Cost Allocation Income	(1,123,000)	-	-	-	-	-	-	(1,123,000)
Capital Outlay	79,331	-	-	-	-	-	-	79,331
<b>RECREATION</b>								
Championship Golf	-	3,526,103	-	-	-	-	-	3,526,103
Mountain Golf	-	937,694	-	-	-	-	-	937,694
Facilities	-	432,187	-	-	-	-	-	432,187
Ski	-	6,441,024	-	-	-	-	-	6,441,024
Community Programming and Recreation Center	-	2,228,727	-	-	-	-	-	2,228,727
Parks	-	715,538	-	-	-	-	-	715,538
Tennis	-	256,359	-	-	-	-	-	256,359
Recreation Administration	-	315,943	-	-	-	-	-	315,943
Deeds	-	-	1,493,554	-	-	-	-	1,493,554
Capital Outlay	-	-	-	2,344,198	319,152	-	-	2,663,350
Debt Service:								
Miscellaneous	-	-	-	-	-	1,078,781	5,216	1,084,000
Interest	-	-	-	-	-	204,290	973	205,263
<b>Total expenditures</b>	<b>2,466,578</b>	<b>11,853,573</b>	<b>1,493,554</b>	<b>2,344,198</b>	<b>319,152</b>	<b>1,283,071</b>	<b>6,189</b>	<b>22,766,320</b>
Excess of revenues over expenditures	568,706	7,312,933	295,649	(1,719,134)	(316,545)	(1,283,071)	(6,189)	4,853,346
<b>OTHER FINANCING SOURCES:</b>								
Transfers In (Out) - Facility Fees for Capital Expenditure	-	(2,524,818)	(186,259)	2,524,818	186,259	-	-	-
Transfers In (Out) - Facility Fees for Debt Service	-	(1,278,804)	(7,761)	-	-	1,278,804	7,761	-
Transfer In (Out) - From Other Sources	(250,000)	(1,012,238)	(150,665)	1,255,857	150,665	6,381	-	-
<b>Net change in fund balance</b>	<b>318,706</b>	<b>2,497,073</b>	<b>(48,036)</b>	<b>2,061,541</b>	<b>203,379</b>	<b>2,111</b>	<b>1,572</b>	<b>4,853,346</b>
Fund balance, July 1	1,501,287	5,357,753	1,107,786	-	-	-	-	7,966,828
Fund balance, June 30	\$ 1,819,993	\$ 7,854,828	\$ 1,059,750	\$ 2,061,541	\$ 203,379	\$ 2,111	\$ 1,572	\$ 12,820,174

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, 2015**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Primary government:</b>							
<b>Governmental activities:</b>							
General government	\$ 2,119,478	\$ -	\$ -	\$ -	\$ (2,119,478)	\$ -	\$ (2,119,478)
Total governmental activities	<u>2,119,478</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,119,478)</u>	<u>-</u>	<u>(2,119,478)</u>
<b>Business-type activities:</b>							
Utilities	9,596,265	10,851,723	-	329,705	-	1,585,163	1,585,163
Community Services	15,502,916	16,487,415	17,000	235,674	-	1,237,173	1,237,173
Beach	1,521,090	1,767,751	-	-	-	246,661	246,661
Total business-type activities	<u>26,620,271</u>	<u>29,106,889</u>	<u>17,000</u>	<u>565,379</u>	<u>-</u>	<u>3,068,997</u>	<u>3,068,997</u>
Total primary government	<u>\$ 28,739,749</u>	<u>\$ 29,106,889</u>	<u>\$ 17,000</u>	<u>\$ 565,379</u>	<u>(2,119,478)</u>	<u>3,068,997</u>	<u>949,519</u>
<b>General revenues:</b>							
Property taxes					1,377,337	-	1,377,337
Combined taxes					1,369,950	-	1,369,950
Unrestricted investment earnings					43,295	163,007	206,302
Gain (loss) on sale of capital assets					-	(30,589)	(30,589)
Miscellaneous revenues					2,540	113,684	116,224
Total general revenues					<u>2,793,122</u>	<u>246,102</u>	<u>3,039,224</u>
<b>Extraordinary items:</b>							
Extraordinary expense					-	(26,906)	(26,906)
Changes in net position					673,644	3,288,193	3,961,837
Net position - beginning					4,462,200	117,428,493	121,890,693
Net position - ending					<u>\$ 5,135,844</u>	<u>\$ 120,716,686</u>	<u>\$ 125,852,530</u>

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, 2015**

	Business - type Activities - Enterprise Funds			Business-type Activities Internal Service Funds	
	Utility Fund	Community Services Fund	Beach Enterprise Fund		Total Enterprise Funds
<b>OPERATING REVENUES</b>					
Sales and fees	\$ 10,851,123	\$ 10,860,998	\$ 1,052,579	\$ 22,764,700	\$ 600
Facility fees	-	6,018,616	778,149	6,796,765	-
Parcel Owner discounts on entry fees	-	(470,402)	(62,977)	(533,379)	-
Operating grants	-	17,000	-	17,000	-
Interfund services	-	78,203	-	78,203	2,559,522
Total operating revenues	<u>10,851,123</u>	<u>16,504,415</u>	<u>1,767,751</u>	<u>29,123,289</u>	<u>2,560,122</u>
<b>OPERATING EXPENSES</b>					
Wages and benefits	3,342,258	6,347,788	777,105	10,467,151	1,458,889
Cost of goods sold	6,019	947,647	-	953,666	-
Services and supplies	1,642,031	3,415,632	394,571	5,452,234	727,818
Defensible Space	99,479	99,479	-	198,958	-
Central Services Cost	283,000	745,000	73,000	1,101,000	-
Insurance	120,659	233,228	18,944	372,831	292,552
Utilities	984,438	1,136,738	102,062	2,223,238	8,997
Legal and audit	71,918	91,989	2,746	166,653	5,064
Depreciation	2,865,958	2,342,332	149,427	5,357,717	10,638
Total operating expenses	<u>9,415,760</u>	<u>15,359,833</u>	<u>1,517,855</u>	<u>26,293,448</u>	<u>2,503,958</u>
Operating income	<u>1,435,363</u>	<u>1,144,582</u>	<u>249,896</u>	<u>2,829,841</u>	<u>56,164</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment earnings	81,996	46,153	10,186	138,335	24,672
Gain (loss) on sales of assets	(34,499)	31,576	(27,666)	(30,589)	-
Extraordinary expense	(26,906)	-	-	(26,906)	-
Cell Tower lease income	-	113,684	-	113,684	-
Interest on bond debt	(180,505)	(239,634)	(3,208)	(423,347)	-
Amortization bond discounts & premiums	-	42,487	(27)	42,460	-
Fiscal agent fees	-	(1,500)	-	(1,500)	-
Total nonoperating revenues (expenses)	<u>(159,914)</u>	<u>(7,234)</u>	<u>(20,715)</u>	<u>(187,863)</u>	<u>24,672</u>
Income before contributions	<u>1,275,449</u>	<u>1,137,348</u>	<u>229,181</u>	<u>2,641,978</u>	<u>80,836</u>
Capital Grant Contributions	<u>329,705</u>	<u>235,674</u>	<u>-</u>	<u>565,379</u>	<u>-</u>
Changes in net position	<u>1,605,154</u>	<u>1,373,022</u>	<u>229,181</u>	<u>3,207,357</u>	<u>80,836</u>
Total net position, July 1	<u>67,214,994</u>	<u>43,389,489</u>	<u>5,472,107</u>	<u>1,351,903</u>	
Total net position, June 30	<u>\$ 68,820,148</u>	<u>\$ 44,762,511</u>	<u>\$ 5,701,288</u>	<u>\$ 1,432,739</u>	
Adjustment to reflect consolidation of internal service fund activities related to Enterprise funds				<u>80,836</u>	
Change in net position of Business-Type Activities				<u>\$ 3,288,193</u>	

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, 2015**

	Business - type Activities - Enterprise Funds				Business-type Activities Internal Service Funds
	Utility Fund	Community Services Fund	Beach Fund	Total Enterprise Funds	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers and users	\$ 11,009,050	\$ 16,498,005	\$ 1,766,670	\$ 29,273,725	\$ 600
Receipts from interfund services provided	-	78,203	-	78,203	2,559,522
Receipts from operating grants	-	17,000	-	17,000	-
Cell Tower lease income collected & misc	-	113,684	-	113,684	-
Payments to suppliers	(2,352,388)	(5,810,554)	(426,847)	(8,589,789)	(1,024,525)
Payments to employees	(3,340,710)	(6,371,359)	(783,731)	(10,495,800)	(1,631,375)
Payments for interfund services used	(739,036)	(745,000)	(181,438)	(1,665,474)	(33,829)
Net cash provided (used) by operating activities	4,576,916	3,779,979	374,654	8,731,549	(129,507)
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>					
Extraordinary expense	(26,906)	-	-	(26,906)	-
Due to (from) other funds	744,780	419,187	984,848	2,148,815	43,306
Net cash provided (used) by non-capital financing activities	717,874	419,187	984,848	2,121,909	43,306
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition of capital assets	(2,942,220)	(2,832,606)	(695,822)	(6,470,648)	(21,532)
Proceeds (costs) from sale of assets	8,170	38,521	(4,296)	42,395	-
Payment of fiscal agent fees	-	(1,500)	-	(1,500)	-
Payments on capital debt	(456,276)	(1,513,398)	(270,602)	(2,240,276)	-
Capital contributions	189,092	41,755	-	230,847	-
Interest expense	(186,858)	(248,237)	(5,403)	(440,498)	-
Net cash provided (used) by capital and related financing activities	(3,386,092)	(4,515,465)	(976,123)	(8,879,680)	(21,532)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Restricted investments released (increased)	(250)	(89)	-	(339)	58,868
Investments purchased	(3,860,000)	(250,000)	(1,550,000)	(5,660,000)	-
Long-term investments sold	1,800,000	525,000	1,075,000	3,400,000	-
Investment earnings	67,204	36,052	9,724	112,980	24,532
Net cash provided (used) by investing activities	(1,993,046)	310,963	(465,276)	(2,147,359)	83,400
Net change in cash and cash equivalents	(86,348)	(5,336)	(81,897)	(173,581)	(24,333)
Cash and cash equivalents, July 1	426,913	138,434	88,391	653,738	36,212
Cash and cash equivalents, June 30	\$ 340,565	\$ 133,098	\$ 6,494	\$ 480,157	\$ 11,879
Non-cash capital activities					
Acquisition of 1 easement Note 4	\$ -			\$ -	

(Continued)

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2015

	Business - type Activities - Enterprise Funds				Business-type Activities Internal Service Funds
	Utility Fund	Community Services Fund	Beach Fund	Total Enterprise Funds	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 1,435,363	\$ 1,144,582	\$ 249,896	\$ 2,829,841	\$ 56,164
Non-cash adjustments -					
Depreciation and amortization	2,865,958	2,342,332	149,427	5,357,717	10,638
Increase (decrease) in cash from changes in:					
Accounts receivable	106,768	35,541	(1,166)	141,143	-
Operating Grant Receivable	-	-	-	-	-
Due from other Governments	-	1,927	4,822	6,749	-
Inventory	3,831	577	-	4,408	(22,190)
Prepaid expenses	(20,515)	(2,933)	(4,192)	(27,640)	4,265
Collection of cell tower leases	-	113,684	-	113,684	-
Accounts payable	132,804	116,515	(12,770)	236,549	(5,998)
Accrued personnel costs	1,548	(23,571)	(6,626)	(28,649)	(172,386)
Unearned revenue and customer deposits	51,159	51,325	(4,737)	97,747	-
Total adjustments	3,141,553	2,635,397	124,758	5,901,708	(185,671)
Net cash provided (used) by operating activities	\$ 4,576,916	\$ 3,779,979	\$ 374,654	\$ 8,731,549	\$ (129,507)

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, 2014**

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		
					Governmental Activities	Business-type Activities	Total
<b>Primary government:</b>							
<b>Governmental activities:</b>							
General government	\$ 2,128,147	\$ -	\$ -	\$ -	\$ (2,128,147)	\$ -	\$ (2,128,147)
Total governmental activities	<u>2,128,147</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,128,147)</u>	<u>-</u>	<u>(2,128,147)</u>
<b>Business-type activities:</b>							
Utilities	9,222,798	10,432,200	2,893	461,994	-	1,674,289	1,674,289
Community Services	15,264,284	16,552,498	106,238	(407)	-	1,394,045	1,394,045
Beach	1,375,724	1,813,337	-	-	-	437,613	437,613
Total business-type activities	<u>25,862,806</u>	<u>28,798,035</u>	<u>109,131</u>	<u>461,587</u>	<u>-</u>	<u>3,505,947</u>	<u>3,505,947</u>
Total primary government	<u>\$ 27,990,953</u>	<u>\$ 28,798,035</u>	<u>\$ 109,131</u>	<u>\$ 461,587</u>	<u>(2,128,147)</u>	<u>3,505,947</u>	<u>1,377,800</u>
<b>General revenues:</b>							
Property taxes					1,293,676	-	1,293,676
Combined taxes					1,277,567	-	1,277,567
Unrestricted investment earnings					43,959	120,154	164,113
Gain on sale of capital assets					13,536	79,552	93,088
Miscellaneous revenues					2,990	108,325	111,315
Total general revenues					<u>2,631,728</u>	<u>308,031</u>	<u>2,939,759</u>
<b>Extraordinary Items:</b>							
Extraordinary expense					-	(30,587)	(30,587)
Changes in net position					<u>503,581</u>	<u>3,783,391</u>	<u>4,286,972</u>
Net position - as previously reported					3,958,619	113,873,188	117,831,807
Restatement adjustment					-	(228,086)	(228,086)
Net position, beginning restated					<u>3,958,619</u>	<u>113,645,102</u>	<u>117,603,721</u>
Net position - ending					<u>\$ 4,462,200</u>	<u>\$ 117,428,493</u>	<u>\$ 121,890,693</u>

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, 2014**

	Business - type Activities - Enterprise Funds				Business-type Activities Internal Service Funds
	Utility Fund	Community Services Fund	Beach Enterprise Fund	Enterprise Funds	
<b>OPERATING REVENUES</b>					
Sales and fees	\$ 10,431,225	\$ 10,991,126	\$ 1,104,246	\$ 22,526,597	\$ 975
Facility fees	-	6,024,564	780,716	6,805,280	-
Parcel Owner discounts on entry fees	-	(529,896)	(71,625)	(601,521)	-
Opening grants	2,893	106,238	-	109,131	-
Interfund services	-	66,704	-	66,704	2,279,321
Total operating revenues	<u>10,434,118</u>	<u>16,658,736</u>	<u>1,813,337</u>	<u>28,906,191</u>	<u>2,280,296</u>
<b>OPERATING EXPENSES</b>					
Wages and benefits	3,145,732	6,121,222	690,594	9,957,548	1,351,205
Cost of goods sold	5,628	945,313	-	950,941	-
Services and supplies	1,469,435	3,444,405	357,460	5,271,300	514,817
Defensible Space	100,000	100,000	-	200,000	-
Central Services Cost	291,000	705,996	72,000	1,068,996	-
Insurance	108,149	274,792	17,222	400,163	379,174
Utilities	1,042,146	1,109,464	85,763	2,237,373	7,298
Legal and audit	95,829	41,138	3,246	140,213	4,667
Depreciation	2,771,756	2,293,786	137,493	5,203,035	9,950
Total operating expenses	<u>9,029,675</u>	<u>15,036,116</u>	<u>1,363,778</u>	<u>25,429,569</u>	<u>2,267,111</u>
Operating income	<u>1,404,443</u>	<u>1,622,620</u>	<u>449,559</u>	<u>3,476,622</u>	<u>13,185</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment earnings	61,007	31,908	2,988	95,903	24,251
Gain (loss) on sales of assets	25,875	52,573	1,104	79,552	-
Extraordinary expense	(30,587)	-	-	(30,587)	-
Cell Tower Lease Income	-	108,325	-	108,325	-
Interest on bond debt	(193,123)	(289,773)	(11,811)	(494,707)	-
Amortization bond discounts & premiums	-	49,395	(135)	49,260	-
Total nonoperating revenues (expenses)	<u>(136,828)</u>	<u>(47,572)</u>	<u>(7,854)</u>	<u>(192,254)</u>	<u>24,251</u>
Income before contributions	<u>1,267,615</u>	<u>1,575,048</u>	<u>441,705</u>	<u>3,284,368</u>	<u>37,436</u>
Capital Grant Contributions	461,994	(407)	-	461,587	-
Changes in net position	<u>1,729,609</u>	<u>1,574,641</u>	<u>441,705</u>	<u>3,745,955</u>	<u>37,436</u>
Total net position, July 1, as previously reported	65,566,886	41,953,367	5,038,468		1,314,467
Application of GASB 65	(81,501)	(138,519)	(8,066)		-
Total net position, July 1, as restated	<u>65,485,385</u>	<u>41,814,848</u>	<u>5,030,402</u>		<u>1,314,467</u>
Total net position, June 30	<u>\$ 67,214,994</u>	<u>\$ 43,389,489</u>	<u>\$ 5,472,107</u>		<u>\$ 1,351,903</u>
				Adjustment to reflect consolidation of internal service fund activities related to Enterprise Funds	<u>37,436</u>
				Change in net position of Business-type Activities	<u>\$ 3,783,391</u>

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, 2014

	Business - type Activities - Enterprise Funds				Business-type Activities Internal Service Funds
	Utility Fund	Community Services Fund	Beach Fund	Enterprise Funds	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers and users	\$ 10,347,990	\$ 16,567,371	\$ 1,813,856	\$ 28,729,217	\$ 975
Receipts from interfund services provided	-	66,704	-	66,704	2,279,321
Receipts from operating grants	2,893	147,767	-	150,660	-
Cell Tower Lease Income Collected & Misc	-	108,325	-	108,325	-
Payments to suppliers	(2,484,332)	(5,266,187)	(273,891)	(8,024,410)	(773,034)
Payments to employees	(3,066,981)	(6,087,762)	(681,106)	(9,835,849)	(1,388,699)
Payments for interfund services used	(739,036)	(1,291,021)	(181,438)	(2,211,495)	(33,829)
Net cash provided (used) by operating activities	4,060,534	4,245,197	677,421	8,983,152	84,734
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>					
Extraordinary expense	(30,587)	-	-	(30,587)	-
Due to (from) other funds	(594,001)	(262,873)	(483,958)	(1,340,832)	(107,733)
Net cash provided (used) by non-capital financing activities	(624,588)	(262,873)	(483,958)	(1,371,419)	(107,733)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition of capital assets	(3,059,460)	(2,266,640)	(167,375)	(5,493,475)	-
Proceeds from sale of assets	25,875	56,004	1,104	82,983	-
Proceeds of capital debt	-	-	-	-	-
Payments on capital debt	(443,833)	(1,460,782)	(263,218)	(2,167,833)	-
Capital contributions	395,647	(407)	-	395,240	-
Interest expense	(199,301)	(298,149)	(13,974)	(511,424)	-
Net cash provided (used) by capital and related financing activities	(3,281,072)	(3,969,974)	(443,463)	(7,694,509)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Restricted investments released (increased)	(234)	929	-	695	22,825
Other deposits	-	-	-	-	-
Investments purchased	(8,015,250)	(3,108,437)	(675,000)	(11,798,687)	-
Long-term investments sold	7,815,250	3,122,292	925,000	11,862,542	-
Investment earnings	54,249	25,736	3,395	83,380	24,251
Net cash provided (used) by investing activities	(145,985)	40,520	253,395	147,930	47,076
Net change in cash and cash equivalents	8,889	52,870	3,395	65,154	24,077
Cash and cash equivalents, July 1	418,025	85,563	84,996	588,584	12,135
Cash and cash equivalents, June 30	\$ 426,914	\$ 138,433	\$ 88,391	\$ 653,738	\$ 36,212
<b>Non-cash capital activities</b>					
Acquisition of 4 unbuildable parcels Note 4		\$ -		\$ -	

(Continued)

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2014

	Business - type Activities - Enterprise Funds				Business-type Activities Internal Service Funds
	Utility Fund	Community Services Fund	Beach Fund	Enterprise Funds	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 1,404,443	\$ 1,622,620	\$ 449,559	\$ 3,476,622	\$ 13,185
Non-cash adjustments -					
Depreciation and amortization	2,771,756	2,293,786	137,493	5,203,035	9,950
Increase (decrease) in cash from changes in:					
Accounts receivable	(133,175)	(37,880)	(1,668)	(172,723)	-
Grant Receivable	-	41,529	-	41,529	-
Due from other Governments	-	(2,427)	(1,746)	(4,173)	-
Inventory	(4,013)	20,917	-	16,904	3,143
Prepaid expenses	(12,106)	26,161	(2,106)	11,949	2,027
Collection of cell tower leases	-	108,325	-	108,325	-
Accounts payable	(95,062)	16,822	82,468	4,228	93,923
Accrued personnel costs	78,751	33,460	9,488	121,699	(37,494)
Unearned revenue and customer deposits	49,940	121,884	3,933	175,757	-
Total adjustments	2,656,091	2,622,577	227,862	5,506,530	71,549
Net cash provided (used) by operating activities	\$ 4,060,534	\$ 4,245,197	\$ 677,421	\$ 8,983,152	\$ 84,734

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, 2013

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		
					Governmental Activities	Business-type Activities	Total
<b>Primary government:</b>							
Governmental activities:							
General government	\$ 1,985,100	\$ -	\$ -	\$ -	\$ (1,985,100)	\$ -	\$ (1,985,100)
Total governmental activities	<u>1,985,100</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,985,100)</u>	<u>-</u>	<u>(1,985,100)</u>
Business-type activities:							
Utilities	8,580,345	9,770,425	-	2,013,853	-	3,203,933	3,203,933
Community Services	14,899,527	16,765,559	97,123	1,137,270	-	3,100,425	3,100,425
Beach	1,158,071	1,755,342	-	-	-	597,271	597,271
Total business-type activities	<u>24,637,943</u>	<u>28,291,326</u>	<u>97,123</u>	<u>3,151,123</u>	<u>-</u>	<u>6,901,629</u>	<u>6,901,629</u>
Total primary government	<u>\$ 26,623,043</u>	<u>\$ 28,291,326</u>	<u>\$ 97,123</u>	<u>\$ 3,151,123</u>	<u>(1,985,100)</u>	<u>6,901,629</u>	<u>4,916,529</u>
General revenues:							
Property taxes					1,307,715	-	1,307,715
Combined taxes					1,205,091	-	1,205,091
Unrestricted investment earnings					30,618	113,164	143,782
Sale of capital assets					3,769	5,472	9,241
Miscellaneous revenues					3,713	68,594	72,307
Washoe County Tax Refund					55,372	-	55,372
Total general revenues					<u>2,606,278</u>	<u>187,230</u>	<u>2,793,508</u>
Changes in net position					621,178	7,088,859	7,710,037
Net position - beginning					3,337,444	106,784,330	110,121,774
Net position - ending					<u>\$ 3,958,622</u>	<u>\$ 113,873,189</u>	<u>\$ 117,831,811</u>

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, 2013**

	Business - type Activities - Enterprise Funds				Business-type Activities Internal Service Funds
	Utility Fund	Community Services Fund	Beach Enterprise Fund	Enterprise Funds	
<b>OPERATING REVENUES</b>					
Sales and fees	\$ 9,767,475	\$ 11,309,553	\$ 1,058,128	\$ 22,134,956	\$ 2,950
Facility fees	-	5,962,384	775,102	6,737,486	-
Parcel Owner discounts on entry fees	-	(564,550)	(77,888)	(642,438)	-
Operating grants	-	97,123	-	97,123	-
Interfund services	-	58,372	-	58,372	2,042,462
Total operating revenues	<u>9,767,475</u>	<u>16,862,682</u>	<u>1,755,342</u>	<u>28,385,499</u>	<u>2,045,412</u>
<b>OPERATING EXPENSES</b>					
Wages and benefits	2,994,499	6,262,104	554,750	9,811,555	1,160,280
Cost of goods sold	-	912,704	-	912,704	-
Services and supplies	1,341,008	3,283,290	308,019	4,932,317	540,474
Defensible Space	99,956	99,957	-	199,913	-
Central Services Cost	257,100	673,500	63,600	994,200	-
Insurance	102,089	237,836	17,715	357,640	49,192
Utilities	1,001,334	962,524	77,989	2,041,847	5,798
Legal and audit	71,128	26,441	4,683	102,252	28,590
Depreciation	2,613,840	2,246,216	117,317	4,977,373	7,926
Total operating expenses	<u>8,480,954</u>	<u>14,704,572</u>	<u>1,144,073</u>	<u>24,329,599</u>	<u>1,792,260</u>
Operating income	<u>1,286,521</u>	<u>2,158,110</u>	<u>611,269</u>	<u>4,055,900</u>	<u>253,152</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment earnings	55,666	28,421	6,160	90,247	22,917
Gain (loss) on sales of assets	17,856	(12,384)	-	5,472	-
Cell Tower Lease Income	-	68,594	-	68,594	-
Interest on bond debt	(177,404)	(372,219)	(19,234)	(568,857)	-
Amortization issuance costs, discounts & premiums	(9,204)	26,044	(6,529)	10,311	-
Total nonoperating revenues (expenses)	<u>(113,088)</u>	<u>(261,544)</u>	<u>(19,603)</u>	<u>(394,233)</u>	<u>22,917</u>
Income before contributions	<u>1,173,433</u>	<u>1,896,566</u>	<u>591,666</u>	<u>3,661,667</u>	<u>276,069</u>
Capital Grant Contributions	<u>2,013,853</u>	<u>1,137,270</u>	<u>-</u>	<u>3,151,123</u>	<u>-</u>
Changes in net position	<u>3,187,288</u>	<u>3,033,836</u>	<u>591,666</u>	<u>6,812,790</u>	<u>276,069</u>
Total net position, July 1	<u>62,379,597</u>	<u>38,919,533</u>	<u>4,446,802</u>	<u>-</u>	<u>1,038,396</u>
Total net position, June 30	<u>\$ 65,566,885</u>	<u>\$ 41,953,369</u>	<u>\$ 5,038,468</u>	<u>\$ -</u>	<u>\$ 1,314,467</u>
			Adjustment to reflect consolidation of internal service fund activities related to Enterprise Funds	<u>276,069</u>	
			Change in net position of Business-Type Activities	<u>\$ 7,088,859</u>	

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, 2013**

	Business - type Activities - Enterprise Funds				Business-type Activities	
	Utility Fund	Community Services Fund	Beach Fund	Enterprise Funds	Internal	Service Funds
<b>CASH FLOWS FROM</b>						
<b>OPERATING ACTIVITIES</b>						
Receipts from customers and users	\$ 9,614,530	\$ 16,853,141	\$ 1,768,620	\$ 28,236,291	\$	\$ 2,950
Receipts from interfund services provided	-	58,572	-	58,572	-	2,042,462
Receipts from operating grants	-	97,123	-	97,123	-	-
Call Tower Lease Income allocated	-	68,594	-	68,594	-	-
Payments to suppliers	(2,806,911)	(3,202,930)	(329,976)	(8,341,817)	(470,685)	-
Payments to employees	(2,986,356)	(6,235,734)	(555,166)	(9,777,256)	(1,349,551)	-
Payments for interfund services used	(528,033)	(1,263,505)	(130,700)	(1,922,238)	-	(112,429)
Net cash provided (used) by operating activities	3,291,230	4,575,061	752,778	8,419,069	-	112,747
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>						
Due to (from) other funds	(479,391)	(594,985)	181,515	(892,861)	-	52,314
Net cash provided (used) by non-capital financing activities	(479,391)	(594,985)	181,515	(892,861)	-	52,314
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Acquisition of capital assets	(3,693,371)	(2,094,299)	(550,397)	(6,338,067)	-	(38,061)
Proceeds from sale of assets	17,856	15,929	-	33,785	-	-
Proceeds of capital debt	2,308,839	3,419,052	55,948	5,783,839	-	-
Payments on capital debt	(773,722)	(5,246,352)	(168,648)	(6,188,722)	-	-
Bond issue costs incurred	-	(56,123)	(918)	(57,041)	-	-
Capital contributions	2,181,953	1,340,923	-	3,522,876	-	-
Interest expense	(153,535)	(411,898)	(20,477)	(587,910)	-	-
Net cash provided (used) by capital and related financing activities	(113,980)	(3,032,768)	(684,492)	(3,831,240)	-	(58,061)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Restricted investments released (increased)	1,826	14,356	-	16,182	-	-
Other deposits	(3)	(7)	(2)	(12)	-	(52,305)
Investments purchased	(6,965,250)	(2,722,292)	(425,000)	(10,112,542)	-	(1,055,000)
Long-term investments sold	4,050,000	1,601,000	250,000	5,901,000	-	1,000,000
Investment earnings	49,947	22,810	6,475	79,232	-	22,440
Net cash provided (used) by investing activities	(2,863,480)	(1,084,133)	(168,527)	(4,116,140)	-	(114,865)
Net change in cash and cash equivalents	(165,621)	(336,825)	81,274	(421,172)	-	12,135
Cash and cash equivalents, July 1	583,646	422,388	3,722	1,009,756	-	-
Cash and cash equivalents, June 30	\$ 418,025	\$ 83,563	\$ 84,996	\$ 588,584	\$	\$ 12,135
<b>Non-cash capital activities</b>						
Acquisition of 78 unbuildable parcels Note 4	\$	\$	\$	\$	\$	\$

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2013**

	Business - type Activities - Enterprise Funds				Business-type Activities Internal Service Funds
	Utility Fund	Community Services Fund	Beach Fund	Enterprise Funds	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 1,286,521	\$ 2,158,110	\$ 611,269	\$ 4,055,900	\$ 253,152
Non-cash adjustments -					
Depreciation	2,613,840	2,246,216	117,317	4,977,373	7,926
Increase (decrease) in cash from changes in:					
Accounts receivable	(169,268)	50,691	(1,229)	(119,806)	-
Due from other Governments	-	47,513	12,953	60,466	-
Inventory	1,105	(16,500)	-	(15,485)	6,388
Prepaid expenses	(16,293)	(2,743)	1,043	(17,993)	37,425
Collection of call tower leases	-	68,594	-	68,594	-
Accounts payable	(449,141)	(250,850)	10,287	(689,704)	(2,873)
Accrued personal costs	8,143	26,370	(416)	34,097	(189,271)
Unearned revenue and customer deposits	16,323	47,750	1,554	65,627	-
Total adjustments	2,004,709	2,216,951	141,509	4,363,169	(140,405)
Net cash provided (used) by operating activities	<u>\$ 3,291,230</u>	<u>\$ 4,375,061</u>	<u>\$ 752,778</u>	<u>\$ 8,419,069</u>	<u>\$ 112,747</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, 2012**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
<b>Primary government:</b>							
Governmental activities:							
General government	\$ 3,265,923	\$ 1,074,000	\$ -	\$ -	\$ (2,191,923)	\$ -	\$ (2,191,923)
Total governmental activities	<u>3,265,923</u>	<u>1,074,000</u>	<u>-</u>	<u>-</u>	<u>(2,191,923)</u>	<u>-</u>	<u>(2,191,923)</u>
Business-type activities:							
Utilities	8,604,093	9,130,805	-	912,933	-	1,439,645	1,439,645
Community Services	15,421,206	16,277,239	77,700	1,369,936	-	2,303,669	2,303,669
Beach	1,177,800	1,467,842	-	-	-	290,042	290,042
Total business-type activities	<u>25,203,100</u>	<u>26,875,886</u>	<u>77,700</u>	<u>2,282,869</u>	<u>-</u>	<u>4,033,355</u>	<u>4,033,355</u>
Total primary government	<u>\$ 28,469,023</u>	<u>\$ 27,949,886</u>	<u>\$ 77,700</u>	<u>\$ 2,282,869</u>	<u>(2,191,923)</u>	<u>4,033,355</u>	<u>1,841,432</u>
<b>General revenues:</b>							
Property taxes					1,325,436	-	1,325,436
Combined taxes					1,106,183	-	1,106,183
Unrestricted investment earnings					25,555	254,017	279,572
Gain on disposal of capital assets					-	11,021	11,021
Miscellaneous revenues					<u>1,771</u>	<u>115,020</u>	<u>116,791</u>
Total general revenues					<u>2,458,945</u>	<u>380,058</u>	<u>2,839,003</u>
Change in net assets					267,022	4,413,413	4,680,435
Net assets - beginning					<u>3,070,422</u>	<u>102,370,917</u>	<u>105,441,339</u>
Net assets - ending					<u>\$ 3,337,444</u>	<u>\$ 106,784,330</u>	<u>\$ 110,121,774</u>

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

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**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
 FOR THE YEAR ENDED JUNE 30, 2012**

	Business - type Activities - Enterprise Funds				Business-type Activities Internal Service Funds
	Utility Fund	Community Services Fund	Beach Enterprise Fund	Enterprise Funds	
<b>OPERATING REVENUES</b>					
Sales and fees	\$ 9,127,955	\$ 10,414,480	\$ 1,016,280	\$ 20,558,715	\$ 2,850
Facility fees	-	5,919,707	899,565	6,819,272	-
Parcel Owner discounts	-	(108,379)	(448,003)	(556,382)	-
Operating grants	-	77,700	-	77,700	-
Interfund services	-	51,431	-	51,431	1,888,350
Total operating revenues	<u>9,127,955</u>	<u>16,354,939</u>	<u>1,467,842</u>	<u>26,950,736</u>	<u>1,891,200</u>
<b>OPERATING EXPENSES</b>					
Wages and benefits	2,947,376	6,334,351	528,625	9,810,352	1,369,973
Cost of goods sold	-	895,324	-	895,324	-
Services and supplies	1,273,502	3,143,522	326,490	4,743,514	478,312
Defensible Space	97,094	97,094	-	194,188	-
Central Services Cost	277,200	727,200	69,600	1,074,000	-
Insurance	92,857	242,393	17,731	352,981	50,972
Utilities	1,077,337	1,094,234	78,318	2,249,889	6,441
Legal and audit	73,745	43,661	7,369	124,773	35,044
Depreciation	2,565,241	2,359,117	116,944	5,041,302	9,119
Total operating expenses	<u>8,404,350</u>	<u>14,936,896</u>	<u>1,145,077</u>	<u>24,486,323</u>	<u>1,949,861</u>
Operating income (loss)	<u>723,605</u>	<u>1,418,043</u>	<u>322,765</u>	<u>2,464,413</u>	<u>(58,661)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment earnings	86,010	24,062	4,495	114,567	139,450
Gain (loss) on sales of assets	381	20,654	(10,446)	10,589	432
Coverage Sales	-	41,323	-	41,323	-
Cell Tower Lease Income	-	73,697	-	73,697	-
Interest on bond debt	(169,042)	(487,223)	(23,318)	(679,583)	-
Amortization issuance costs	(9,589)	40,435	(6,529)	24,317	-
Total nonoperating revenues (expenses)	<u>(92,240)</u>	<u>(287,052)</u>	<u>(35,798)</u>	<u>(415,090)</u>	<u>139,882</u>
Income (loss) before contributions	<u>631,365</u>	<u>1,130,991</u>	<u>286,967</u>	<u>2,049,323</u>	<u>81,221</u>
Capital Grant Contributions	912,933	1,369,936	-	2,282,869	-
Change in net assets	1,544,298	2,500,927	286,967	4,332,192	81,221
Total net assets, July 1	<u>60,835,299</u>	<u>36,418,606</u>	<u>4,159,835</u>	<u>957,177</u>	<u>957,177</u>
Total net assets, June 30	<u>\$ 62,379,597</u>	<u>\$ 38,919,533</u>	<u>\$ 4,446,802</u>	<u>\$ 1,038,398</u>	<u>\$ 1,038,398</u>
				Adjustment to reflect consolidation of internal service fund activities related to Enterprise Funds	<u>81,221</u>
				Change in net assets of business-type activities	<u>\$ 4,413,413</u>

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, 2012

	Business - type Activities - Enterprise Funds				Business-type Activities Internal Service Funds
	Utility Fund	Community Services Fund	Beach Fund	Enterprise Funds	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers and users	\$ 9,039,928	\$ 16,156,878	\$ 1,468,267	\$ 26,665,073	\$ 2,850
Receipts from interfund services provided	-	51,431	-	51,431	1,888,350
Receipts from operating grants	-	77,700	-	77,700	-
Cell Tower Lease Income collected	-	73,697	-	73,697	-
Payments to suppliers	(2,453,951)	(5,461,414)	(454,457)	(8,369,822)	(580,616)
Payments to employees	(2,828,591)	(6,233,226)	(519,289)	(9,581,100)	(1,346,932)
Payments for interfund services used	(277,200)	(727,200)	(69,600)	(1,074,000)	-
Net cash provided (used) by operating activities	3,480,186	3,937,866	424,921	7,842,973	(36,348)
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>					
Due to (from) other funds	668,429	(1,626,064)	468,404	(489,231)	(166,059)
Net cash provided (used) by non-capital financing activities	668,429	(1,626,064)	468,404	(489,231)	(166,059)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition of capital assets	(6,030,838)	(2,785,667)	(7,196)	(8,823,701)	-
Interfund reimbursement - capital assets	-	10,446	(10,446)	-	-
Proceeds from sale of assets	381	51,531	-	51,912	454
Proceeds of capital debt	691,161	-	-	691,161	-
Payments on capital debt	(841,887)	(1,766,072)	(108,928)	(2,716,887)	-
Bond issue costs incurred	(32,935)	-	-	(32,935)	-
Capital contributions	660,750	1,348,332	-	2,009,082	-
Interest expense	(175,409)	(505,021)	(24,965)	(705,395)	-
Net cash provided (used) by capital and related financing activities	(5,728,777)	(3,646,451)	(151,535)	(9,526,763)	434
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Restricted investments released (increased)	4,737	28,850	-	33,587	-
Other deposits	-	-	-	-	(188)
Investments purchased	-	-	(750,000)	(750,000)	-
Long-term investments sold	1,650,792	1,673,383	-	3,324,175	25,411
Investment earnings	95,277	26,586	3,522	125,385	176,750
Net cash provided (used) by investing activities	1,750,806	1,728,819	(746,478)	2,733,147	201,973
Net increase (decrease) in cash and cash equivalents	170,644	394,170	(4,688)	560,126	-
Cash and cash equivalents, July 1	413,002	28,218	8,410	449,630	-
Cash and cash equivalents, June 30	\$ 583,646	\$ 422,388	\$ 3,722	\$ 1,009,756	\$ -

(Continued)

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2012

	Business - type Activities - Enterprise Funds				Business-type Activities Internal Service Funds
	Utility Fund	Community Services Fund	Beach Fund	Enterprise Funds	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 723,605	\$ 1,418,043	\$ 322,765	\$ 2,464,413	\$ (58,661)
Non-cash adjustments -					
Depreciation	2,565,241	2,359,117	116,944	5,041,302	9,119
Increase (decrease) in cash from changes in:					
Accounts receivable	(196,053)	(99,809)	300	(295,562)	-
Due from other Governments	-	(56,623)	(13,579)	(70,202)	-
Inventory	2,392	(29,245)	-	(26,855)	(5,774)
Prepaid expenses	(100,112)	(182,484)	(18,265)	(300,861)	(12,945)
Collection of cell tower leases	-	73,697	-	73,697	-
Accounts payable	258,302	266,543	(6,284)	518,561	8,872
Accrued personnel costs	118,785	101,125	9,336	229,246	23,041
Deferred revenue and customer deposits	108,026	87,502	13,704	209,232	-
Total adjustments	2,756,581	2,519,823	102,156	5,378,560	22,313
Net cash provided (used) by operating activities	\$ 3,480,186	\$ 3,937,866	\$ 424,921	\$ 7,842,973	\$ (36,348)

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, 2011**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
<b>Primary government:</b>							
<b>Governmental activities:</b>							
General government	\$ 3,882,904	\$ -	\$ -	\$ -	\$ (3,882,904)	\$ -	\$ (3,882,904)
Total governmental activities	<u>3,882,904</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,882,904)</u>	<u>-</u>	<u>(3,882,904)</u>
<b>Business-type activities:</b>							
Utilities	8,317,461	8,485,161	-	1,220,938	-	1,388,638	1,388,638
Community Services	15,599,730	17,612,042	84,000	2,126,748	-	4,223,060	4,223,060
Beach	1,263,121	1,228,336	-	-	-	(34,785)	(34,785)
Total business-type activities	<u>25,180,312</u>	<u>27,325,539</u>	<u>84,000</u>	<u>3,347,686</u>	<u>-</u>	<u>5,576,913</u>	<u>5,576,913</u>
Total primary government	<u>\$ 29,063,216</u>	<u>\$ 27,325,539</u>	<u>\$ 84,000</u>	<u>\$ 3,347,686</u>	<u>(3,882,904)</u>	<u>5,576,913</u>	<u>1,694,009</u>
<b>General revenues:</b>							
Property taxes					1,094,166	-	1,094,166
Combined taxes					1,101,055	-	1,101,055
Unrestricted investment earnings					24,175	229,855	254,030
Gain on disposal of capital assets					9,120	275,170	284,290
Miscellaneous revenues					2,071	27,747	29,818
Transfers to/from funds					924,154	(924,154)	-
Total general revenues and transfers					<u>3,154,741</u>	<u>(391,382)</u>	<u>2,763,359</u>
Change in net assets					<u>(728,163)</u>	<u>5,185,531</u>	<u>4,457,368</u>
Net assets - beginning, as previously reported					4,732,559	94,129,802	98,862,361
Prior period adjustment					(933,974)	3,055,584	2,121,610
Net assets - beginning, as adjusted					<u>3,798,585</u>	<u>97,185,386</u>	<u>100,983,971</u>
Net assets - ending					<u>\$ 3,070,422</u>	<u>\$ 102,370,917</u>	<u>\$ 105,441,339</u>

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 ASSETS  
 FOR THE YEAR ENDED JUNE 30, 2011**

	Business - type Activities - Enterprise Funds				Business-type Activities Internal Service Funds
	Utility Fund	Community Services Fund	Beach Enterprise Fund	Enterprise Funds	
<b>OPERATING REVENUES</b>					
Sales and fees	\$ 8,485,161	\$ 11,488,132	\$ 765,196	\$ 20,738,489	\$ 5,400
Facility fees	-	6,067,022	783,028	6,850,050	-
Parcel Owner discounts on entry fees	-	-	(319,888)	(319,888)	-
Operating grants	-	84,000	-	84,000	-
Interfund services	-	56,888	-	56,888	1,958,922
Total operating revenues	<u>8,485,161</u>	<u>17,696,042</u>	<u>1,228,336</u>	<u>27,409,539</u>	<u>1,964,322</u>
<b>OPERATING EXPENSES</b>					
Wages and benefits	2,904,311	6,798,938	627,406	10,330,655	1,396,756
Cost of goods sold	(292)	981,113	13,030	993,851	-
Services and supplies	1,197,091	3,772,634	368,704	5,338,429	491,399
Insurance	110,401	249,728	16,427	376,556	41,586
Utilities	1,081,748	915,400	76,596	2,073,744	5,797
Legal and audit	89,772	46,624	4,798	141,194	34,539
Depreciation	2,722,907	2,423,499	120,104	5,266,510	9,119
Total operating expenses	<u>8,105,938</u>	<u>15,187,936</u>	<u>1,227,065</u>	<u>24,520,939</u>	<u>1,979,196</u>
Operating income (loss)	<u>379,223</u>	<u>2,508,106</u>	<u>1,271</u>	<u>2,888,600</u>	<u>(14,874)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment earnings	151,646	42,697	-	194,343	35,512
Gain on sales of assets	7,756	264,849	-	272,605	2,565
Cell Tower Lease Income	-	27,747	-	27,747	-
Interest on bond debt	(197,550)	(449,097)	(27,759)	(674,406)	-
Amortization issuance costs	(9,589)	46,025	(6,529)	29,907	-
Total nonoperating revenues (expenses)	<u>(47,737)</u>	<u>(67,779)</u>	<u>(34,288)</u>	<u>(149,804)</u>	<u>38,077</u>
Income (loss) before contributions and transfers	<u>331,486</u>	<u>2,440,327</u>	<u>(33,017)</u>	<u>2,738,796</u>	<u>23,203</u>
Capital Grant Contributions	<u>1,220,938</u>	<u>2,126,748</u>	<u>-</u>	<u>3,347,686</u>	<u>-</u>
Transfer to General Fund	<u>(462,077)</u>	<u>(421,229)</u>	<u>(40,848)</u>	<u>(924,154)</u>	<u>-</u>
Change in net assets	<u>1,090,347</u>	<u>4,145,846</u>	<u>(73,865)</u>	<u>5,162,328</u>	<u>23,203</u>
Total net assets, July 1, as previously reported	59,410,735	30,485,367	4,233,700		933,974
Prior period adjustment	334,217	1,787,393	-		-
Total net assets, July 1, as adjusted	<u>59,744,952</u>	<u>32,272,760</u>	<u>4,233,700</u>		<u>933,974</u>
Total net assets, June 30	<u>\$ 60,835,299</u>	<u>\$ 36,418,606</u>	<u>\$ 4,159,835</u>		<u>\$ 957,177</u>
				Adjustment to reflect consolidation of internal service fund activities related to Enterprise Funds	<u>23,203</u>
				Change in net assets of business-type activities	<u>\$ 5,185,531</u>

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, 2011**

	Business - type Activities - Enterprise Funds				Business-type Activities Internal Service Funds
	Utility Fund	Community Services Fund	Beach Fund	Enterprise Funds	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers and users	\$ 8,499,030	\$ 17,664,678	\$ 1,233,475	\$ 27,397,183	\$ 5,400
Receipts from interfund services provided	-	56,888	-	56,888	1,958,922
Receipts from operating grants	-	84,000	-	84,000	-
Cell Tower Lease Income collected	-	27,747	-	27,747	-
Payments to suppliers	(1,104,833)	(4,677,704)	(224,715)	(6,007,252)	(595,110)
Payments to employees	(2,960,039)	(6,852,579)	(643,464)	(10,456,082)	(1,418,202)
Payments for interfund services used	(555,417)	(1,105,035)	(223,968)	(1,884,420)	(18,863)
Net cash provided (used) by operating activities	3,878,741	5,197,995	141,328	9,218,064	(67,853)
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>					
Transfers to general fund	(462,077)	(421,229)	(40,848)	(924,154)	-
Due to (from) other funds	(567,788)	(528,961)	(1,172,756)	(2,269,505)	(161,316)
Net cash (used) by non-capital financing activities	(1,029,865)	(950,190)	(1,213,604)	(3,193,659)	(161,316)
<b>CASH FLOWS FROM CAPITAL RELATED FINANCING ACTIVITIES</b>					
Acquisition of capital assets	(5,855,416)	(7,058,131)	(138,173)	(13,051,720)	-
Proceeds from sale of assets	7,756	264,849	-	272,605	2,565
Payments on capital debt	(816,372)	(1,892,960)	(217,040)	(2,926,372)	-
Capital contributions	1,679,123	1,842,710	-	3,521,833	-
Interest expense	(208,344)	(459,519)	(28,197)	(696,060)	-
Net cash provided (used) by capital and related financing activities	(5,193,253)	(7,303,051)	(383,410)	(12,879,714)	2,565
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Restricted investments released (increased)	327,049	101,967	-	429,016	(21,255)
Long-term investments sold	1,774,694	1,918,533	-	3,693,227	49,903
Investment earnings	171,699	53,846	-	225,545	352
Net cash provided (used) by investing activities	2,273,442	2,074,346	-	4,347,788	29,000
Net (decrease) in cash and cash equivalents	(70,935)	(980,900)	(1,455,686)	(2,507,521)	(197,604)
Cash and cash equivalents, July 1	483,937	1,009,118	1,464,096	2,957,151	197,604
Cash and cash equivalents, June 30	\$ 413,002	\$ 28,218	\$ 8,410	\$ 449,630	\$ -

(Continued)

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2011

	Business - type Activities - Enterprise Funds				Business-type Activities Internal Service Funds
	Utility Fund	Community Services Fund	Beach Fund	Enterprise Funds	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 379,223	\$ 2,508,106	\$ 1,271	\$ 2,888,600	\$ (14,874)
Non-cash adjustments -					
Depreciation	2,722,907	2,423,499	120,104	5,266,510	9,119
Increase (decrease) in cash from changes in:					
Accounts receivable	(13,301)	8,692	1,118	(3,491)	-
Due from other Governments	-	26,550	10,142	36,692	-
Inventory	456	1,912	-	2,368	-
Prepaid expenses	83,028	(36,922)	5,068	51,174	(35,378)
Collection of toll tower leases	-	27,747	-	27,747	(14,752)
Accounts payable	734,986	217,770	25,804	978,560	19,243
Accrued personnel costs	(55,728)	(53,641)	(16,058)	(125,427)	(31,211)
Deferred revenue and customer deposits	27,170	74,282	(6,121)	95,331	-
Total adjustments	3,499,518	2,689,889	140,057	6,329,464	(52,979)
Net cash provided (used) by operating activities	\$ 3,878,741	\$ 5,197,995	\$ 141,328	\$ 9,218,064	\$ (67,853)

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, 2010**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Grants and Contributions	Primary Government		Total
				Governmental Activities	Business-type Activities	
<b>Primary government:</b>						
Governmental activities:						
General government	\$ 3,002,695	\$ -	\$ -	\$ (3,002,695)	\$ -	\$ (3,002,695)
Internal Services	1,766,735	1,814,349	-	47,614	-	47,614
Total governmental activities	4,769,430	1,814,349	-	(2,955,081)	-	(2,955,081)
Business-type activities:						
Utilities	8,415,952	8,051,694	1,476,174	-	1,111,916	1,111,916
Community Services	15,220,838	16,191,656	87,000	-	1,057,818	1,057,818
Beach	1,228,268	1,465,820	-	-	237,552	237,552
Total business-type activities	24,865,058	25,709,170	1,563,174	-	2,407,286	2,407,286
Total primary government	\$ 29,634,488	\$ 27,523,519	\$ 1,563,174	(2,955,081)	2,407,286	(547,795)
General revenues:						
Property taxes				796,482	-	796,482
Combined taxes				1,136,483	-	1,136,483
Unrestricted investment earnings				54,041	347,841	401,882
Gain (loss) on disposal of capital assets				7,030	180,548	187,578
Miscellaneous revenues				2,930	251,591	254,521
Transfers to (from) funds				1,267,842	(1,267,842)	-
Total general revenues and transfers				3,264,808	(487,862)	2,776,946
Change in net assets				309,727	1,919,424	2,229,151
Net assets - beginning				4,422,832	92,210,378	96,633,210
Net assets - ending				\$ 4,732,559	\$ 94,129,802	\$ 98,862,361

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 ASSETS  
 FOR THE YEAR ENDED JUNE 30, 2010

	Enterprise Funds			Total	Total
	Utility Fund	Community Services Fund	Beach Enterprise Fund	Business-Type Activities Enterprise Funds	Governmental - Type Activities Internal Service Funds
<b>OPERATING REVENUES</b>					
Sales and fees	\$ 8,051,694	\$ 11,064,940	\$ 600,280	\$ 19,716,914	\$ -
Facility Fees	-	5,126,716	865,540	5,992,256	-
Operating Grants	-	87,000	-	87,000	-
Interfund services	-	-	-	-	1,814,349
Total operating revenues	<u>8,051,694</u>	<u>16,278,656</u>	<u>1,465,820</u>	<u>25,796,170</u>	<u>1,814,349</u>
<b>OPERATING EXPENSES</b>					
Wages and benefits	2,837,986	6,480,609	592,445	9,911,040	1,303,235
Cost of goods sold	-	974,715	30,038	1,004,753	-
Services and supplies	1,247,429	3,583,322	322,697	5,153,448	394,058
Insurance	95,845	326,736	17,159	439,738	47,260
Utilities	1,171,061	949,400	81,839	2,202,300	5,516
Legal and audit	94,251	41,825	7,634	143,710	7,953
Depreciation	2,734,966	2,310,850	137,549	5,183,365	8,713
Total operating expenses	<u>8,181,536</u>	<u>14,667,457</u>	<u>1,189,361</u>	<u>24,038,354</u>	<u>1,766,735</u>
Operating income (loss)	<u>(129,842)</u>	<u>1,611,199</u>	<u>276,459</u>	<u>1,757,816</u>	<u>47,614</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment earnings	189,786	144,571	13,484	347,841	28,796
Gain (loss) on disposal of assets	1,215	179,119	214	180,548	7,030
Miscellaneous	(225,000)	366,055	110,536	251,591	-
Interest on bond debt	(224,477)	(605,076)	(32,663)	(862,216)	-
Amortization issuance costs	(9,939)	51,695	(6,244)	35,512	-
Total nonoperating revenue (expense)	<u>(268,415)</u>	<u>136,364</u>	<u>85,327</u>	<u>(46,724)</u>	<u>35,826</u>
Income (loss) before transfers and contributions	<u>(398,257)</u>	<u>1,747,563</u>	<u>361,786</u>	<u>1,711,092</u>	<u>83,440</u>
Capital contributions	<u>1,476,174</u>	<u>-</u>	<u>-</u>	<u>1,476,174</u>	<u>-</u>
Transfer to General Fund	<u>(633,921)</u>	<u>(570,529)</u>	<u>(63,392)</u>	<u>(1,267,842)</u>	<u>-</u>
Change in net assets	<u>443,996</u>	<u>1,177,034</u>	<u>298,394</u>	<u>1,919,424</u>	<u>83,440</u>
Total net assets, July 1	<u>58,966,740</u>	<u>29,308,332</u>	<u>3,935,306</u>	<u>92,210,378</u>	<u>850,533</u>
Total net assets, June 30	<u>\$ 59,410,736</u>	<u>\$ 30,485,366</u>	<u>\$ 4,233,700</u>	<u>\$ 94,129,802</u>	<u>\$ 933,973</u>

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, 2010**

	<u>Enterprise Funds</u>			<u>Total</u>	<u>Total</u>
	<u>Utility</u>	<u>Community</u>	<u>Beach</u>	<u>Business-Type</u>	<u>Governmental</u>
	<u>Fund</u>	<u>Services</u>	<u>Fund</u>	<u>Activities</u>	<u>Activities</u>
		<u>Fund</u>		<u>Enterprise</u>	<u>Internal</u>
				<u>Funds</u>	<u>Service Funds</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers and users	\$ 8,088,132	\$ 16,054,502	\$ 1,433,126	\$ 25,575,760	\$ -
Receipts from interfund services provided	-	-	-	-	1,814,349
Receipts from Operating Grants	-	-	-	-	-
Payments to suppliers	(2,693,740)	(5,878,628)	(470,499)	(9,042,867)	(456,616)
Payments to employees	(2,809,018)	(6,397,364)	(574,008)	(9,780,390)	(1,290,686)
Payments for interfund services used	-	-	-	-	-
Net cash provided (used) by operating activities	<u>2,585,374</u>	<u>3,778,510</u>	<u>388,619</u>	<u>6,752,503</u>	<u>67,047</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>					
Transfers to general fund	(633,921)	(570,529)	(63,392)	(1,267,842)	-
Transfers to (from) other funds	-	-	-	-	-
Net cash (used) by non-capital financing activities	<u>(633,921)</u>	<u>(570,529)</u>	<u>(63,392)</u>	<u>(1,267,842)</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL RELATED FINANCING ACTIVITIES</b>					
Acquisition of capital assets	(3,613,087)	(3,144,892)	(122,173)	(6,880,152)	(12,955)
Proceeds from sale of assets	1,215	179,119	214	180,548	7,030
Payments on capital debt	(791,569)	(1,804,638)	(240,362)	(2,836,569)	-
Non-operating income (expense)	(225,000)	366,055	110,536	251,591	-
Capital contributions	1,436,803	1,556,851	-	2,993,654	-
Interest expense	(234,878)	(618,131)	(34,636)	(887,645)	-
Net cash provided (used) by capital and related financing activities	<u>(3,426,516)</u>	<u>(3,465,636)</u>	<u>(286,421)</u>	<u>(7,178,573)</u>	<u>(5,925)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Other deposits	(61,542)	106,762	(116)	45,104	-
Long-term investments purchased	1,803,423	-	-	1,803,423	-
Long-term investments sold	-	986,961	1,396,103	2,383,064	117,180
Investment earnings	216,319	144,700	14,703	375,722	19,302
Net cash (used) by investing activities	<u>1,958,200</u>	<u>1,238,423</u>	<u>1,410,690</u>	<u>4,607,313</u>	<u>136,482</u>
Net increase in cash and cash equivalents	483,137	980,768	1,449,496	2,913,401	197,604
Cash and cash equivalents, July 1	800	28,350	14,600	43,750	-
Cash and cash equivalents, June 30	<u>\$ 483,937</u>	<u>\$ 1,009,118</u>	<u>\$ 1,464,096</u>	<u>\$ 2,957,151</u>	<u>\$ 197,604</u>

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, 2010

	Utility Fund	Community Services Fund	Beach Fund	Total Business-Type Activities Enterprise Funds	Total Governmental Activities Internal Service Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ (129,842)	\$ 1,611,199	\$ 276,459	\$ 1,757,816	\$ 47,614
Non-cash adjustments -					
Depreciation	2,734,966	2,310,850	137,549	5,183,365	8,713
Increase (decrease) in cash from changes in:					
Accounts receivable	26,215	83,547	(2,696)	107,066	-
Grants Receivable		(16,927)		(16,927)	-
Due from other Governments	-	(220,701)	(34,763)	(255,464)	-
Inventory	(30,307)	44,577	-	14,270	(832)
Prepaid expenses	(82,045)	(71,206)	(5,068)	(158,319)	(673)
Due from (to) other funds	-	6,450	(6,157)	293	-
Accounts payable	27,196	17,549	93	44,838	(324)
Accrued personnel costs	28,968	83,245	18,437	130,650	12,549
Deferred revenue and customer deposits	10,223	(70,073)	4,765	(55,085)	-
Total adjustments	2,715,216	2,167,311	112,160	4,994,687	19,433
Net cash provided (used) by operating activities	\$ 2,585,374	\$ 3,778,510	\$ 388,619	\$ 6,752,503	\$ 67,047

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, 2009**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Primary government:</b>						
<b>Governmental activities:</b>						
General government	\$ 3,150,889	\$ -	\$ -	\$ (3,150,889)	\$ -	\$ (3,150,889)
Internal Services	2,001,647	2,095,747	-	94,100	-	94,100
Total governmental activities	5,152,536	2,095,747	-	(3,056,789)	-	(3,056,789)
<b>Business-type activities:</b>						
Utilities	8,610,312	8,182,416	663,597	-	235,701	235,701
Community Services	16,318,982	16,104,555	1,224,817	-	1,010,390	1,010,390
Beach	1,295,830	1,960,552	-	-	664,722	664,722
Total business-type activities	26,225,124	26,247,523	1,888,414	-	1,910,813	1,910,813
Total primary government	\$ 31,377,660	\$ 28,343,270	\$ 1,888,414	(3,056,789)	1,910,813	(1,145,976)
<b>General revenues:</b>						
Property taxes				985,295	-	985,295
Combined taxes				1,218,893	-	1,218,893
Unrestricted investment earnings				62,449	488,062	550,511
Gain (loss) on disposal of capital assets				9,072	(70,804)	(61,732)
Miscellaneous revenues				4,771	671,759	676,530
Transfers to/(from) funds				63,532	(63,532)	-
Total general revenues and transfers				2,344,012	1,025,485	3,369,497
Change in net assets				(712,777)	2,936,298	2,223,521
Net assets - beginning				5,135,609	89,274,080	94,409,689
Net assets - ending				\$ 4,422,832	\$ 92,210,378	\$ 96,633,210

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 ASSETS  
 FOR THE YEAR ENDED JUNE 30, 2009**

	Enterprise Funds			Total	Total
	Utility	Community	Beach	Business-Type	Governmental -
	Fund	Services	Enterprise	Enterprise	Internal
	Fund	Fund	Fund	Funds	Service Funds
<b>OPERATING REVENUES</b>					
Sales and fees	\$ 8,182,416	\$ 11,182,721	\$ 750,076	\$ 20,115,213	\$ -
Recreation charge assessments	-	4,921,834	1,210,476	6,132,310	-
Operating Grants	-	193,488	-	193,488	-
Interfund services	-	-	-	-	2,095,747
Total operating revenues	8,182,416	16,298,043	1,960,552	26,441,011	2,095,747
<b>OPERATING EXPENSES</b>					
Wages and benefits	2,875,354	6,924,231	640,061	10,439,646	1,471,716
Cost of goods sold	-	1,161,718	34,628	1,196,346	-
Services and supplies	1,403,461	3,982,928	329,719	5,716,108	483,091
Insurance	101,308	279,972	10,343	391,623	37,778
Utilities	1,219,626	1,030,761	81,503	2,331,890	-
Legal and audit	34,183	29,750	15,918	79,851	-
Depreciation	2,715,776	2,273,776	132,650	5,122,202	9,062
Total operating expenses	8,349,708	15,683,156	1,244,822	25,277,666	2,001,647
Operating income (loss)	(167,292)	614,907	715,730	1,163,345	94,100
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment earnings	236,935	234,331	16,796	488,062	44,236
Gain (loss) on disposal of assets	(2,030)	(68,444)	(330)	(70,804)	9,072
Miscellaneous	21,473	650,286	-	671,759	-
Interest on bond debt	(260,604)	(635,846)	(44,744)	(941,194)	-
Amortization issuance costs	-	-	(6,264)	(6,264)	-
Total nonoperating revenue (expense)	(4,226)	180,327	(34,542)	141,559	53,308
Income (loss) before transfers and contributions	(171,518)	795,234	681,188	1,304,904	147,408
Capital contributions	663,597	1,031,329	-	1,694,926	-
Transfer to General Fund	(431,766)	(410,178)	(21,588)	(863,532)	-
Transfer to/from Other Funds	800,000	(3,275,706)	3,275,706	800,000	(800,000)
Change in net assets	860,313	(1,859,321)	3,935,306	2,936,298	(652,592)
Total net assets, July 1	58,106,427	31,167,653	-	89,274,080	1,503,126
Total net assets, June 30	\$ 58,966,740	\$ 29,308,332	\$ 3,935,306	\$ 92,210,378	\$ 850,534

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, 2009

	Utility Fund	Enterprise Funds Community Services Fund	Beach Fund	Total Business-Type Activities Enterprise Funds	Total Governmental Activities Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers and users	\$ 8,249,629	\$ 16,140,520	\$ 1,961,908	\$ 26,352,057	\$ -
Receipts from interfund services provided	-	-	-	-	2,095,747
Receipts from Operating Grants	-	193,488	-	193,488	-
Payments to suppliers	(2,158,514)	(5,469,714)	(396,502)	(8,024,730)	(527,888)
Payments to employees	(2,837,239)	(6,924,231)	(640,061)	(10,401,531)	(1,498,569)
Payments for interfund services used	(612,124)	(1,030,655)	(75,609)	(1,718,388)	-
Net cash provided (used) by operating activities	2,641,752	2,909,408	849,736	6,400,896	69,290
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>					
Transfers to general fund	(431,766)	(410,178)	(21,588)	(863,532)	-
Paid to Fleet, Engineering and Buildings	-	(16,333)	-	(16,333)	16,333
Transfers to (from) other funds	800,000	(11,100)	11,100	800,000	(800,000)
Net cash (used) by non-capital financing activities	368,234	(437,611)	(10,488)	(79,865)	(783,667)
<b>CASH FLOWS FROM CAPITAL RELATED FINANCING ACTIVITIES</b>					
Acquisition of capital assets	(2,634,955)	(7,403,087)	(80,587)	(10,118,629)	(812)
Proceeds from sale of assets	-	-	(178)	(178)	9,072
Payments on capital debt	(762,448)	(1,766,856)	(233,144)	(2,762,448)	-
Capital contributions	1,540,423	1,290,159	-	2,830,582	-
Interest expense	(261,127)	(661,055)	(42,874)	(965,056)	-
Net cash provided (used) by capital and related financing activities	(2,118,107)	(8,540,839)	(356,783)	(11,015,729)	8,260
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Other deposits	22,873	11,400	-	34,273	-
Long-term investments purchased	(1,105,688)	-	(483,622)	(1,589,310)	(130,796)
Long-term investments sold	-	5,817,931	-	5,817,931	793,754
Investment earnings	190,936	228,611	15,757	435,304	43,159
Net cash (used) by investing activities	(891,879)	6,057,942	(467,865)	4,698,198	706,117
Net (decrease) in cash and cash equivalents	-	(11,100)	14,600	3,500	-
Cash and cash equivalents, July 1	800	39,450	-	40,250	-
Cash and cash equivalents, June 30	\$ 800	\$ 28,350	\$ 14,600	\$ 43,750	\$ -

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, 2009

	Utility Fund	Community Services Fund	Beach Fund	Total Business-Type Activities Enterprise Funds	Total Governmental Activities Internal Service Funds
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>					
Operating income (loss)	\$ (167,292)	\$ 614,907	\$ 715,730	\$ 1,163,345	\$ 94,100
Non-cash adjustments -					
Depreciation	2,715,776	2,273,776	132,650	5,122,202	9,062
Increase (decrease) in cash from changes in:					
Accounts receivable	56,407	(10,993)	-	45,414	-
Prepaid expenses	(4,780)	120	-	(4,660)	-
Inventory	(9,512)	2,369	-	(7,143)	15,078
Accounts payable	2,232	(21,127)	-	(18,895)	(22,097)
Accrued personnel costs	38,115	3,398	-	41,513	(26,853)
Deferred revenue and customer deposits	10,806	46,958	1,356	59,120	-
Total adjustments	2,809,044	2,294,501	134,006	5,237,551	(24,810)
Net cash provided (used) by operating activities	\$ 2,641,752	\$ 2,909,408	\$ 849,736	\$ 6,400,896	\$ 69,290



INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
 FOR THE YEAR ENDED JUNE 30, 2008

	Enterprise Funds		Internal	Total	Total
	Utility Fund	Community Services Fund	Service Fund		Internal Service Fund
			Fleet Maintenance		Workers Compensation
<b>OPERATING REVENUES</b>					
Sales and fees	\$ 8,264,972	\$ 13,825,315	\$ -	\$ 22,090,287	\$ -
Recreation charge assessments		5,763,959	-	5,763,959	-
Operating Grants	199,500	196,848	-	396,348	-
Interfund services	-	-	1,646,141	1,646,141	286,495
Total operating revenues	8,464,472	19,786,122	1,646,141	29,896,735	286,495
<b>OPERATING EXPENSES</b>					
Wages and benefits	2,657,108	7,278,984	1,207,541	11,143,633	71,326
Cost of goods sold	-	1,195,782	-	1,195,782	-
Services and supplies	883,015	3,336,360	534,014	4,753,389	16,413
Interfund services	377,444	1,038,146	8,740	1,424,330	-
Insurance	83,404	284,642	26,210	394,256	50,337
Utilities	1,225,741	1,083,903	5,423	2,315,067	-
Legal and audit	244,239	90,965	-	335,204	-
Depreciation	2,549,806	2,478,750	15,741	5,044,297	-
Total operating expenses	8,020,757	16,787,532	1,797,669	26,605,958	138,076
Operating income (loss)	443,715	2,998,590	(151,528)	3,290,777	148,419
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment earnings	373,613	297,307	32,147	703,067	41,298
Gain on disposal of assets	-	7,107	-	7,107	-
Miscellaneous	15,407	357,973	-	373,380	-
Interest on bond debt	(272,448)	(441,945)	-	(714,393)	-
Amortization issuance costs	(9,589)	(20,543)	-	(30,132)	-
Investment advisor fees	(7,863)	(5,029)	-	(12,892)	(700)
Total nonoperating revenue (expense)	99,120	194,870	32,147	326,137	40,592
Income (loss) before transfers and contributi	542,835	3,193,460	(119,381)	3,616,914	189,011
Capital contributions	813,896	-	-	813,896	-
Transfer to General Fund	(231,476)	(231,476)	-	(462,952)	-
Change in net assets	1,125,255	2,961,984	(119,381)	3,967,858	189,011
Total net assets, July 1	56,981,172	28,205,669	1,084,302	86,271,143	349,194
Total net assets, June 30	\$ 58,106,427	\$ 31,167,653	\$ 964,921	\$ 90,239,001	\$ 538,205

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, 2008

	Enterprise Funds		Internal Service	Total Business-Type	Internal Service
	Utility Fund	Recreation Fund	Fleet Maintenance	Activities	Workers Compensation
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers and users	\$ 9,360,016	\$ 19,516,355	\$ -	\$ 28,876,371	\$ -
Receipts from interfund services provided	-	-	1,629,808	1,629,808	286,495
Receipts from Operating Grants	199,500	196,848	-	396,348	-
Payments to suppliers	(2,425,685)	(5,782,659)	(540,754)	(8,749,098)	(66,750)
Payments to employees	(2,592,876)	(7,260,958)	(1,171,929)	(11,025,763)	(71,326)
Payments for interfund services used	(377,444)	(1,038,146)	(8,740)	(1,424,330)	-
Net cash provided (used) by operating activities	<u>4,163,511</u>	<u>5,631,440</u>	<u>(91,615)</u>	<u>9,703,336</u>	<u>148,419</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>					
Transfers to general fund	(231,476)	(231,476)	-	(462,952)	-
Net cash (used) by non-capital financing activities	<u>(231,476)</u>	<u>(231,476)</u>	<u>-</u>	<u>(462,952)</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL RELATED FINANCING ACTIVITIES</b>					
Acquisition of capital assets	(4,519,680)	(2,367,598)	-	(6,887,278)	-
Proceeds from sale of assets	-	365,080	116,742	481,822	-
Payment of debt issuance costs	-	(48,662)	-	-	-
Proceeds from capital debt	-	7,512,025	-	7,512,025	-
Payments on capital debt	(676,946)	(1,355,000)	-	(2,031,946)	-
Capital contributions	2,806,535	-	-	2,806,535	-
Interest expense	(264,577)	(440,456)	-	(705,033)	-
Net cash provided (used) by capital and related financing activities	<u>(2,654,668)</u>	<u>3,665,389</u>	<u>116,742</u>	<u>1,176,125</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Other deposits	29,995	103,202	-	133,195	-
Long-term investments purchased	(1,705,162)	(9,466,274)	(59,833)	(11,231,269)	(191,963)
Long-term investments sold	-	-	-	-	-
Investment earnings	405,665	300,748	34,706	741,119	44,250
Investment advisor fees	(7,863)	(5,029)	-	(12,892)	(706)
Net cash (used) by investing activities	<u>(1,277,367)</u>	<u>(9,067,353)</u>	<u>(25,127)</u>	<u>(10,369,847)</u>	<u>(148,419)</u>
Net (decrease) in cash and cash equivalents	-	(2,000)	-	46,662	-
Cash and cash equivalents, July 1	<u>800</u>	<u>41,450</u>	<u>-</u>	<u>42,250</u>	<u>-</u>
Cash and cash equivalents, June 30	<u>\$ 800</u>	<u>\$ 39,450</u>	<u>\$ -</u>	<u>\$ 88,912</u>	<u>\$ -</u>

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, 2008

	Utility Fund	Recreation Fund	Internal Service Fleet Maintenance	Total Business-Type Activities	Internal Service Workman's Compensation
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 443,715	\$ 2,998,590	\$ (151,528)	\$ 3,290,777	\$ 148,419
Non-cash adjustments -					
Depreciation	2,549,806	2,478,750	15,741	5,044,297	-
Increase (decrease) in cash from changes in:					
Accounts receivable	1,114,790	(67,739)	-	1,047,051	-
Prepaid expenses	-	189,041	(16,333)	172,708	-
Inventory	24,956	3,424	2,796	31,176	-
Accounts payable	(14,242)	16,528	22,097	24,383	-
Accrued personnel costs	64,232	18,026	35,612	117,870	-
Deferred revenue and customer deposits	(19,746)	(5,180)	-	(24,926)	-
Total adjustments	3,719,796	2,632,850	59,913	6,412,559	-
Net cash provided by operating activities	\$ 4,163,511	\$ 5,631,440	\$ (91,615)	\$ 9,703,336	\$ 148,419

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

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# Governmental Accounting, Auditing, and Financial Reporting

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USING THE  
GASB 34 MODEL

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Stephen J. Gauthier

**Government Finance Officers Association**

- *Budget document approach.* Many practitioners directly concerned with the budgetary comparison are more familiar with the budget document than they are with the GAAP financial statements. Accordingly, the budgetary comparison may be presented using the same format, terminology, and classifications used in the budget document.
- *Financial statement approach.* Often the presentation method used for the budget document differs substantially from that used for the basic financial statements. Since the budgetary comparison is presented in connection with the basic financial statements, financial statement preparers are permitted to emphasize the link between the two by using the same format, terminology, and classifications used for the governmental fund statement of revenues, expenditures, and changes in fund balances.

With either approach, when the budgetary basis of accounting differs from GAAP, a reconciliation must be provided between the two bases of accounting.<sup>76</sup>

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## PROPRIETARY FUND FINANCIAL STATEMENTS

GAAP prescribe three basic financial statements for proprietary funds: statement of net assets (balance sheet); statement of revenues, expenses, and changes in fund net assets/equity; and statement of cash flows.

### Proprietary fund statement of net assets

#### Format

The statement of net assets (balance sheet) is the basic statement of position for the proprietary funds.

A government may present its government-wide statement of position using either a net assets format or a balance sheet format. The same two options also apply to presenting the statement of position for proprietary funds. In the case of the government-wide financial statements, the statement title (statement of net assets) and the terminology used to describe the difference between assets and liabilities (net assets) should be the same, regardless of the formatting option selected. In the case of proprietary funds, however, the basic statement of position may be described as a *balance sheet* if the balance-sheet format is used. Likewise, the difference between proprietary fund assets and liabilities may be described as *equity* rather than as *net assets*.<sup>77</sup> In either case, the terminology and categories used for *net assets/equity* are the same as those described for the government-wide statement of net assets.

### Presentation of assets and liabilities

GAAP require that the proprietary fund statement of position classify assets and liabilities as *current* and *long-term*, while use of the relative order of liquidity approach is encouraged for the government-wide statement of net assets.<sup>78</sup>

<sup>76</sup> When the budgetary comparison is presented as a basic financial statement, this reconciliation is included as part of the notes to the financial statements. When the budgetary comparison is presented as RSI, the reconciliation is presented either as a separate schedule or as part of the separate notes to RSI. Alternatively, the reconciliation may be presented on the face of the budgetary comparison itself. Chapter 11 includes a detailed discussion of this reconciliation.

<sup>77</sup> GASB Statement No. 34, paragraph 98.

<sup>78</sup> GASB Statement No. 34, paragraph 97.

*Major fund reporting*

GAAP mandate the same major fund reporting for proprietary funds described earlier for governmental funds. However, GAAP also indicate that internal service funds are *never* to be reported as major funds. Accordingly, the 10 percent criterion and the 5 percent criterion should be applied to the total for all enterprise funds and to the total for all governmental plus enterprise funds, respectively.<sup>79</sup> Each individual major enterprise fund must be reported in a separate column on the face of the proprietary fund statement of position. Nonmajor enterprise funds, if any, should be reported in a separate, aggregated *other enterprise funds* column.

*Separate reporting for internal service funds*

Data from enterprise funds normally are incorporated as business-type activities in the government-wide statement of net assets, just as data from governmental funds normally are incorporated as governmental activities in that same statement. Internal service funds, however, are in a unique situation. Although internal service funds are proprietary funds (like enterprise funds), they normally are consolidated as part of governmental activities because their primary customers typically are the governmental funds. Therefore, internal service funds should be reported in a separate aggregated column on the proprietary fund statement of position, immediately following the total column for all enterprise funds, so that the amounts reported in this latter column may be traced more easily to the business-type activities column of the government-wide statement of net assets.<sup>80</sup>

*Consolidation*

There is no GAAP requirement for eliminating interfund balances from the total column for enterprise funds reported on the proprietary fund statement of position, although governments are free to eliminate such internal balances if they wish. Governments choosing to eliminate interfund balances may wish to consider presenting a separate *eliminations* column immediately preceding the enterprise fund total column.

*Reconciliation to the government-wide statement of net assets*

Because proprietary funds use the same measurement focus and basis of accounting as the government-wide financial statements, there typically will be few (if any) differences between the amounts reported in the total column for enterprise funds and the amounts reported for business-type activities in the government-wide statement of net assets. However, differences may arise, especially in connection with consolidating the activities of internal service funds.<sup>81</sup> In such cases, a reconciliation would be required between the total column for the enterprise funds and the business-type activities column of the government-wide statement of net assets, either on the face of the statement or as an accompanying schedule. Detailed information on the elements of this reconciliation should be provided, if needed, in the notes to the financial statements.<sup>82</sup>

<sup>79</sup> GASB Statement No. 34, paragraph 96.

<sup>80</sup> GASB Statement No. 34, paragraph 96.

<sup>81</sup> Internal service fund consolidation is discussed in chapter 8. A reconciliation also will be necessary if indirect costs of governmental functions are allocated to business-type functions in the government-wide statement of activities. Likewise a reconciliation will be needed if an enterprise fund is classified as a governmental activity for government-wide reporting.

<sup>82</sup> Detailed information is necessary if aggregated information in the summary reconciliation obscures the nature of the individual elements of a particular reconciling item.

### Proprietary fund statement of revenues, expenses, and changes in fund net assets

The proprietary fund statement of revenues, expenses, and changes in fund net assets (equity) is the basic statement of activities for the proprietary funds. Unlike the governmental fund statement of activities, the focus here is on *expenses* rather than *expenditures*.

### Operating versus nonoperating revenues and expenses

GAAP require that the statement of activities for proprietary funds distinguish operating from nonoperating revenues and expenses. GAAP do not provide an authoritative definition of *operating* and *nonoperating* revenues and expenses for this purpose, although GAAP indicate that financial statement preparers may wish to *consider* the authoritative guidance on identifying *cash flows from operating activities* in arriving at their own definition.<sup>83</sup>

### Presentation of revenues

Revenues should be reported by major source. GAAP also require that revenues used as security for revenue bonds be identified separately.<sup>84</sup> The presentation of revenues should reflect the effect of discounts and allowances, to be accomplished in one of two ways. One approach is to report revenues on a net basis, with discounts and allowances disclosed separately, either parenthetically or in the notes to the financial statements. The other approach is to report gross revenues followed immediately by deductions for discounts and allowances to arrive at net revenues.<sup>85</sup>

### Order of presentation

The following order should be followed in presenting the statement of revenues, expenses, and changes in fund net assets (equity):

- operating revenues
- operating expenses
- operating income (loss)
- nonoperating revenues and expenses
- income before . . . (as appropriate)<sup>86</sup>
- capital contributions (for instance, from grantors and developers)<sup>87</sup>
- additions to endowments
- special items
- extraordinary items
- transfers
- increase (decrease) in net assets (equity)
- net assets (equity) – beginning of period
- net assets (equity) – end of period

### Major fund reporting

Governments should apply major fund reporting to the proprietary fund statement of revenues, expenses, and changes in fund net assets (equity) in the same way described for the proprietary fund statement of net assets (balance sheet).

<sup>83</sup> GASB Statement No. 34, paragraph 102. When a proprietary fund's major activity is investing, certain revenues and expenses that normally would be considered *investing* often are treated instead as *operating* items.

<sup>84</sup> No special indication of pledged revenues is required if essentially all revenues of a given proprietary fund are pledged. Also, if different revenues are pledged to support different debt issues, there is no requirement that the different revenues be reported separately (which is the function of segment disclosure).

<sup>85</sup> GASB Statement No. 34, footnote 41.

<sup>86</sup> This line should be labeled based on a government's specific situation. For example, a government with only capital contributions following this line would report *income before capital contributions*, while a government with both capital contributions and extraordinary items would report *income before capital contributions and extraordinary items*.

<sup>87</sup> GAAP do not define a *capital contribution*. Technically speaking, a capital contribution is a subcategory of nonoperating revenues.

which the article or service was purchased or obtained (e.g., *personal services, contractual services, materials and supplies*).

**Obligated in some manner.** Term used in connection with special assessment debt and the determination of the financial reporting entity. A government is obligated in some manner for debt if (a) it is legally obligated to assume all or part of the debt in the event of default or (b) the government may take certain actions to assume secondary liability for all or part of the debt—and the government takes, or has given indications that it will take, those actions. Stated differently, the phrase *obligated in some manner* is intended to include all situations *other than* those in which (a) the government is *prohibited* (by constitution, charter, statute, ordinance, or contract) from assuming the debt in the event of default or (b) the government is not legally liable for assuming the debt and makes no statement, or gives no indication, that it will, or may, honor the debt in the event of default. [SGAS 6]

**Office of Management and Budget (OMB).** An agency of the federal government with regulatory oversight of Single Audits. In fulfillment of this responsibility the OMB has issued Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

**On-behalf payments of fringe benefits and salaries.** Direct payments made by one entity (the paying entity or paying government) to a third-party recipient for the employees of another, legally separate entity (the employer entity or employer government). They include payments made by governmental entities on behalf of nongovernmental entities and payments made by nongovernmental entities on behalf of governmental entities, and may be made for volunteers as well as for paid employees of the employer entity. [SGAS 24]

**Open amortization period.** Term used in connection with defined benefit pension plans. An open amortization period (open basis) is one that begins again or is recalculated at each actuarial valuation date. Within a maximum number of years specified by law or policy (for example, 30 years), the period may increase, decrease, or remain stable. [SGAS 25]

**Open-end mutual funds.** An open-end mutual fund is one that continuously offers its shares for sale to the public, compared with a closed-end company, which may issue only a limited number of shares. Mutual funds generally do not issue share certificates; instead, they send out periodic statements showing deposits, withdrawals, and dividends credited to the investor's account. [SGAS 3]

**Operating activities.** Term used in connection with cash flows reporting. Operating activities generally result from providing services and producing and delivering goods, and include all transactions and other events that are not defined as capital and related financing, noncapital financing, or investing activities. [SGAS 9]

**Operating revenues and expenses.** Term used in connection with the proprietary fund statement of revenues, expenses, and changes in net assets. The term is not defined as such in the authoritative accounting and financial reporting standards, although financial statement preparers are

advised to consider the definition of *operating activities* for cash flows reporting in establishing their own definition. [SGAS 34]

**Operational accountability.** Governments' responsibility to report the extent to which they have met their operating objectives efficiently and effectively, using all resources available for that purpose, and whether they can continue to meet their objectives for the foreseeable future. [SGAS 34]

**Option-adjusted spread models.** A method of estimating the fair value of an option when it is thinly traded or when quoted market prices are not available. Such models measure the spread provided from a security that is an option or includes an option. Using a benchmarked yield curve, separate cash flows are discounted according to their maturity. The result is a spread when compared to yields for risk-free investments. [SGAS 31, Q&A]

**Option contract.** A contract giving the buyer (owner) the right, but not the obligation, to purchase from (call option) or sell to (put option) the seller (writer) of the contract a fixed number of items (such as shares of equity securities) at a fixed or determinable "strike" price on a given date or at any time on or before a given date. [SGAS 31]

**Option-pricing models.** A method of estimating the fair value of an option when it is thinly traded or when quoted market prices are not available. Under one such model (i.e., the Black-Scholes model) consideration is given to a security's return, the risk-free interest rate, the time remaining until the option expires, and the relationship of the underlying security's price to the strike price of the option. [SGAS 31, Q&A]

**Original budget.** The first complete appropriated budget. The original budget may be adjusted by reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes before the beginning of the fiscal year. The original budget should also include actual appropriation amounts automatically carried over from prior years by law. For example, a legal provision may require the automatic rolling forward of appropriations to cover prior-year encumbrances. [SGAS 34]

**Other financing source.** An increase in current financial resources that is reported separately from revenues to avoid distorting revenue trends. The use of the *other financing sources* category is limited to items so classified by GAAP.

**Other financing use.** A decrease in current financial resources that is reported separately from expenditures to avoid distorting expenditure trends. The use of the *other financing uses* category is limited to items so classified by GAAP.

**Other postemployment benefits (OPEB).** Postemployment benefits provided by an employer to plan participants, beneficiaries, and covered dependents through a plan or other arrangement that is separate from a plan to provide retirement income. OPEB also include postemployment health care benefits provided through a public employee retirement system or pension plan. In addition to postemployment health care benefits (such as illness, dental, vision, and hearing), OPEB may include, for example, life



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EXHIBIT 9

2020

# GOVERNMENTAL GAAP GUIDE

for State and Local Governments

Eric S. Berman

 Wolters Kluwer

the historical cost of a capital asset. For construction-in-progress, interest cost incurred after the beginning of the first reporting period for which GASB-89 will now apply should not be capitalized. For regulated operations that require capitalization of interest, no change would occur upon implementation of GASB-89.

**PRACTICE ALERT:** The Tax Cuts and Jobs Act of 2017 includes provisions to eliminate tax credit bonds (as well as advance refunding bonds). Tax credit bonds were prohibited from being issued after December 31, 2017. Owners of the bonds are no longer receiving tax credits with respect to those bonds. It is unclear if GASB will rescind the related provisions in GAAP at the time of publication.

**OBSERVATION:** Many governments sell debt in a consolidated fashion - meaning that more than one authorization is funded from a bond issuance. If consolidated sales are made, care must be taken in allocating proceeds between governmental and business-type activities for the purposes of allocating interest costs for capitalization. Amounts that are allocated to business-type activities may not be in a range of maturities and may be scattered based on bond authorization language. If possible, it is practical to have a second series of bonds for business-type activities as they may be secured by fees and charges, rather than general tax revenues. By having a second series, interest capitalization is much easier to calculate.

**Infrastructure assets.** GASB Cod. Sec. 1400.703-5 discusses how the modified approach may be applied to eligible infrastructure assets accounted for as either governmental activities or business-type activities. For example, an enterprise fund that owns a toll road (which is an infrastructure asset) could use the modified approach. If the enterprise fund uses the modified approach, it should be used in the preparation of both the government-wide and proprietary fund financial statements. See Chapter 10, "Capital Assets," for further discussion of infrastructure assets and the modified approach.

**Customer deposits for utility services.** Governmental entities that provide utility services, such as electric, water, sewer, and gas, may require deposits from customers, or a governmental entity may charge developers and/or customers a system development fees (tap fees). A customer deposit is generally required to be paid before a service is turned on, and when the service is terminated, the deposit is returned to the customer. Utility services are generally accounted for as enterprise funds, and the AICPA's Audit and Accounting Guide *State and Local Governments* points out that receipts of customer deposits should be recorded as a liability and continue to be reported as such until they are "applied against unpaid billings or refunded to customers." Generally, these customer deposits are reported as restricted assets and offset with a corresponding liability payable from restricted assets [GASB Cod. Sec. P80.806].

should be recorded as a liability and recognized as revenue using the general guidance related to either an exchange transaction or a nonexchange transaction. In an exchange transaction the governmental entity and the other party to the transaction exchange cash, goods, or services that are essentially of the same value.

A nonexchange transaction arises when the transfer of goods or services between two parties is not of equal value. See Chapter 17, "Revenues: Nonexchange and Exchange Transactions," for a discussion of nonexchange revenues.

### Liabilities

Unlike governmental funds, a proprietary fund reports both current and noncurrent liabilities expected to be paid from the fund. A proprietary fund may receive the proceeds from the issuance of either general obligation bonds or revenue bonds, but in either circumstance the receipt of the proceeds coupled with the requirement to repay such debt results in a proprietary fund liability.

### Accounting and Reporting Issues

**Debt.** A governmental entity may issue debt whereby the proceeds are used to construct capital assets reported in a proprietary fund. If the debt is directly related to and expected to be paid from the proprietary fund, both the capital asset and the debt are reported in the proprietary fund financial statements and the business-type activities column of the government-wide statement of net position.

Debt may be in the form of *revenue bonds*. With revenue bonds, principal and interest is paid exclusively from the earnings of a proprietary fund. If the debt is also secured by specific fixed assets of the proprietary fund, they are referred to as mortgage revenue bonds. Revenue bonds, both current and long-term portion, are recorded as a liability of the Enterprise Fund.

A proprietary fund's long-term liabilities may include obligations other than those that arise from the issuance of a security debt instrument. These other obligations may be created from leases, claims and judgments, landfill closure and postclosure care, pollution remediation, employee termination benefits, pensions, and postemployment benefits other than pensions (OPEB).

### Statement of Revenues, Expenses, and Changes in Fund Net Position

The operating statement of a proprietary fund is the statement of revenues, expenses, and changes in fund net position. In preparing this statement:

- Revenues should be reported by major source; and
- Revenues that are restricted for the payment of revenue bonds should be identified.

The following categories (as applicable to the fund's operations) are presented in the statement:

- Operating revenues (Detailed)

- Total operating expenses;
- Operating income (loss);
- Nonoperating revenues and expenses (detailed);
- Subtotal (optional);
- Income before other revenues, expenses, gains, losses, and transfers;
- Capital contributions (grant, developer, and other), additions to permanent and term endowments, special and extraordinary items (detailed) and transfers;
- Increase (decrease) in net position;
- Net position—beginning of period; and
- Net position—end of period.

Revenues are required to be reported net of discounts and allowances, with the discount disclosed in a parenthesis on the face of the statement of revenues, expenses, and changes in net position or in a note to the basic financial statements. Many governments report gross revenues with the related discount and/or allowances reported directly beneath the gross revenue amount [GASB Cod Secs. P80.113–114, fn. 6].

#### Operating Revenues and Expenses

Operating revenues and expenses differ from government to government. Many governments attempt to align the definition of operating revenues and expenses in a similar fashion to peer non-governmental organizations. GASB Cod. Sec. P80.115 requires a policy defining operating revenues and expenses that is “appropriate to the nature of the activity being reported.” This policy needs to be consistently applied.

#### PRACTICE ALERT: The GASB’s Financial Reporting Model Improvements

Preliminary Views presents a proposed revision to a government’s flexibility in determining operating revenues and expenses. The Board’s preliminary view is that operating revenues and expenses should be defined as revenues and expenses *other than nonoperating* revenues and expenses. Nonoperating revenues and expenses are proposed to include:

- Subsidies received and provided;
- Revenues and expenses related to financing;
- Resources from the disposal of capital assets and inventory; and
- Investment income and expenses.

In an updated statement of revenues, expenses and changes in fund net position, a subtotal for operating income (loss) and noncapital subsidies should be presented before reporting other nonoperating revenues and expenses. The Board has proposed a definition of “subsidies” as resources provided by another party or fund to keep rates lower than otherwise would be necessary to support the level of goods or services provided. At the time of publication, it is unclear if

Chapter 20, “Financial Reporting,” illustrates a statement of revenues, expenses, and changes in net position for proprietary funds.

A proprietary fund should recognize revenue on an accrual basis, meaning that revenue is considered realized when (1) the earning process is complete or virtually complete and (2) an exchange has taken place.

Proprietary funds, such as water and sewer enterprise funds, have unbilled revenue at the end of an accounting period. Whether revenue is billed or unbilled is not the critical issue in the recognition of revenue in a proprietary fund. When a service has been provided (e.g., the consumption of a service by a customer), the related revenue should be recognized.

#### Accounting and Reporting Issues

**Uncollectible accounts related to revenue.** GASB Cod. Sec. P80.f06 require that revenues be reported net of related discounts or allowances. The amount of the discounts or allowances must be presented on the operating statement (either parenthetically or as a subtraction from gross revenues) or in a note to the financial statements. GAAP does not require that estimates of bad debt expense be reported as an offset to revenues, but GASB Cod. Sec. 2200.751-2 states that estimates of uncollectible accounts should be presented in a manner like discounts and allowances. That is, revenues should be reported net of the increase or decrease of the estimate of uncollectible accounts.

**Capital contributions from governmental funds.** A proprietary fund must take into consideration the nature of a capital contribution received from another fund. For example, GASB Cod. Sec. 2200.739-1 discusses the reassignment of a capital asset between an enterprise fund and governmental activities. If the asset is reassigned from governmental activities to an enterprise fund are capital asset; the transaction is not “interfund” because it involves only one fund; consequently, the enterprise fund would report the receipt of the capital assets as capital contribution from governmental activities (in the last section of the statement of revenues, expenses, and changes in fund net position).

In the reverse situation, in which a capital asset is reassigned from an enterprise fund to governmental activities, the disposal of the capital asset would be reported by the enterprise fund as a nonoperating expense. In either case, governmental funds would not report the event because there has been no flow of current financial resources. In the statement of activities, the reassignment of the capital asset between governmental activities and business-type activities would be reported as a transfer, requiring a reconciling item in the government funds’ reconciliation because a difference is created between the change in fund balances and the change in total net position.

In both cases, since the transfer consists of nonfinancial resources (a capital asset), the governmental fund will not record the transfer (because only financial resources are accounted for in a governmental fund); however, the proprietary fund will record the transaction not as a transfer but as capital contribution revenue in the lower portion of its operating statement. Even though the transfer is not presented in

## MEMORANDUM

**TO:** Board of Trustees

**FROM:** Ray Tulloch  
Audit Committee Chair

**SUBJECT:** Review, discuss, and possibly take action on the written annual Audit Committee Report to the District's Board of Trustees (Exhibit One) in conjunction with the presentation of the annual audit in accordance with Policy 15.1.0 (subparagraph 2.4.6).

**DATE:** March 9, 2022

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### **I. Background**

Under Board Policy 15.1.0, section 2.4, the Audit Committee is required to:

- 2.4 Facilitate the external audit process.
  - 2.4.1 Review and approve formal reports or letters to be submitted to the external auditor.
  - 2.4.2 Provide an independent forum for (external and/or internal resources) auditors to report findings or difficulties encountered during the audit.
  - 2.4.3 Review the auditors' report of findings and recommendations with management and the auditor.
  - 2.4.4 Review the CAFR in its entirety, including unaudited sections and letters.
  - 2.4.5 Follow -up on any corrective action identified.
  - 2.4.6 Submit a written annual Audit Committee Report to the District's Board of Trustees in conjunction with the presentation of the annual audit.
  - 2.4.7 Assess the performance of the independent auditors.

At the Audit Committee meetings of November 17 and December 8 respectively the Audit Committee completed actions 2.4.3 and 2.4.4

At the Audit Committee meeting of December 16 the Committee reviewed and agreed changes to the draft report prepared by Audit Committee chair Tulloch.

The Audit Committee has previously provided the General Manager and Finance Director with a draft copy of this report to provide them with an opportunity to respond to the issues identified and described herein by the Audit Committee. The response was discussed at the February 22 Audit Committee meeting and any agreed changes made.

## II Action

This report and summary of recommendations is presented by the Audit Committee for the Board to review, discuss, and possibly take action on the written annual Audit Committee Report to the District's Board of Trustees (Exhibit One) in conjunction with the presentation of the annual audit in accordance with Policy 15.1.0 (subparagraph 2.4.6).

The Audit Committee has previously provided the General Manager and Finance Director with a draft copy of this report to provide them with an opportunity to respond to the issues identified and described herein by the Audit Committee. The response was discussed at the February 22 Audit Committee meeting and any agreed changes made.

The Committee also notes that, since the preparation of this Report, the Board has implemented changes in the Capitalization policy. The Committee expresses deep concern that, as a result of these changes, there are likely to be material issues and lack of consistency in future reporting of Capital assets which will make it difficult to have confidence in, or ability to compare, Capital Assets in subsequent ACFRs.

## III Recommendations

### **Summary of Audit Committee Decision Points and Recommendations for the Board of Trustees**

1. The Audit Committee notes actions are being taken by management to address the identified issues in the Auditors Compliance Report related to Internal Controls and Construction Projects.

**The Audit Committee recommends that the 21-22 audit be expanded in scope to include enhanced review of internal controls.**

2. Management corrected prior years of capitalization for items considered to be maintenance and repairs. However, the FY 2019-2020 and 2020-21 ACFRs are inconsistent.
  - a. For the Utility Fund, this is estimated to be \$181,882 (see Comments and Concerns #2 and Section 3.1)
  - b. For Community Services the amount is estimated to be \$1,171,606 (see Concern 11, Section 3.3, and Appendix D). These were for preliminary stage activities which include conceptual formulation and evaluation of alternatives, determination of future needs, feasibility studies and development of financing alternatives, temporary repairs for the Burnt Cedar pool and temporary repairs at the Mountain Clubhouse.

- c. Similar costs were expensed for 2019-2020 (as a prior period adjustment - Note 22 of CAFR) for the Parks Master Plan (\$212,044) and the Incline Village Ballfield (\$77,216). In 2021 similar costs of \$3,100,110 for the Effluent Pipeline were charged off as a prior period adjustment. This highlights the inconsistency of the financial statements.

**The Audit Committee recommends a prior period adjustment to expense items 2a & 2b for consistency and accuracy of our financial statements.**

3. Contained in the initial draft of the ACFR, the Auditor had identified an additional \$866,503.70 of charge off to expenses items for items capitalized in past CAFRs. After review by Management, some items were removed including levee and roadway repairs at the wetlands, spot paving at various recreational venues, sewer line repairs and roof repairs which, as noted in #2 above, had been determined to be expense items rather than capital. These items in aggregate amounted to a depreciated book value of \$500,016.63 and an original cost of \$2,067,116.34
4. Additionally, equipment items were grouped together to meet the capitalization threshold while Board Practice 2.9 states "**In no case will the District establish a capitalization threshold of less than \$5,000 for any individual item.**". The Audit Committee Chair reviewed this with the Auditor, after the financial report was complete, and she concurred that the Board Practice is clear and not open to interpretation. In addition, an Audit Committee member reviewed with Melissa Crosthwaite, District Legal Counsel, who also concurred the statement is clear. (see Concern 8 and Section 3.2). In total the original cost and depreciated book value of these less than \$5000 assets is \$329,558.08 and \$177,413.89.

**The Audit Committee recommends a prior year adjustment to expense these items for compliance with Board Practice and consistency and accuracy of our financial statements.**

5. Beginning in 2019 investment income was credited to the General Fund instead of the funds which had cash deposits at LGIP. This caused the General Fund's opening balance in the 2020-21 ACFR to be overstated by approximately \$492K (over a 10% overstatement). This has not been corrected.

The new process management has chosen to implement is allocating investment income not by the fund with cash invested at LGIP, but based on total cash equivalents by fund.

**The Audit Committee recommends a prior period adjustment removing investment income credited to the General Fund and included in the fund**

balances for the fund(s) which had cash invested at LGIP, as it had historically been done, prior to 2019.

Additionally, the committee recommends the approach for distribution of investment income be based solely on cash invested by fund or to have separate LGIP accounts by fund, like the Utility Fund, to avoid any confusion.

6. For ease of transparency, and to align with best practices, **the Audit Committee recommends the Capital Improvement budget contain only project costs that are to be capitalized. The Audit Committee recommends that projects or project elements related to repair and maintenance items are separated and included in operating expenses. A separate line item in the Statement of Income, Revenue and Expenses and Change in Net Position for repair and maintenance is recommended for all funds.** This will allow for cross referencing the expense items budgeted within Services and Supplies.

The Audit Committee recommends the additional prior period adjustments should be made to the 2020-2021 ACFR.

Thank you for considering actioning these recommendations from the Audit Committee.

## **Exhibit One**

### **January 26, 2022, Annual Audit Committee Report to the IVGID Board of Trustees**

#### **1 Background**

The IVGID Audit Committee ("AC") is required under Board Policy 15.1.0, subparagraph 2.4.6 to "Submit a written annual Audit Committee Report to the District's Board of Trustees in conjunction with the presentation of the annual audit. This report is provided to comply with the Policy and provide the Board with our questions, concerns, comments and recommendations.

At the public meeting held on December 8th 2021, the Audit Committee received and reviewed the final IVGID Annual Comprehensive Financial Report (ACFR) for the fiscal year ending June 30, 2020 and other related materials. The Management Representation Letter was not included in the package presented to the Audit Committee but was subsequently emailed to AC members when it was requested. As a result the AC was not able to review the management representation letter during the public meeting. The Audit Committee had previously reviewed an initial draft of the ACFR at the November 17 Audit Committee meeting.

The ACFR and accompanying documents were presented by Director of Finance Paul Navazio and Controller Martin Williams. Davis Farr Audit Engagement Partner Jennifer Farr was in attendance to answer questions and provide an overview with specific comments on the contents of the documents and the opinion issued by Davis Farr as required under their audit engagement letter with IVGID.

In light of the AC receiving the final 2020 ACFR and related documents for the first time on December 8, 2021, it was not possible for the Audit Committee to both remain compliant with Open Meeting Laws and to prepare, review and finalize the required report to the Board of Trustees (BoT) prior to the scheduled meeting of the BoT on December 14, 2021 where the ACFR was scheduled to be reviewed and possibly accepted by the BoT. The Audit Committee subsequently held a meeting on December 16 to review and agree changes to the draft report prepared by Audit Committee chair Tulloch. This is presented here in final form.

#### **2 Comments by and Concerns identified by the Audit Committee**

- 1) The AC notes that IVGID management issued and signed the Management Representation letter to Davis Farr prior to review by the AC, contrary to Board Policy 15.1, 2.4.1. The Management Representation Letter was also not included in the documents provided to the Audit Committee for the December 8 meeting. As such the Audit Committee has still to perform a final review of the Management Representation Letter.



- 2) The Audit Committee notes that the previously ongoing disagreements and concerns over the \$3.179m for assessments, studies and preliminary designs for the Effluent Pipeline that the AC considered to be incorrectly capitalized in FY 19-20 have now been addressed through a Prior Year Adjustment and the \$3.179m, less accumulated depreciation, has now been expensed in the utility fund. (Further discussed below). It should be noted that expenditures of \$181,822 have been charged to the Effluent Pipeline capital project accounts for fiscal year 2020 and 2021 which are substantially the same type of costs charged off in 2021 and which the Audit Committee considers should also have been expensed.
- 3) The AC notes that the final version of the Transmittal letter to the Nevada Department of Taxation now includes disclosure of, and reference to the two Material Weaknesses and one significant Deficiency identified by the Audit. This is in concurrence with our request made at the November 17 meeting.
- 4) The Committee received clarification and confirmation from Davis Farr that the audit engagement was not structured as a comprehensive forensic audit. The Audit opinion provided <sup>1</sup>  
*“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 Incline Village General Improvement District, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows and the statement of revenues for the year then ended in accordance with accounting principles generally accepted in the United States of America.”*  
was based upon the information and statements provided by management and audit tests and review. This complies with statutory requirements.
- 5) The Audit identified two material weaknesses (MW) and one Significant Deficiency along with other deficiencies which required to be addressed. The Audit Committee notes that this is the second consecutive year where Material Weaknesses have been identified and has concerns at this trend. Management have proposed actions to address these Material Weaknesses which the Audit Committee will review and monitor progress for correction.
- 6) Several of the concerns and deficiencies identified by the Auditor appear to be a direct result of lack of, and failure to comply with, internal controls. The Committee is deeply concerned about the lack of an opinion from the Auditor regarding internal controls. The Audit Committee also notes that it has previously been urging staff to complete the updates of Internal Controls.
- 7) The Audit Committee notes that there have now been Prior Year Adjustments in 4 out of the 5 previous years which could indicate an ongoing issue with timely and

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<sup>1</sup> Independent Auditors Report @P2

accurate financial reporting. This makes it difficult to be able to have confidence in reported financial performance in the funds and business activities. With that in mind the Statistical Section of the ACFR which is not audited and has not been discussed or reviewed by the Audit Committee may have distortions as a result of these prior period adjustments .

- 8) The Audit Committee has serious concerns that several of the revisions to the proposed Capital Asset write-offs reviewed and identified by the Auditor were subsequently rejected and reversed by management in apparent violation of Board Policy 9.1.0 and Board Practice 2.9.0 (Discussed further below in 3.2 and details also in Appendix D) Management provided no documented explanation for how the policy was unclear and open to interpretation. The AC views the actions taken related to depreciation as a violation of Board Policy and Practice.
- 9) The Auditor highlighted concerns (concerns previously expressed by the Audit Committee) that expense items included in Capital Projects were only subject to review and possible transfer to be expensed when a project was closed rather than being expensed at the time of expenditure. There appears to be no clear procedure for ensuring that this review actually takes place and as a result there may be overstatement of capital assets and understatement of expenses. Members of the Committee have also raised concerns that the inclusion of expense items in capital projects funds is not in compliance with NRS, (NRS 354.4995) and GAAP/GASB (GASB #54 paragraph #33. The Audit Committee has requested capital items for expense not be included in the Capital Improvement Budget, but instead in operational expenses.
- 10) The recording and allocation of investment income to the separate funds does not appear to accurately reflect the relative balances within the funds and appears to be excessively skewed towards the General Fund which has the lowest fund balance. This was previously brought up and discussed with the Finance Director but no action appears to have been taken or supporting justification provided to validate the current allocation. Therefore, the AC views the financial report to incorrectly reflect interest income and therefore fund balance within each of the major funds.
- 11) It appears that in FY 20-21 several design studies and assessments have again been incorrectly capitalized rather than expensed as previously advised by Moss Adams. This is inconsistent with the actions taken in FY 19-20 where capitalized assessment studies were reversed to expense. (see further detail in Appendix D) Therefore, the AC views the financial reports to be inaccurate related to operational expenses and depreciation.
- 12) Facility fees (RFF/BFF) are again reported as general revenue rather than program revenues in the Statement of Activities . It is the view of the Audit Committee that this is NOT in compliance with GAAP and should be corrected. The final Moss

Adams report provides clarification on why the Facility Fees should be reported as program revenues.

### **3 Additional Discussion on Principal Concerns of the Audit Committee.**

#### **3.1 Expensing Previously Capitalized costs of the Effluent Pipeline (Comment 2)**

Concerns about expensing Effluent Pipeline Phase II costs which were previously reported as Capital Assets and /or Construction in Progress in the 18-19 and 19-20 ACFRs have continued to be a subject of discussion by the Audit Committee during FY 20-21. The recent Moss Adams reports provided applicable capital expenditure and best practice guidance based on Governmental Accounting Standards Board (GASB) Concepts Statement No 4. The accepted practice includes recognition of the different stages of a project which include preliminary studies,, construction and post-construction. The preliminary stage activities that include conceptual formulation and evaluation of alternatives, determination of future needs, feasibility studies and development of financing alternatives should be expensed as they are not directly connected with creating service capacity.

This highlighted that approximately \$3,179,000 in expenses of \$5,146,100 in costs incurred through June 30, 2019 for the Effluent Pipeline Phase II Project had been recorded in the Utility Fund as a capital asset and/or construction in progress. AC Member Clifford F. Dobler has previously provided a comprehensive and extensive overview of the entire costs incurred through fiscal year 2019 on the Effluent Pipeline Phase II Project. It is apparent that a major portion of these costs were necessary to satisfy conditions of an Administrative Order on Consent with the Nevada Department of Environmental Protection issued in April, 2014 and not resolved until May, 2019. This was discussed at length during the FY 19-20 ACFR review. The then Auditor and Management disagreed with the Committee view and left the at issue amount of \$3,179,000 as a Capital asset in the FY 19-20 financial statements.

For the FY20-21 ACFR, the initial proposal from Davis Farr and Management was that they still considered this to be a correct capitalization . Following extensive discussion of the initial draft ACFR during the November 17 2021 Audit Committee meeting, plus recognition that initial planning for replacement of (and financing options for) the effluent pipeline are now underway, it was agreed by Management that it would now be appropriate to close this outstanding issue by charging off the identified \$3.179m in Capital Assets to expense. Due to the magnitude of this write-off it was necessary to account for this as a Prior Period Adjustment and revise the financial statements to reflect this.

The Audit Committee recognizes the extensive effort expended by Mr. Dobler over previous years in accurately identifying the amounts to be expensed. The Audit Committee also recognizes the final agreement and initiative by General Manager Winquest and Finance Director Navazio to implement this change. Accordingly the Audit Committee thanks AC

member Dobler, GM Winquest and DoF Navazio for their efforts to bring this long running issue to closure.

### 3.2 Review of Capitalized Assets

During initial discussions on audit procedures between Davis Farr and the Audit Committee, the Audit Committee had highlighted their concerns around prior capitalization of items that appeared, under relevant GAAP, GASB and GFOA standards, as well as Board Capital Asset Policy 9.1.0 and Board Capitalization Practice 2.9.0, to be expense items rather than Capital Assets.

Accordingly, as part of their audit, Davis Farr performed a high level review of capital assets over the prior 15 year period to identify any apparent incorrect capitalization. Based on this the initial draft report provided to the Audit Committee by management on November 17, 2021, identified \$3,592,863.85 (original cost) of items that appeared to have been incorrectly capitalized. Net of accumulated depreciation of \$2,726,360.15 this was reflected as a write down of Capital Assets of \$866,503.70 in the draft report. A summary of these proposed Fixed Asset Audit Adjustments is attached as Appendix A. The Audit Committee, at that time, agreed in principle with this as a reasonable starting point in correcting previous suspect categorization of assets and accepted the proposed adjustments.

However, as part of the agreement to revise the financial statements to include the Prior Period Adjustment discussed under item 3.1 above, IVGID Management also performed an additional review of the Fixed Asset Adjustments identified by Davis Farr. The intent of this review was to more accurately assess on an individual item basis whether the adjustment was supported by the underlying data. This was done by reviewing additional detail about the asset rather than just looking at the header level detail as had been done by Davis Farr in their assessment. In principle the Audit Committee concurs with the validity of this approach.

When the final version of the ACFR was provided to the Audit Committee on December 8, 2021, it reflected a revised net write-off of capital assets (excluding the Effluent Export Pipeline) of only \$167,751, resulting from a total of \$1.2 million at original cost, net of \$1.03 million in accumulated depreciation. This was a significant delta from the November 17 proposals which were for a \$866,503.70 net write-off. On review of the detail of the changes made in this adjustment the Audit Committee identified a number of apparent variances from Policy. This included for example items such as:

- (a) paving repairs and maintenance, which appeared on the surface to be expense items and
- (b) A number of discrete assets with an original cost below the \$5,000 individual item minimum threshold specified in Board Policy 9.1.0, paras 2.0 and 3.0 (attached as Appendix B), and Board Practice 2.9.0, paras 1.1 and 1.2, (attached as Appendix

C). In aggregate these items amounted to an original cost of \$329,558 and a current book value of \$177,414.

With regard to items in (a) above, the Audit Committee does not have the level of detail necessary to validate or refute Management's categorization and accepts, subject to reservations, Management's categorization of these assets. A further review by an Audit Committee Member provides more detail on the expensed components which were reversed by Management (Appendix F).

However with regard to items in category (b) above, the considered and unanimous view of the Audit committee is that this categorization appears to be a clear deviation from, and violation of, Board Policy 9.1.0 and Board Practice 2.9.0. Specifically as follows:

**Board Policy 9.1.0**

- 2.0 Capitalization thresholds are best applied to individual items rather than to groups of similar items (e.g., desks and tables), unless the effect of doing so would be to eliminate a significant portion of total capital assets.
- 3.0 *In no case* will the District establish a capitalization threshold of less than \$5,000 for any individual item. (emphasis added)

and

**Board Practice 2.9.0**

1.1 The capitalization threshold *per item shall be*:

ASSET CLASS	MINIMUM COST
Equipment .....	\$ 5,000.00
Structures and Land Improvements .....	\$10,000.00

1.2 In addition to cost, all of the following criteria *shall* also be used:

- 1.2.1 The normal useful life of the item is three or more years.
- 1.2.2 The item has an acquisition cost (including freight and installation) of at least the amounts listed above in each asset class.

In discussions, Management advised the Audit Committee that, in terms of complying with the relevant Board Policies and Practices, it is their view that they have the ability to apply their judgement and to be flexible in how they these Policies are to be applied, and also that they are free to aggregate similar individual assets to meet the minimum threshold. They also considered that in terms of materiality this concern is irrelevant as the net delta in write-offs if these items were to be expensed is limited to \$152,144. However no supporting documentation, justification or references have been provided to the Committee to support this claim.

Upon perusal of the relevant board Policies and Practices, as well as consultation with legal counsel and Davis Farr, the Audit Committee has been unable to identify any provisions in the Policy that provide for flexibility, judgement or materiality to justify this approach. To the contrary the Policy and Practice appears to be unequivocal, for example:

*The capitalization threshold per item shall be:  
In no case will the District establish a capitalization threshold of less than \$5,000 for any individual item.*

It is the considered and unanimous view of the Committee that compliance with these relevant Board Policies and Practices must be viewed as a binary choice i.e. either compliant or non-compliant. We can find no applicable middle ground or materiality threshold apparent in the text. Therefore the Audit Committee must advise the Board of Trustees that there appears to be a clear violation of Board Policies and Practices in this instance. While in terms of overall materiality of the financial statements the Committee agrees that the total impact is limited, the inference in this instance is that Management regard compliance with Board Policy and Practice as optional.

***The Committee cannot in good faith concur with or support this approach.***

For example, the language in the contract for the General Manager, (the only employee directly engaged by the Board) the language is very specific on this<sup>2</sup>:

*1.1 IVGID hereby employs General Manager full-time to uphold and abide the laws of the State of Nevada, District Ordinances, written Policies, Practices, and Resolutions enacted by IVGID Board of Trustees ("Board of Trustees"),.....*

So it can reasonably be expected that this requirement to comply with Board Policies, Practices and Resolutions also extends to all other employees of the District.

The Committee raises this apparent violation of Board Policy and Practice for consideration of action and reinforcement by the Board of Trustees as it is the Committee's view that there is a clear and overriding fiduciary requirement for Management to lead by example in compliance with agreed Board Policy. Absent such compliance it brings into question whether Board Policies in general should simply be considered as optional rather than mandatory.

### **3.3 Inconsistency**

Management does not appear to have been consistent in the application of charging off capital expenditures which were expenses according to best practices. In fiscal year ending June 30, 2020, a total of \$803,514 of prior year capital expenditures for paving, painting, pre development expenses and abandoned projects were charged off as prior period adjustments. On May 31, 2021, Mr. Dobler provided a memorandum to the Audit

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<sup>2</sup> Extract from of IVGID General Manager Employment Agreement

Committee which outlined additional capital costs which should have been expensed applying the same standards of charge offs made on June 30, 2020. Excluding the Effluent Pipeline, a total of \$1,171,606 does not appear to have been addressed and either remains in the capital assets or construction in progress accounts of the District. (Appendix E).

Further supporting detail is provided in Appendix D

#### 4 Additional Recommendations

1. The Committee recognizes that in their first year audit Davis Farr has identified several issues that would support more in depth review in future audits to ensure IVGID financial statements provide an accurate representation of the District's finances and assets. It is the Committee's strong and unanimous recommendation that in the 21-22 audit, the Board should expand the scope of the audit, in particular to include more detailed examination of fixed assets and review of compliance with internal controls.
2. The audit has identified a number of apparent issues of failure of internal controls and processes. At the October 26 Audit Committee meeting, the Committee discussed with management their concerns with the apparent lack of progress on developing internal controls and strongly encouraged management to consider bringing on additional resources to ensure that this work was prioritized to ensure effective internal controls could be implemented expeditiously. The Audit Committee strongly recommends that the Board should direct this to be a critical priority for Management action and to be completed by 30 April 2022 at the latest.
3. In the current ongoing review of Board Policies and Practices the Committee recommend that the Board should provide explicit guidance to Management and staff of the absolute requirement to comply with Board Policies and Practices. If compliance is to be regarded as optional it must be questioned whether there is any value in the District applying resources and expenditures to revise these Policies. If staff identify legitimate issues with complying with Policies it is the responsibility of staff to bring these issues to the Board for resolution.
4. With regard to the actions proposed by Management in response to Material Weaknesses and Deficiencies identified by the Audit, it is the intention of the Audit Committee to add review of progress on these actions as a standing item on the AC agenda. The Committee recommends the Board should also highlight this as a priority action for Management with the objective of achieving a FY 21/22 audit that identifies no Material Weaknesses or Significant Deficiencies.
5. It is recommended that the current practice of placing maintenance expenses in Capital Improvement projects be discontinued forthwith and for all such expenditures to be properly budgeted within operating expenses. The process for review of such expenditures for allocation in accordance with Board Policies and Practices should be reviewed, updated as necessary and documented in order to provide an effective audit trail.

#### Conclusions

The AC believes this report satisfies our required responsibilities under Audit Committee



Board Policy 15.1.0 and trust that the Board of Trustees will consider our questions, concerns, comments and recommendations.

The AC wishes to thank Davis Farr and IVGID Management for the effort applied to the Audit and preparation of the ACFR. The outcomes clearly demonstrate the value of regular rotation of Auditors to bring fresh perspective on IVGID financial reporting.

**Respectfully,**

**IVGID Audit Committee**

Ray Tulloch, At large Audit Committee Member and Audit Committee Chair

Mathew Dent, IVGID Board Trustee and Vice Chair

Sara Schmitz, IVGID Board Trustee and Secretary

Clifford F. Dobler, At large Audit Committee Member

# Appendix A

## SUMMARY OF FIXED ASSET AUDIT ADJUSTMENTS

Fund	Description	Value of Assets Reviewed		Audit Adjustments			% of Value at Cost	% of Value at Book Value
		Total Value (at Cost)	Total Book Value	Original Cost	Accumulated Depreciation	Book Value (6/30/21)		
100	General Fund	5,251,618.00	3,046,089.00	39,556.33	\$ 28,690.52	\$ 10,865.81	0.75%	0.36%
200	Utility Fund	141,958,054.00	65,339,896.00	1,417,460.79	1,028,380.94	389,079.85	1.00%	0.60%
320	Golf Fund	20,204,054.00	9,870,681.00	1,343,643.67	1,111,875.58	231,768.09	6.65%	2.35%
330	Facilities	4,512,052.00	2,501,277.00	52,225.77	41,330.63	10,895.14	1.16%	0.44%
340	Ski	36,912,505.00	19,459,640.00	382,929.90	272,776.68	110,153.22	1.04%	0.57%
350	Rec Center	8,735,361.00	2,361,328.00	165,604.42	111,424.94	54,179.48	1.90%	2.29%
360	Rec Admin	1,616,495.00	1,106,932.00	23,618.42	20,338.17	3,280.25	1.46%	0.30%
370	Parks	17,152,467.00	12,815,403.00	33,410.27	27,609.99	5,800.28	0.19%	0.05%
380	Tennis	2,681,501.00	1,249,895.00	8,033.00	4,394.25	3,638.75	0.30%	0.29%
390	Beach	7,440,534.00	3,985,297.00	113,108.49	66,265.66	46,842.83	1.52%	1.18%
410	Fleet	169,903.00	45,163.00	9,477.92	9,477.92	0.00	5.58%	0.00%
430	Buildings	70,694.00	6,623.00	3,794.87	3,794.87	0.00	5.37%	0.00%
<b>Totals</b>		<b>\$ 246,708,258.00</b>	<b>\$ 121,788,224.00</b>	<b>\$ 3,592,863.85</b>	<b>\$ 2,726,360.15</b>	<b>\$ 866,503.70</b>	<b>1.46%</b>	<b>0.71%</b>

## Appendix B



### Accounting, Auditing and Financial Reporting Capitalization of Fixed Assets Practice 2.9.0

**RELEVANT POLICIES: 8.1.0 Establishing the Estimated Useful Lives of Capital Assets and 9.1.0 Establishing Appropriate Capitalization Threshold for Capital Assets**

#### 1.0 ACCOUNTING CONTROL

The capitalization threshold for all asset classes shall be identified during the budget process each fiscal year by the Finance and Accounting staff and approved by the Board of Trustees as part of the adoption of the annual Debt Management Policy, including the Five Year Capital Improvement Plan and its statement on Minimum level of expenditure.

1.1 The capitalization threshold per item shall be:

<u>ASSET CLASS</u>	<u>MINIMUM COST</u>
Equipment .....	\$ 5,000.00
Structures and Land Improvements ...	\$10,000.00

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

1.2.1 The normal useful life of the item is three or more years.

1.2.2 The item has an acquisition cost (including freight and installation) of at least the amounts listed above in each asset class.

1.2.3 The item will not be substantially reduced in value by immediate use.

1.2.4 In case of repair or refurbishment that will be capitalized, the outlay will substantially prolong the life on an existing fixed asset or increase its productivity significantly, rather than merely returning the asset to a functioning unit or making repairs of a routine nature.

Effective July 1, 2016

1



**Accounting, Auditing and Financial Reporting  
Capitalization of Fixed Assets  
Practice 2.9.0**

- 1.2.5 The capitalization threshold is applied to individual items rather than to groups of similar items (e.g. desks and tables).
- 1.2.6 The utilization of componentization of assets under the project, to provide a more appropriate management of an assets care, condition and associate maintenance or replacement, takes precedent over the stated thresholds under section 1.1.

**2.0 PHYSICAL CONTROL**

All fixed assets acquired either as operating or capital expenditures will be identified as IVGID property and recorded. Such items represent a value to the operations that have an ongoing usefulness to justify safeguarding them from loss or abuse. The items should be expected to be in service at least two years and can be readily assigned to a function or activity as responsible for its care and condition.

Effective July 1, 2016

2

## Appendix C



### **Accounting, Auditing and Financial Reporting Establishing Appropriate Capitalization Threshold for Capital Assets Policy 9.1.0**

**POLICY.** The District will consider the following guidelines in establishing capitalization thresholds:

- 1.0 Potentially capitalizable items should only be capitalized if they have an estimated useful life of greater than two years following the date of acquisition or placed into service.
- 2.0 Capitalization thresholds are best applied to individual items rather than to groups of similar items (e.g., desks and tables), unless the effect of doing so would be to eliminate a significant portion of total capital assets.
- 3.0 In no case will the District establish a capitalization threshold of less than \$5,000 for any individual item.
- 4.0 In establishing capitalization thresholds, when the District is a recipient of federal awards, then federal requirements that prevent the use of capitalization thresholds in excess of certain specified maximum amounts for purposes of federal reimbursement will prevail.
- 5.0 Capitalization of buildings and infrastructure should consider the use of componentization as a way to reflect the varying life cycle considerations of mechanical, structural elements, and wear items that may require different cycles of maintenance and replacement from the main asset being capitalized. The significance of such componentization takes precedent over the \$5,000 threshold, and thus smaller amounts may be listed to facilitate proper asset management.

Effective July 1, 2016

1

## Appendix D

### Background

2020 CAFR - Prior Period Adjustments for Capital Assets and Construction in Progress ONLY

- Community Services and Beaches - \$803,514 consisting of:
  - Carpeting and Painting - 8 "projects" - \$78,582
  - Paving - 38 "projects" - \$435,672
  - Pre development - High School Ball field - \$77,216
  - Pre development - Community Services Master Plan - \$212,044

2021 Concepts and Assessments (Pre development) and abandonments which were **NOT** considered for charge off to expense. Amounts should have been expensed based on Moss Adams report 1/14/2021 and accepted by Board of Trustees on 2/10/2021 - Cliff Dobler memo dated 5-31-2021. More detail on Appendix E

- Burnt Cedar Pool - \$219,802 (includes \$119,498 of repairs completed in 2019 and abandoned in June 2021)
- Incline Beach Bldg - \$216,131
- Mountain Golf Course Club House - \$328,954 (includes \$150,751 for repair costs to open prior to major rehab)
- Tennis Center - \$68,621
- Incline Baseball Field - \$120,268
- Diamond Peak Master Plan - \$217,830
- **Total - \$1,171,606**

2021 CAFR - Initial Charge off (per Davis Farr) of \$866,504 in second draft and amounts removed in third draft (throw back)

	<u>Initial</u>	<u>Throw Back</u>	
• General Fund -	\$28,691	\$ 8,800	
• Utility Fund -	389,080	316,885	Wetland repairs \$1743K
• Community Services -	369,194	314,106	Parking and Cart Path repairs \$211K
• Beaches -	66,266	37,640	100% Parking and Boat Ramp repairs
• Internal Services -	13,273	ZERO	
total	\$866,504	\$677,431	
	DIFFERENCE	\$189,073	
	MEMO	\$167,751	WHY?

2021 CAFR - Additional Charge Off for Pipeline - \$3,179,000 DID NOT INCLUDE 2020 AND 2021 EXPENSES OF \$182,023. Costs included the Granite assessment report ,the Jacobs report on the Pond., and an unknown amount of Staff time.

Other Charge offs not considered - ACQUIRED UNDER NEW BOARD POLICY AND PRACTICE

- Staff Uniforms at DP 2016-2017 \$115,739
- Rental Skis at DP 2016-2017 \$466,104
- Undepreciated amount - To be determined

## Appendix E

### Incline Village General Improvement District Capitalized concept and assessments for potential charge offs

#### Burnt Cedar Pool

Repairs to circulation system -in 2019	119,498
Conceptual Design - TSK 2020	32,200
Schematic Design - TSK 2020	68,104
	219,802

#### Incline Beach Building

concept design and cost estimates - Bull Stockwell - 2016	216,131
	216,131

<b>Total Beaches</b>	<b>\$ 435,933</b>
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#### Mountain Golf Course

Global Golf and BRG Architecture - New Clubhouse 2012/2014	132,203
Temporary Repair Costs for 2019 season before new rehab	150,751
Schematic Design Cart Paths - Lumos and Staff Time - 2020	46,000

#### Tennis Center

Lloyd Design - evaluation 2015/2016	42,120
Concept Design - BJK Architecture 2018	26,501

#### Incline Ball Fields

LPA - Concept Design - 2017	41,000
Schematic Design - Lloyd Consulting Group - 2017	73,930
Other unknow costs for concepts put in unbudgeted project	5,338

#### Diamond Peak

Concept Master Plan SEC Group 2014	156,030
Permit Submittals to Forest Service SEC Group 2015	29,000
Biological surveys - Hauge Brueck Associates 2019	32,800

<b>Total Community Services</b>	<b>\$ 735,673</b>
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GRAND TOTAL

\$ 1,171,606

## Appendix F

### Audit Committee Report to the Board of Trustees.

#### Analysis of capital items originally considered a charge off and reversed by IVGID management

Supplement to item 3.2

At the request of IVID management, Davis Farr provided a high level review of cost items classified as capital assets which should have been expensed based on Board Policies and Practices, the Moss Adams recommendations and GFOA sections on capitalization. The report was provided to the Audit Committee on November 17, 2021. The review indicated that \$866,503.70, consisting of \$3,592,863.85 in costs and \$2,726,350.15 in accumulated depreciation, would be charged off and reported as a prior period adjustment. Subsequently, undocumented discussions ensued between Davis Farr and IVGID management wherein it was determined that 169 items with a book value of \$677,540.52 consisting of \$2,396,674 in costs and accumulated depreciation of \$1,179,244 would not be expensed and remain as capital assets. As a result only \$189,072 (\$866,504 less \$677,540) was charged off as expenses and reported as a prior period adjustment. The Audit Committee is unsure why the December 8th memo from Paul Navazio listed \$167,751 as the charged off costs. (page 5 of AC Packet)

Based on a Committee Member extended review of the CAPITAL ASSETS reversed the following are conclusions based on historical facts and recommendations.

There were 169 items listed

- 33 items had no book value and were not necessary to be included
- 26 items were not depreciated and had total costs of \$50,015. It is unknown what these costs were, however they averaged only \$1,924. We have reservations about the whether these costs should remain as capital assets even though Board Policies and Practices did not establish capitalization thresholds for costs which would not be depreciated.
- 64 items with a combined book value of \$127,553 should not have been reversed since the original purchase costs for each item did not meet the cost threshold for capitalization as defined in Board Policies and Practices.
- There were two items in the Utility Fund labeled "Maintenance Facility Garage" each costing \$42,350 and purchased on the same date of 12/31/2017. The remaining book value of these two items was \$34,130. This may be a duplicate.
- There were 10 items in the Utility Fund for repairs of roadways and levees at the 600 acre Wetland site which captures all waste water from the Waste Water Treatment Plant in Incline Village. Total book value was \$174,333. Applying the criteria of the Moss Adams Report and the GFOA section - "Governmental Accounting, Auditing and Financial Reporting" (GAAFR 23-10) these items should not have been capitalized as continuous repairs are being conducted annually at the Wetlands site. As stated in the Moss Adams Report:

*"Governments often expend resources on existing capital assets. Most often, these expenditures simply preserve the asset's utility are expensed as routine repairs and maintenance. Any outlay that does no more than return a capital asset to its original condition, regardless of the amount expended, should be classified as maintenance and repairs. Since maintenance and repairs provide no additional value, their costs should be recognized as expense when incurred."*

- There were seven items listed as parking lot and golf course cart path paving repairs. The net book value was \$248,000. Applying Moss Adams and GFOA recommendations (above) these costs should have been expensed. Ironically, in fiscal year 2019/2020, IVGID staff reported a prior period adjustment to expense 38 paving projects with a net book value of \$435,672 which had previously been capitalized.



Also during 2020/2021, 13 parking lot and golf cart paths paving repairs costing \$253,736 were expensed. As such, IVGID management is not being consistent in capitalization of expenses regarding paving maintenance and repairs.

*Accounting principles - The consistency principle states that, once you adopt an accounting principle or method, continue to follow it consistently in future accounting periods. Only change in accounting principle or method if the new version in some way improves reporting financial results - May 15, 2017*

- There were 4 remaining items with a combined net book value of \$42,348 which consisted of a sewer line repair (\$18,582), a roof repair at the Diamond Peak Snowflake lodge (\$14,266), a snowmaking master plan (\$8,845) and a small amount of software (\$655) all of which appear to be expenses.

### **Conclusion**

The audit committee generally concurred with the original analysis by Davis Farr wherein most of the \$866,504 of net book value of assets should have been expensed and recorded as a prior period adjustment.

- We find that IVGID management did not follow board Policies and Practices, nor the recommendations of Moss Adams, nor the guidance by the GOFA but rather used their own "judgment" as to costs which should be capitalized as opposed to expensed.
- It is unclear to the AC the extent of the Davis Farr review. Davis Farr provided no opinion on their review.

### **Recommendation:**

- A deeper review of the Capital Assets should be conducted after an agreement is reached by the Board of Trustees on a definitive description of what costs should be capitalized or expensed.

## M E M O R A N D U M

**TO:** Board of Trustees

**THROUGH:** Paul Navazio  
Director of Finance

**FROM:** Indra Winquest  
District General Manager

**SUBJECT:** Management Comments Related to Audit Committee Annual Report (dated March 9, 2022)

**DATE:** April 13, 2022

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### **I. RECOMMENDATION**

Staff recommends that the Board of Trustees consider management's response(s) to the recommendations included in the Annual Report of the Audit Committee, presented to the Board of Trustees on March 9, 2022, prior to consideration of formal Board action related to the Audit Committee's recommendations.

### **II. BACKGROUND**

The purpose of this memorandum serves to provide management's response to the recommendations presented to the Board of Trustees via the Audit Committee's annual report on the FY2020/21 audit, which was transmitted to the Board on March 9, 2022.

Upon receipt of the Audit Committee's Annual Report, the Board of Trustees deferred action on the specific recommendations being advanced by the Audit Committee, pending review and comment from management (and, where appropriate, the District's external auditor).

This agenda item has been prepared in response to the request from the Board of Trustees.

The Audit Committee's Annual Report, presented to the Board of Trustees at their meeting of March 9, 2022 contained a series of specific recommendations within five general topics, for consideration by the Board.

Staff concurs with recommendations of the Audit Committee related to:

*Recommendation #1 - Expanding the scope of audit work for FY21/22 to include enhanced review of internal controls.*

Staff has largely implement the recommendation of the Audit Committee related to items to be included in the District's Capital Budget:

*Recommendation #5 - the Audit Committee recommends the Capital Improvement budget contain only project costs that are to be capitalized. The Audit Committee recommends that projects or project elements related to preliminary stage activities, repair and maintenance items are separated and included in operating expenses.*

In addition, related to Recommendation #4, staff concurs with updating the historical methodology for allocating interest earnings; however, staff wishes to clarify that a change in methodology for allocating investment earnings was implemented for FY2021/22. This revised approach is consistent with best management practices. Staff feels that the Audit Committee's recommendation, as presented in their Annual Report, is based on a misunderstanding of the how investment earnings were allocated in the past, as well as the change in methodology that has been implemented in the current fiscal year.

Staff does not concur with the Audit Committee's recommendations related to the need for additional prior period adjustments. Each of these items were reviewed by the District's external auditors (past and/or present), and the most recent audit of the District's financial statements were determined by the independent auditor to be "fairly represented in all material respects." Therefore, a review and revision of items already audited and deemed appropriate by both management and the District's independent auditor is unwarranted and unnecessary. These Audit Committee recommendations include:

*Recommendation #2 - The Audit Committee recommends a prior period adjustment to expense items 2a & 2b for consistency and accuracy of our financial statements. (Related to maintenance and repair activities).*

*Recommendation #3 - The Audit Committee recommends a prior year adjustment to expense these items for compliance with Board Practice and consistency and accuracy of our financial statements. (Application of capitalization threshold criteria).*

*Recommendation #4 - The Audit Committee recommends a prior period adjustment removing investment income credited to the General Fund and included in the fund balances for the fund(s) which had cash invested at LGIP, as it had historically been done, prior to FY 2018-2019.*

### **III. DISCUSSION**

This discussion sections provides more specific responses to each of the recommendations included in the Audit Committee's Annual Report to the Board of Trustees, dated March 9, 2022. The Audit Committee's recommendations are presented herein, verbatim, and *management's responses are presented in italics.*

1. The Audit Committee notes actions are being taken by management to address the identified issues in the Auditors Compliance Report related to Internal Controls and Construction Projects.

**The Audit Committee recommends that the FY 21-22 audit be expanded in scope to include enhanced review of internal controls.**

*Management Response:*

*Management concurs that the scope of the independent audit engagement did not constitute a "comprehensive forensic audit," nor is this typically the scope of an annual audit of financial statements.*

*Should the Board choose to undertake an audit that goes beyond the standard audit procedures for review of financial statements for compliance with GAAP/GAASB and Generally-Accepted Audit Standards, this should be discussed with the external auditor. Additional audit scope would likely require a separate engagement (and cost) from the specific scope of the annual financial statement audit, for which the District has entered into a multi-year, fixed-price contract.*

2. Management corrected prior years of capitalization for items considered to be maintenance and repairs. However, the FY 2019-2020 and 2020-21 ACFRs are inconsistent.
  - a. For the Utility Fund, this is estimated to be \$181,882 (see Comments and Concerns #2 and Section 3.1)
  - b. For Community Services the amount is estimated to be \$1,171,606 (see Concern 11, Section 3.3, and Appendix D). These were for preliminary stage activities which include conceptual formulation and evaluation of alternatives, determination of future needs, feasibility studies and development of financing alternatives, temporary repairs for the Burnt Cedar pool and temporary repairs at the Mountain Golf Course Clubhouse.
  - c. Similar costs were expensed for 2019-2020 (as a prior period adjustment - Note 22 of CAFR) for the Parks Master Plan (\$212,044) and the Incline Village Ballfield (\$77,216). In FY 2020-2021 similar costs of \$3,100,110 for the Effluent Pipeline were charged off as a prior period adjustment. This highlights the inconsistency of the financial statements.

**The Audit Committee recommends a prior period adjustment to expense items 2a & 2b for consistency and accuracy of our financial statements.**

*Management Response:*

*All FY2020/21 capital and construction-in-process items were reviewed by management and the auditor and concluded that capitalization was appropriate.*

3. Contained in the initial draft of the ACFR, the Auditor had identified an additional \$866,503.70 of charge off to expenses items for items capitalized in past CAFRs. After review by Management, some items were removed including levee and roadway repairs at the wetlands, spot paving at various recreational venues, sewer line repairs and roof repairs which, as noted in #2 above, had been determined to be expense items rather than capital.

Additionally, equipment items were grouped together to meet the capitalization threshold while Board Practice 2.9 states **"In no case will the District establish a capitalization threshold of less than \$5,000 for any individual item."** The Audit Committee Chair reviewed this with the Auditor, after the financial report was complete, and she concurred that the Board Practice is clear and not open to interpretation. In addition, an Audit Committee member reviewed with Melissa Crosthwaite, District Legal Counsel, who also concurred the statement is clear. (see Concern 8 and Section 3.2)

**The Audit Committee recommends a prior year adjustment to expense these items for compliance with Board Practice and consistency and accuracy of our financial statements.**

*Management Response:*

*As discussed with the Audit Committee, and supported by the Auditor, at issue are items that the Auditor had identified as potential write-offs, based on their review of Board Policy and GAAP/GASB guidelines. The reversals of items initially written-off were all reviewed with the Auditor and were only reversed upon concurrence of the Auditor.*

*Moreover, management believes that the review of capital assets and subsequent write-offs to be consistent with Board Policy 9.1 and Board Practice 9.2. At the same time, given the identified need to clarify aspects of the capitalization policy, these have been largely addressed in the updated capitalization policy approved by the Board in January.*

*Staff notes that in following up with both the external auditor and the District's legal counsel, the comments attributed to both in this Audit Committee recommendation*

*are taken out of context and should not be viewed as concurrence with the Audit Committee's position.*

4. Beginning in FY 2018-2019 investment income was credited to the General Fund instead of other funds which had cash deposits at LGIP. This caused the General Fund's opening balance in the FY 2020-21 ACFR to be overstated by approximately \$492K (over a 10% overstatement). This has not been corrected.

The new process management has chosen to implement is allocating investment income not by the fund with cash invested at LGIP, but based on total cash equivalents by fund.

**The Audit Committee recommends a prior period adjustment removing investment income credited to the General Fund and included in the fund balances for the fund(s) which had cash invested at LGIP, as it had historically been done, prior to FY 2018-2019.**

**Additionally, the committee recommends the approach for distribution of investment income be based solely on cash invested by fund or to have separate LGIP accounts by fund, like the Utility Fund, to avoid any confusion.**

*Management Response:*

*The accounting for investment income has been modified beginning with the 2021/22 (current) fiscal year. This change in methodology is consistent with best management practices and, staff believes, is more closely aligned with the implied goal of the Audit Committee's recommendation.*

*Staff does not concur with the Audit Committee's recommendation to record prior period adjustments related to past practice of allocating investment earnings.*

*Simply stated, the District's past practice was to record and track investments in LGIP and the District's investment portfolio "by fund." Accordingly, individual funds were credited with investment earnings based on the interest received by investments held by each individual fund. Under this approach, the General Fund was historically credited with interest earnings from pooled cash within the District's governmental funds.*

*Beginning July 1, 2021, management modified the methodology for allocating investment earnings. Consistent with best management practices, all available cash on hand is pooled for investment purposes. Individual investments are not recorded, or tracked, by fund, but rather investments are managed under a pooled portfolio, with interest earnings allocated to each of the District's individual funds based on each fund's proportional share of cash balances available for investment.*

5. For ease of transparency, and to align with best practices, **the Audit Committee recommends the Capital Improvement budget contain only project costs that are to be capitalized. The Audit Committee recommends that projects or project elements related to preliminary stage activities, repair and maintenance items are separated and included in operating expenses. A separate line item in the Statement of Income, Revenue and Expenses and Change in Net Position for preliminary stage activities, repairs and maintenance is recommended for all funds.** This will allow for cross referencing the expense items budgeted within Services and Supplies.

*Management Response:*

*Management does not concur with the full extent of this recommendation, and this issue warrants Board discussion.*

*Management concurs, and has implemented, budgeting and accounting practice of reflecting all capital maintenance expenses as operating costs within the District's budget and financial statements. Specifically, items to be capitalized are budgeted as capital outlay within the District's budget, and items that are deemed capital maintenance and repairs (or otherwise do not meet the District's capitalization criteria) are budgeted and accounted for within each fund's operating budget.*

*However, the presentation of these items within the District's overall multi-year capital plan is not only consistent with current Board Policy 13.1/ Practice 13.2, but also assists in identifying individual projects, with varying levels of funding requirements, all related to the maintenance and replacement of the districts, facilities, infrastructure, and assets.*

*Notwithstanding, management is developing improved presentation and reporting of the different elements contained in the capital plan for improved transparency and ease of understanding.*

*Lastly, management does not concur with the recommendation to reflect all of the maintenance and repair items in a separate line item within the District's financial statements (specifically, Statement of Income, Expense and Change in Net Position). While these items are presently reflected in a single account object code (7505) within the budget and general ledgers, these items are more appropriately reflected in the account codes appropriate for the "type" of expenditure (example: computer equipment, professional services, etc.). Moreover, establishing a separate line item within the District's formal financial statements, as recommended by the Audit Committee, is contrary to GAAP/GASP requirements for these type of expenditures.*

*(Note: In the context of this discussion, it is important to clarify that, with the transition to Enterprise Fund accounting for the District's Community Services and Beach funds, there is no longer any formal distinction between utility and venue "operating budgets" and "capital budgets." All of the revenues and expenditures for each fund are reflected in a single fund (or sub-fund) budget that includes operating, capital and debt line items).*

### III. ALTERNATIVES

This report recommends that the Board of Trustees consider management's response to each of the Audit Committee's Annual Report recommendations prior to considering formal Board action.

As an alternative to considering each recommendation individually prior to any Board action, the Board could consider:

- 1) Accepting all of the recommendations in the Audit Committee's Annual Report, as recommended by the Audit Committee, or
- 2) Take no action on the recommendations contained within the report, and consider receiving the report and directing the Audit Committee to return to the Board of Trustees with a specific recommendation related to scope and cost of additional audit work to expand the external auditor's review of the District's internal controls.



MEMORANDUM

**TO:** Audit Committee

**THROUGH:** Ray Tulloch

**FROM:** Clifford F. Dobler

**SUBJECT:** Potential charge offs of capitalized costs incurred in the capital project #2599SS1102 - Wastewater Treatment Plant Improvements

**STRATEGIC PLAN REFERENCE(S):** None

**DATE:** 6-16-2022

*650K  
-  
1/2 in 17 -  
too old. to pursue*

**I. RECOMMENDATION**

Review, discuss and determine if action is necessary to expense costs that may have been incorrectly capitalized. This may also require identification of what level of asset componentization is being applied and too ensure consistency in this application.

**II. BACKGROUND and ANALYSIS**

For the seven year period from 7-1-2014 to June 30, 2021, \$1,197,757 in costs were charged to the Wastewater Treatment Plant Improvements capital project #2599SS1102. Several outside design, IVGID engineering charges, IVGID work orders, and outside purchases and contracts were included.

It is unclear, if the charges were capitalized as one capital assets or capitalized as individual components of the Wastewater Treatment Plant.

**Probable Expense Items**

A portion of charges (\$179,461) by Jacobs Engineering Group may have been for concept or preliminary design. These type of charges would be expensed based on Moss Adams recommendations.

*64K yr 1 -  
ES Judgment.*

IVGID Engineering charges of \$74,950 should have been expensed based on Moss Adams recommendations. *can cap.*

There were 15 internal work orders for \$41,937 consisting of labor only and several may not have reached the capitalization thresholds or could have been for normal repairs. Several small purchases may have been materials for the work orders and should be combined with the labor cost to determine if capitalization thresholds were met.

### **Components subject to capitalization as separate components**

The vast majority of the remaining costs appear to be for a variety of items and should be capitalized as components.

### **Exhibits**

- A. List of Costs from 7-1-2015 to 6-30-2021
- B. Project Summary for 2020

### **III. BID RESULTS**

Not required

### **IV. FINANCIAL IMPACT AND BUDGET**

Possible necessity to record a prior period adjustment

### **V. ALTERNATIVES**

NONE

### **VI. COMMENTS**

NONE

### **VII. STRATEGIC PLAN REFERENCE(S)**

NONE

### **VIII. BUSINESS IMPACT**

Proper reporting to users of the CAFR insuring an accurate reflection of expenses for operations.

From 07/01/2014 to 06/30/2021		EXHIBIT A								
2599SS1102 Wastewater Treatment Plant Improvements										
EFFECTIVE DATE	DESCRIPTION	VENDOR	VENDOR INVOICE#	PO	DEBIT	CREDIT	BALANCE			
	Capital Improvements						0.00			
08/31/2014	I-393670-2W_ P-S004597 C-747560 CH2M H	Jacobs Engineering Group Inc			17,232.15		17,232.15			
09/30/2014	I-PSI-13013 P-S004695 C-748168 Centris	Centrisys Corporation			31,855.00		49,087.15			
09/30/2014	I-PSI-13014 P-S004695 C-748168 Centris	Centrisys Corporation			11,515.00		60,602.15			
09/30/2014	I-4003109 P-S004597 C-748018 CH2M Hill	Jacobs Engineering Group Inc			7,409.80		68,011.95			
10/31/2014	Rebuild and servicing of two solids dewa	Centrisys Corporation	PSI-13137	15-0029	20,110.00		88,121.95			
10/31/2014	Rebuild and servicing of two solids dewa	Centrisys Corporation	PSI-13137	15-0029	12,455.60		100,577.55			
10/31/2014	Rebuild and servicing of two solids dewa	Centrisys Corporation	PSI-13138	15-0029	3,334.79		103,912.34			
10/31/2014	Rebuild and servicing of two solids dewa	Centrisys Corporation	PSI-13138	15-0029	3,140.21		107,052.55			
11/13/2014	TO 15, WWTP 2W Pump Station & Headworks	Jacobs Engineering Group Inc	4004782	14-0028	5,613.80		112,666.35			
11/25/2014	History PO # S004812 2nd pump overhaul a	Reed Electrical & Field Services	RJR2386	15-0109	5,696.92		118,363.27			
11/30/2014	TO 15, WWTP 2W Pump Station & Headworks	Jacobs Engineering Group Inc	4006452	14-0028	12,825.60		131,188.87			
12/23/2014	Seal rebuild kit for 2nd WWTP pumpover	Nevada Seal & Pump	3476	15-0154	2,276.45		133,465.32			
01/27/2015	TO 15, WWTP 2W Pump Station & Headworks	Jacobs Engineering Group Inc	4007925	14-0028	11,154.91		144,620.23			
02/24/2015	TO 15, WWTP 2W Pump Station & Headworks	Jacobs Engineering Group Inc	4009830	14-0028	7,875.70		152,495.93			
02/24/2015	HVAC replacement at WWTP.	CR Engineering	3002	15-0113	2,515.20		155,011.13			
02/28/2015	TO 15, WWTP 2W Pump Station & Headworks	Jacobs Engineering Group Inc	4011152	14-0028	1,377.60		156,388.73			
06/09/2015	Chesterton 442 split seal for pump rebui	Nevada Seal & Pump	3683	15-0310	4,332.71		160,721.44			
06/23/2015	Two centrifugal water pumps.	MuniQuip, LLC	103173	15-0166	17,728.31		178,449.75			
06/29/2015	Hotbox installation around domestic wate	Burt & Burt, Inc	5426	15-0329	199.00		178,648.75			
06/29/2015	Change order -discovered non compliant p	Burt & Burt, Inc	5426	15-0329	534.00		179,182.75			
06/29/2015	Change order -discovered non compliant p	Burt & Burt, Inc	5428	15-0329	166.00		179,348.75			
06/30/2015	Pump and motor rebuild. CO approved to	Reed Electrical & Field Services	RJR2651	15-0309	9,406.70		188,755.45			
06/30/2015	Change order -discovered non compliant p	Burt & Burt, Inc	5429	15-0329	2,363.00		191,118.45			
06/30/2015	Hotbox installation around domestic wate	Burt & Burt, Inc	5424	15-0329	5,550.00		196,668.45			
06/30/2015	Hotbox installation around domestic wate	Burt & Burt, Inc	5422	15-0329	701.00		197,369.45			
06/30/2015	Replace (3) garage door openers and (1)	Thompson Garage Doors	76926	15-0357	3,429.65		200,799.10			
06/30/2015	Replace (3) garage door openers and (1)	Thompson Garage Doors	76924	15-0357	4,360.26		205,159.36			
	TOTAL				205,159.36	0.00	205,159.36			
					Balance	Forward	205,159.36			
07/31/2015	Project 2599SS1102 - Removed & installed	Thompson Garage Doors	77803		3,653.29		208,812.65			
11/30/2015	CIP Engineering Charges - November 2015				9,000.00		217,812.65			
11/30/2015	CIP #2599SS1102 - TO 15.1, WWTP Headwork	Jacobs Engineering Group Inc	4024778	16-0044	29,994.91		247,807.56			
12/31/2015	CIP Engineering Charges - December 2015				12,000.00		259,807.56			
12/31/2015	2W Pump replacement project.	FARR Construction CORP Dba:Resource Developm	122915	16-0096	53,100.00		312,907.56			
12/31/2015	Change Order Misc Piping Change at 2nd F	FARR Construction CORP Dba:Resource Developm	122915	16-0096	577.05		313,484.61			
12/31/2015	Change Order Misc Piping Change at 3rd F	FARR Construction CORP Dba:Resource Developm	122915	16-0096	743.10		314,227.71			
01/31/2016	CIP #2599SS1102 - Rotary drum screen equ	Parkson Corp	AR1/51014197	16-0045	8,440.20		322,667.91			
01/31/2016	CIP #2599SS1102 - W2 Building HVAC Renov	Mt. Rose Heating & Air Conditioning, Inc	112792	16-0095	7,000.00		329,667.91			
01/31/2016	CIP #2599SS1102 - WWTP meter replacement	Siemens Industry, Inc	5600651823	16-0188	5,419.70		335,087.61			
02/23/2016	3-mechanical seals for north aeration ba	Nevada Seal & Pump	NSP1706	16-0190	6,993.00		342,080.61			
02/23/2016	3-mechanical seals for north aeration ba	Nevada Seal & Pump	NSP1706	16-0190	28.46		342,109.07			
02/29/2016	CH Spencer & Co/Air Valve Actuator- TP 2599SS1102	????????????????????????????????????			7,022.00		349,131.07			
02/29/2016	CIP Work Order Charge - Work Order #5594				2,052.95		351,184.02			
02/29/2016	CIP Engineering Charges - February 2016				7,000.00		358,184.02			
02/29/2016	CIP #2599SS1102 - W2 Building HVAC Renov	Mt. Rose Heating & Air Conditioning, Inc	3927	16-0095	34,990.00		393,174.02			
02/29/2016	Fronthead w/wear ring for WWTP north bas	JM Squared Equipment	116-7039	16-0209	18,900.00		412,074.02			
02/29/2016	Freight	JM Squared Equipment	116-7039	16-0209	150.00		412,224.02			
02/29/2016	CIP #2599SS1102 - volute gasket, P/N TAK	JM Squared Equipment	116-7039	16-0209	57.00		412,281.02			

From 07/01/2014 to 06/30/2021		EXHIBIT A					
	2599551102 Wastewater Treatment Plant Improvements						
02/29/2016	CIP #2599551102 - Inlet flange gasket, P	JM Squared Equipment	116-7039	16-0209	187.50		412,468.52
03/08/2016	CIP #2599551102 - FCA 10 DI 900	Western Nevada Supply	16545269		2,290.65		414,759.17
03/31/2016	Work Order #5994: North basins rebuild 3 motors and recirculating pumps				8,058.08		422,817.25
03/31/2016	MAR 2016 - in store chgs	Napa Sierra Nevada, Inc	MAR 2016 STMNT		5.02		422,822.27
03/31/2016	MAR 2015 - in store chgs	Village Ace Hardware	244-MAR 2016STMNT		83.66		422,905.93
03/31/2016	MAR 2015 - in store chgs	Village Ace Hardware	244-MAR 2016STMNT		48.40		422,954.33
03/31/2016	CIP Engineering Charges - Estimates				10,000.00		432,954.33
03/31/2016	Rotary drum screen equipment associated	Parkson Corp	AR1/51014880-1	16-0045	63,301.50		496,255.83
03/31/2016	WWTP north basins: Rebuild three electri	Reed Electrical & Field Services	RJIR3070	16-0219	33,298.92		529,554.75
04/12/2016	Project 2599551102 - materials	Western Nevada Supply	16580355		18.99		529,573.74
04/19/2016	CIP #2599551102 - impact wrench	MSC Industrial Supply Co.	66492826		470.75		530,044.49
04/26/2016	CIP 2599551102 - proto std imp socket se	MSC Industrial Supply Co.	C66499076		299.63		530,344.12
04/29/2016	APR 2016 in-store chgs	Village Ace Hardware	244-APR 2016 STMNT		136.51		530,480.63
04/30/2016	CIP Work Order Charges - April 2016				64,681.10		595,161.73
04/30/2016	CIP Engineering Charges - April 2016				3,500.00		598,661.73
04/30/2016	To correct JE 91432 Assume reversal of a portion of Work Order Charges -April 2016					61,924.52	536,737.21
05/10/2016	Materials for Headworks Rehab Project.	Western Nevada Supply	16608884	16-0323	63.37		536,800.58
05/10/2016	Materials for Headworks Rehab Project.	Western Nevada Supply	16608939	16-0323	801.68		537,602.26
05/24/2016	Materials for Headworks Rehab Project.	Western Nevada Supply	16608883	16-0323	3,831.13		541,433.39
05/24/2016	Materials for Headworks Rehab Project.	Western Nevada Supply	16608953	16-0323	7,824.30		549,257.69
05/31/2016	CIP Engineering Charges - May 2016				12,000.00		561,257.69
05/31/2016	TO 15, WWTP 2W Pump Station & Headworks	Jacobs Engineering Group Inc	4033645	14-0028	24,850.67		586,108.36
06/07/2016	CIP Project 2599551102-Junc Box, overloa	Grainger, Inc.	9127092550		933.12		587,041.48
06/07/2016	Materials for Headworks Rehab Project.	Western Nevada Supply	16608888	16-0323	9,566.00		596,607.48
06/28/2016	TO 15.1, WWTP Headworks Rehab project. B	Jacobs Engineering Group Inc	4029341	16-0044	7,737.80		604,345.28
06/30/2016	CIP Engineering Charges - June 2016				12,000.00		616,345.28
06/30/2016	TO 15.1, WWTP Headworks Rehab project. B	Jacobs Engineering Group Inc	4035170	16-0044	5,414.30		621,759.58
06/30/2016	Refurbished display panel for WWTP, per	Centrisys Corporation	PSI-16334	16-0399	4,641.15		626,400.73
	<b>TOTAL</b>				<b>483,165.89</b>	<b>61,924.52</b>	<b>421,241.37</b>
					Balance	Forward	626,400.73
07/28/2016	Installation of rotary microscreen, Trea	FARR Construction CORP Dba:Resource Developmer	16012-C	16-0317	90,300.00		716,700.73
07/31/2016	CIP Engineering Charges - July 2016				4,000.00		720,700.73
08/09/2016	Add'l work -Installation of rotary micro	FARR Construction CORP Dba:Resource Developmer	08/04 16012-C	16-0317	8,834.79		729,535.52
08/30/2016	CIP #2599551102- W2 Building HVAC Renova	Mt. Rose Heating & Air Conditioning, Inc	113047	16-0095	2,210.00		731,745.52
08/30/2016	Add'l work -Installation of rotary micro	FARR Construction CORP Dba:Resource Developmer	Aug 8 16012-C	16-0317	4,941.74		736,687.26
08/30/2016	Add'l work -Installation of rotary micro	FARR Construction CORP Dba:Resource Developmer	Aug 8 16012-C	16-0317		4,941.74	731,745.52
08/30/2016	Add'l work -Installation of rotary micro	FARR Construction CORP Dba:Resource Developmer	Aug 8 16012-C	16-0317	4,941.74		736,687.26
09/27/2016	South aeration basin recirculating pumps	JM Squared Equipment	116-7110	17-0051	18,900.00		755,587.26
09/27/2016	Volute gaskets.	JM Squared Equipment	116-7110	17-0051	57.00		755,644.26
09/27/2016	Inlet flange gasket	JM Squared Equipment	116-7110	17-0051	187.50		755,831.76
09/27/2016	Freight	JM Squared Equipment	116-7110	17-0051	150.00		755,981.76
09/30/2016	Grating for influent channel walkway.	American Grating LLC	50130	17-0066	6,006.00		761,987.76
09/30/2016	Freight	American Grating LLC	50130	17-0066	340.00		762,327.76
10/25/2016	CIP 2599551102 - Materials	Western Nevada Supply	16805246		2,321.34		764,649.10
10/25/2016	volute gasket	JM Squared Equipment	116-7122		111.13		764,760.23
10/30/2016	CIP #2599551102 - WRRF: Modify basin wal	FARR Construction CORP Dba:Resource Developmer	10-30-2016	16-0393	13,556.65		778,316.88
11/08/2016	4x3x1/4 ALUM ANGLE	PDM Steel Service Centers, Inc	282193-01		356.92		778,673.80
11/08/2016	CIP 2599551102 - combination wrenches	MSC Industrial Supply Co.	35968158		121.22		778,795.02
11/08/2016	Mechanical seal for south basin aeration	Nevada Seal & Pump	NSP2092	17-0115	6,789.00		785,584.02
11/08/2016	Freight	Nevada Seal & Pump	NSP2092	17-0115	26.48		785,610.50
11/10/2016	Replace concrete slab in breezeway and u	Eric's Concrete Pavers, Inc	1396	17-0110	5,327.00		790,937.50
11/29/2016	CIP #2599551102 - Rebuild south basin #1	Reed Electrical & Field Services	RJIR3406	17-0133	26,781.14		817,718.64
11/30/2016	4x3x1/4 ALUM ANGLE	PDM Steel Service Centers, Inc	282085-01		178.28		817,896.92

From 07/01/2014 to 06/30/2021		EXHIBIT A					
	25995S1102 Wastewater Treatment Plant Improvements						
11/30/2016	CIP Work Order Charges - November 2016					606.84	818,503.76
11/30/2016	CIP Work Order Charges - November 2016					538.28	819,042.04
11/30/2016	NOV 2016 in store chgs	Village Ace Hardware	#4244 NOV 2016 chg			65.25	819,107.29
12/13/2016	Mixer for north aeration basin at the WR	Xylem Water Solutions	3556925087	16-0369		8,080.00	827,187.29
12/13/2016	Freight	Xylem Water Solutions	3556925087	16-0369		323.00	827,510.29
12/27/2016	Chesterton 442-30, 3.75in.SA RSC/RSC S F	Nevada Seal & Pump	NSP2156			4,163.31	831,673.60
12/31/2016	Accrue Village Ace Acct #4244 Dec 2016					89.04	831,762.64
01/01/2017	Accrue Village Ace Acct #4244 Dec 2016						89.04
01/17/2017	Dec 2016 - in-store chgs	Village Ace Hardware	#4244 - Dec 2016			98.79	831,772.39
02/28/2017	Rotary drum screen equipment associated	Parkson Corp	AR1-51014880-2	16-0045	12,660.30		844,432.69
02/28/2017	Rotary drum screen equipment associated	Parkson Corp	AR1-51014880-2	16-0045		12,660.30	831,772.39
02/28/2017	Rotary drum screen equipment associated	Parkson Corp	AR1-51014880-2	16-0045	12,660.30		844,432.69
	TOTAL					235,723.04	17,691.08
							218,031.96
						Balance	Forward
							844,432.69
03/17/2018	Sodium hypochlorite pumps for WRRF	G3 Engineering Inc.	2018-5654	18-0178	22,704.72		867,137.41
03/27/2018	expansion wedge anchor	Grainger, Inc.	9740649224		88.88		867,226.29
03/27/2018	ss angle type 304	PDM Steel Service Centers, Inc	336450-01		300.24		867,526.53
03/29/2018	channel, butterfly valve, spring nut, &	Grainger, Inc.	9742805121		1,781.32		869,307.85
03/31/2018	March 2018 In-Store Chgs - Acct# 4244	Village Ace Hardware	4244-MARCH 2018			31.00	869,338.85
04/03/2018	reducer bushings	Grainger, Inc.	9743177634			43.75	869,382.60
04/03/2018	pvc sockets, adapters, etc...	Grainger, Inc.	9746709261		1,547.99		870,930.59
04/03/2018	2 1/2 & 3 150# B&N sets	Western Nevada Supply	17379911		38.34		870,968.93
04/03/2018	pressure adapters & bushings	Grainger, Inc.	9746709279		208.64		871,177.57
04/03/2018	pressure adapters	Grainger, Inc.	9746803395		107.90		871,285.47
04/11/2018	ball valves	Grainger, Inc.	9754708486		821.15		872,106.62
04/18/2018	6 element static mixer	USABlueBook	548361		315.25		872,421.87
04/23/2018	pipe markers	Grainger, Inc.	9766213178		23.00		872,444.87
04/26/2018	pipe markers	Grainger, Inc.	9770923374		43.92		872,488.79
05/01/2018	hex cap screws & nuts, & washers	Grainger, Inc.	9774463054		97.05		872,585.84
05/02/2018	cpfcs & adapters	Grainger, Inc.	9775723696		67.84		872,653.68
05/03/2018	pipe markers	Grainger, Inc.	9777377723		19.40		872,673.08
05/16/2018	channel spring nut & cap slip sockets	Grainger, Inc.	9790419908		181.97		872,855.05
05/21/2018	repair motor	Reed Electrical & Field Services	RJR4095		1,411.10		874,266.15
05/22/2018	channel struts, dust caps, cpvb ball vlv	Grainger, Inc.	9795935262		872.31		875,138.46
05/22/2018	cpvc bv, union, sockets	Grainger, Inc.	9795942664		614.95		875,753.41
05/30/2018	dismantle, repair & remount motor	Reed Electrical & Field Services	RJR4124		1,791.52		877,544.93
06/01/2018	Move CIP costs to correct GL Account	UNKNOWN transfer from another account.			28,150.00	????????	905,694.93
06/05/2018	50% Down Pmt WRRF Improvements Project;	L.A. Perks Plumbing & Heating, Inc.	855844	18-0361	15,972.00		921,666.93
06/18/2018	vinyl flooring installed @ PW	Simonian Flooring, Inc.	10268		2,688.75		924,355.68
	TOTAL					79,922.99	0.00
							79,922.99
						Balance	Forward
							924,355.68
07/30/2018	WRRF Improvements Project; day tank repl	L.A. Perks Plumbing & Heating, Inc.	856525	18-0361	540.92		924,896.60
08/01/2018	WRRF Improvements Project; day tank repl	L.A. Perks Plumbing & Heating, Inc.	856572	18-0361	416.34		925,312.94
09/11/2018	WRRF Improvements Project; two new contr	DO Supply, INC	8032	19-0078	7,780.00		933,092.94
09/30/2018	CIP Engineering Charges - September 2018				700.00		933,792.94
10/11/2018	WRRF Improvements Project; day tank repl	L.A. Perks Plumbing & Heating, Inc.	857628	18-0361	15,971.83		949,764.77
10/31/2018	CIP Work Order Charges - Oct 2018				315.99		950,080.76
11/30/2018	CIP Engineering Charges - November 2018				1,200.00		951,280.76
02/20/2019	WRRF Improvements; rotor and gaskets for the DWSP.	R-2 Engineering, Inc.	117681	19-0195	6,129.48		957,410.24
03/13/2019	motor replacement	Reed Electrical & Field Services	SJR1026		2,041.69		959,451.93
05/07/2019	Centrisys Corporation - Vendor Invoice PSI-22431				25,731.15		985,183.08
05/07/2019	Centrisys Corporation - Vendor Invoice PSI-22431				3,824.90		989,007.98

From 07/01/2014 to 06/30/2021		EXHIBIT A					
	2599SS1102 Wastewater Treatment Plant Improvements						
05/07/2019	Centrisys Corporation - Vendor Invoice PSI-22431					5,215.77	994,223.75
05/31/2019	CIP Engineering Charges					1,600.00	995,823.75
06/14/2019	CIP#2599SS1102 ER7056 .035X 33 LB PK MIG WELDING WIRE SPOOL,	MSC Industrial Supply Co.	C23214981			957.36	996,781.11
06/17/2019	PARALLEL CABLE , FOR USE WITH 20KP49,PORTABLE GENERATOR,INVERTER,PURE SINE WAVE etc	Grainger, Inc.	9206596703			3,306.29	1,000,087.40
06/17/2019	252 AMP 200(208)/230V MILLERMATIC MIG WELDER	MSC Industrial Supply Co.	23214971			3,557.03	1,003,644.43
06/30/2019	Accrue PO 19-0315 GE Engineering for pol					39,500.00	1,043,144.43
06/30/2019	WRRF Improvements; Steamscrubber glassware washer, per Quote 142992.	USABlueBook	949773	19-0327		10,102.50	1,053,246.93
	<b>TOTAL</b>					<b>128,891.25</b>	<b>0.00</b>
							<b>128,891.25</b>
						Balance	Forward
							39,500.00
08/12/2019	Accrue PO 19-0315 GE Engineering for pol						1,013,746.93
08/12/2019	Polymer Feed System for the WRRF, per UGSI Quote 201903-22447-2. This equipment bid per NRS 332.	G3 Engineering Inc.	2019-6264	19-0315		39,500.00	1,053,246.93
08/27/2019	credit memo for packing slip #2321497, invoice 23214971	MSC Industrial Supply Co.	62943959				3,557.03
08/30/2019	252 AMP 200(208) /230V Millermatic MIG, replacement for invoice 23214971, CR 62943959	MSC Industrial Supply Co.	31577171			3,557.03	1,053,246.93
09/19/2019	COUPLING,CPVC,80,1-1/2 IN.,SLIP SOCKET	Grainger, Inc.	9298136848			63.90	1,053,310.83
09/19/2019	CPVC BV,UNION,SOCKET/FNPT,1-1/2"	Grainger, Inc.	9297873847			394.80	1,053,705.63
09/19/2019	1-1/2 CPVC 80 HOT WTR PIPE	Western Nevada Supply	18035777			227.60	1,053,933.23
09/30/2019	CIP Work Order Charges - September 2019					1,462.65	1,055,395.88
09/30/2019	MALE ADAPTER,1-1/2 IN.,235 PSI AT 73F,ELBOW, 45,CPVC,80,1-1/2 IN.,SLIP SOCKET,ELBOW, 90,CPVC,80,1-1/2 IN.,SLIP SOCKET	Grainger, Inc.	9309110949			316.48	1,055,712.36
09/30/2019	CIP Engineering Charges - Sept. 2019					1,000.00	1,056,712.36
10/08/2019	parts for CIP 2599SS1102 (SPEA 1 MA ADPT CPVC 80,SPEA 1 S CPVC 80 45 ELL,SPEA 1 S CPVC 80 90 ELL,CPVC 80 HOT WTR PIPE)	Western Nevada Supply	18060733			544.23	1,057,256.59
10/09/2019	CIP 2599SS1102 - 1 CPVC 80 HOT WTR PIPE	Western Nevada Supply	18063327			67.80	1,057,324.39
10/11/2019	SPEA 1-1/2 X 3/4 S CPVC 80 BUSH,SPEA 3/4 S CPVC 80 T,ASAH 3/4 1072 OMNI CPVC 80 S BALL VLV	Western Nevada Supply	18067206			305.82	1,057,630.21
10/31/2019	MALE ADAPTER,3/4 IN,NIPPLE,THREADED AT BOTH ENDS	Grainger, Inc.	9341524388			16.29	1,057,646.50
10/31/2019	Acct 4244 -October 2019 In-Store Chgs	Village Ace Hardware	4244-October 2019			45.39	1,057,691.89
10/31/2019	CIP Work Order Charges - October 2019					10,251.11	1,067,943.00
11/01/2019	NIPPLE,THREADED AT BOTH ENDS	Grainger, Inc.	9341804822			12.63	1,067,955.63
11/01/2019	Project #2599SS1102 -ASAH 3/4 T21 1609 CPVC 80 TU E BALL VLV,SPEA 3/4 S CPVC 80 T,SPEA 3/4 FA CPVC 80 ADPT,SPEA 1-1/2 X 1 S CPVC 80 BUSH,SPEA 1-1/2 S CPVC 80 CPLG,1-1/2 CPVC 80 HOT WTR PIPE	Western Nevada Supply	18093599			926.38	1,068,882.01
11/14/2019	3/4" SPEARS MFG CPVC,3/4 X 1/2MXF CPVC SCH 80 BUSHING	MSC Industrial Supply Co.	73788411			39.60	1,068,921.61
11/14/2019	SPEA 3/4 S CPVC 80 90 ELL,SPEA 3/4 S CPVC 80 45 ELL,ASAH 3/4 T21 1609 CPVC 80 TU E BALL VLV	Western Nevada Supply	18112009			307.60	1,069,229.21
11/18/2019	SPEA 3/4 X 1/2 TXT CPVC 80 BUSH,SPEA 3/4 S CPVC 80 CPLG	Western Nevada Supply	18112011			30.62	1,069,259.83
11/20/2019	CIP 2599SS1102 POST BASE,6 IN,SILVER	Grainger, Inc.	9363270621			382.40	1,069,642.23
11/20/2019	SPEA 1-1/2 S CPVC 80 CPLG	Western Nevada Supply	18119314			30.80	1,069,673.03
11/30/2019	CIP Work Order Charges - November 2019					8,064.68	1,077,737.71
12/03/2019	SMBL 317 SDL NYL 4.74-5.63 X 3/4, LF 3/4 MIP X MIP CORP STP, 6 300 1/8T BG L441 FF GSKT	Western Nevada Supply	18130548			262.29	1,078,000.00
12/04/2019	HHCS,5/8-11X2-1/2,STEEL,GR 5,ZP,PKS	Grainger, Inc.	9375685113			20.16	1,078,020.16
12/04/2019	HEX NUTS,HHCS & Threaded Rod/materials	Grainger, Inc.	9375726149			135.40	1,078,155.56
12/05/2019	4 150 1/8T BG L441 FF GSKT, 3 150 1/8T BG L441 FF GSKT	Western Nevada Supply	18132582			76.60	1,078,232.16
12/09/2019	PEC-O4 F1-CI-NBR/NBR-GE w/HWGPEC,4,F1,CI,NBR,NBR,GE-S30SC*GS-6-HDB	Frank A. Olsen Company LLC	243997			2,023.27	1,080,255.43
12/10/2019	HHCS,5/8-11X2-1/2,STEEL,GR 5,ZP,PKS	Grainger, Inc.	9380739772			15.12	1,080,270.55
12/10/2019	HEX NUT,5/8-11,GR 5,ZP,PK25, HHCS,5/8-11X3,STEEL,GR 5,ZP,PKS	Grainger, Inc.	9381277988			32.50	1,080,303.05
12/31/2019	CIP Work Order Charges - December 2019					1,279.63	1,081,582.68
12/31/2019	CIP Work Order Charges - December 2019					692.57	1,082,275.25
01/03/2020	CIP 2599SS1102-Electromagnetic flowmeter	Seco Controls LLC	143021			2,402.99	1,084,678.24
01/08/2020	THREADED ROD,316 SS,5/8-11X6 FT, HREADED ROD,18-8 SS,3/4-10X6 FTT, HHCS,3/4-10X2-1/2,STEEL,GR 5,ZP,PKS	Grainger, Inc.	9404629561			100.41	1,084,778.65
01/31/2020	CIP Work Order Charges - January 2020					4,090.48	1,088,869.13
02/24/2020	CIP #2599SS1102 ABB "MINI-MAG" FEM300 ELECTROMAGNETIC FLOWMETER,WAFER-STYLE, INTEGRAL TRANSMITTER	Seco Controls LLC	143099			2,578.47	1,091,447.60
06/22/2020	TRIPP PDU BASIC 120V 15A 5-15R 5-15PMManufacturer Part Number: PDU1215	CDW Government, Inc.	ZFJ6841			81.49	1,091,529.09
06/23/2020	APC SMART UPS X 3000VA RT 100-127VSerial No: SAS2006254802Manufacturer Part Number: SMX3000RMLV2UNC	CDW Government, Inc.	ZFP2382			1,999.14	1,093,528.23
06/26/2020	PROLINE 1000BASE-SX EXTENDED MMFManufacturer Part Number: SFP-MX-CDW	CDW Government, Inc.	ZGG0841			203.58	1,093,731.81
06/26/2020	WRRF Network Security Computer Hardware	Dell Marketing LP C/O Dell USA L.P.	10402887375	20-0284		4,182.11	1,097,913.92
	<b>TOTAL</b>					<b>87,724.02</b>	<b>43,057.03</b>
							<b>44,666.99</b>

From 07/01/2014 to 06/30/2021		EXHIBIT A					
2599551102 Wastewater Treatment Plant Improvements					Balance	Forward	1,097,913.92
07/20/2020	Badger Meter Item: 100-0164 M2-100-R1-A-SAK-S-XXGF-STD	Badger Meter, Inc.	1377464		3,922.00		1,101,835.92
07/20/2020	WRRF Improvements Project; 2 new sludge level indicators.	Hach Co.	12044680	21-0033	7,368.40		1,109,204.32
07/25/2020	WRRF Network Security Server Hardware	Dell Marketing LP C/O Dell USA L.P.	10410795539	20-0283	5,358.64		1,114,562.96
07/27/2020	10 MEGA FLG ADPT, 10 X 1/8 FF SPPCO FLG GSKT 150	Western Nevada Supply	18419783		567.31		1,115,130.27
08/14/2020	WRRF Network Hardware	SHI International Corp.	B12139080	20-0291	612.18		1,115,742.45
08/21/2020	WRRF Network Hardware	SHI International Corp.	B12175991	20-0291	6,771.98		1,122,514.43
08/27/2020	FASTENAL COMPANY 01NVCARHardware for WRRF maga meter installation CIP 2599551102				171.27		1,122,685.70
08/27/2020	FASTENAL COMPANY 01NVMINHardware for WRRF mag meter installation CIP 2599551102				25.44		1,122,711.14
08/31/2020	PO WRRF08312020 ( Microsoft Windows Server 2019 Standard License, WinSvrCal 2019 SNGL MVL USRCAL 2019 Windows	SHI International Corp.	B12229037		1,991.37		1,124,702.51
09/14/2020	WRRF Improvements; DWSP Pump #1 replacement.	Liberty Process Equipment, INC	0084286-IN	21-0066	6,746.18		1,131,448.69
09/15/2020	HHCS,5/8-11X2-1/2,STEEL,GR 2,ZP,PK5, HHCS,3/4-10X3,STEEL,GR 5,ZP,PK5, BATTERY,D,PREMIUM,1.5VDC,PK12	Grainger, Inc.	9653485921		123.76		1,131,572.45
09/15/2020	VMware vSphere Essentials Kit subscription and license	SHI International Corp.	B12282760		753.48		1,132,325.93
09/16/2020	3 150 1/8T BG L441 FF GSKT, 4 150 1/8T BG L441 FF GSKT, 8 150 1/8T BG L441 FF GSKT	Western Nevada Supply	18489350		399.77		1,132,725.70
09/16/2020	4" DeZurik Model PEC Eccentric Plug Valve, 6" DeZurik Model PEC Eccentric Plug Valve	Frank A. Olsen Company LLC	245636		2,076.52		1,134,802.22
09/23/2020	WRRF Network Hardware	SHI International Corp.	B12327647	20-0291	4,845.60		1,139,647.82
10/01/2020	3 VICT E GSKT FOR 77 07 997 GREEN	Western Nevada Supply	18509259		24.79		1,139,672.61
10/02/2020	WRRF Facility Improvements project; Network security upgrades per TO 35.	Jacobs Engineering Group Inc	D3404100-01	20-0280	15,993.66		1,155,666.27
10/05/2020	INSTALLED STANDARD RAIN GUTTERS @ 1250 SweetwaterRd	Dunn Rite Inc	160935		2,056.00		1,157,722.27
10/07/2020	Veeam bck & rpl vul sub 1yr upfront billing	????????????????			1,066.67		1,158,788.94
10/14/2020	6" DeZurik Model PEC Eccentric Plug Valve Cast Iron Body, Flanged ANSI 125/150 Ends	Frank A. Olsen Company LLC	245818		1,256.06		1,160,045.00
10/21/2020	HHCS,3/4-10X3,STEEL,GR 5,ZP,PK5, HEX NUT,3/4-10,GR 5,ZP,PK20	Grainger, Inc.	9692402473		67.88		1,160,112.88
10/22/2020	FCA 6 DI, 6 150 1/8T BG L441 FF GSKT	Western Nevada Supply	18538969		373.32		1,160,486.20
10/23/2020	CUSTOM SHAFT HEAD	Liberty Process Equipment, INC	0084827-IN		445.66		1,160,931.86
10/30/2020	ESET Endpoint Protection Advanced	SHI International Corp.	B12527789		535.40		1,161,467.26
10/31/2020	CIP Work Order Charges - October 2020				304.53		1,161,771.79
11/01/2020	TIMING BELT	Applied Industrial Technology	7019969305		267.66		1,162,039.45
11/04/2020	STANDON C9206 6 FC SS SUPPORT	Western Nevada Supply	18540547		1,030.89		1,163,070.34
11/27/2020	WRRF Facility Improvements project; Network security upgrades per TO 35.	Jacobs Engineering Group Inc	D3404100-02	20-0280	31,973.21		1,195,043.55
11/30/2020	CIP Work Order Charges - November 2020				106.51		1,195,150.06
11/30/2020	CIP Work Order Charges - November 2020				1,336.03		1,196,486.09
12/04/2020	CONDUIT 3/4-IN GALV STEEL, APP NTC-75 3/4 IN CONN NO THR, APP T75-M 3/4 T UNILET FORM 3	Rexel USA, Inc DBA Platt Electric Supply	1849840		365.82		1,196,851.91
02/01/2021	Tax - items send to consultant in CA	SHI International Corp.	B12175991 TAX		490.97		1,197,342.88
02/01/2021	Tax - items send to consultant in CA	SHI International Corp.	B12185589 TAX		9.10		1,197,351.98
02/01/2021	Tax - items send to consultant in CA	SHI International Corp.	B12139080 TAX		44.38		1,197,396.36
04/30/2021	CIP Engineering Charges - April 2021				250.00		1,197,646.36
05/30/2021	WRRF Network Hardware	SHI International Corp.	B12185589	20-0291	2,416.92		1,200,063.28
06/30/2021	To expense CIP Cost to Operating Assume Rain Gutters above					2,306.00	1,197,757.28
	TOTAL				102,149.36	2,306.00	99,843.36
	GRAND TOTAL				1,424,386.60	226,629.32	1,197,757.28









		1,600	
	-	4,200	316
	<u>Jacobs</u>	<u>Engineer</u>	<u>Work Order</u>
			1,463
		1,000	
			10,251
			8,085
			1,280
			693
			4,090
	-	1,000	25,862





## Project Summary

<b>Project Number:</b>	2599SS1102
<b>Title:</b>	Water Resource Recovery Facility Improvements
<b>Project Type:</b>	E - Capital Maintenance
<b>Division:</b>	99 - General Administration - Sewer
<b>Budget Year:</b>	2020
<b>Finance Option:</b>	
<b>Asset Type:</b>	SS - Sewer System
<b>Active:</b>	Yes

<b>Project Description</b>	<p>The District's water resource recovery facility (WRRF) treats all of the raw sewage from the communities of Incline Village and Crystal Bay. The original treatment plant was built in 1962 and went through many upgrades as the community grew in size. The current plant configuration is largely the same from the major renovation in 1992 that replaced most equipment and processes. The plant is rated to treat 2.14 MGD by the State of Nevada. The plant has preliminary treatment, aeration, sedimentation, disinfection and solids dewatering processes to treat the raw sewage. Each of these processes consist of electrical, mechanical, instrumentation, and communication equipment. The plant also has odor control, chemical storage, fuel storage, overflow ponds, effluent storage reservoir, emergency generator, and other miscellaneous structures. Future years include the develop, design and construction of odor control upgrades.</p>
<b>Project Internal Staff</b>	<p>Staff selects, purchases and installs small equipment projects. Larger replacement projects are bid to outside contractors.</p>
<b>Project Justification</b>	<p>The majority of equipment and processes at the WRRF are 20 years old. The WRRF has sufficient capacity and redundancy that has kept the operating hours low for a number of pieces of equipment. Some equipment is run 24/7 necessitating frequent replacement. The forecast is staff's projection of the needed equipment replacement. It is planned to replace the potable water system, pump and motor installs, meters and sensors and to upgrade servers, firewalls, and other network equipment.</p>

<b>Forecast</b>				
<b>Budget Year</b>	<b>Total Expense</b>	<b>Total Revenue</b>	<b>Difference</b>	
<b>2020</b>				
Equipment improvements	15,000	0	15,000	
Mechanical Systems, sensors & meters	35,000	0	35,000	
SCADA, Network and Server Enhancements	50,000	0	50,000	
Year Total	100,000	0	100,000	
<b>2021</b>				
Equipment improvements	75,000	0	75,000	
Year Total	75,000	0	75,000	
<b>2022</b>				
Equipment improvements	75,000	0	75,000	
Year Total	75,000	0	75,000	
<b>2023</b>				
Equipment improvements	75,000	0	75,000	
Odor Control Predesign	25,000	0	25,000	
Year Total	100,000	0	100,000	
<b>2024</b>				
Equipment improvements	75,000	0	75,000	
Odor Control Design	100,000	0	100,000	
Year Total	175,000	0	175,000	
<b>2025</b>				
Equipment improvements	100,000	0	100,000	
Odor Control Construction	500,000	0	500,000	
Year Total	600,000	0	600,000	
<b>2026</b>				
Emergency generator replacement	300,000	0	300,000	
Equipment improvements	100,000	0	100,000	
Year Total	400,000	0	400,000	
<b>2027</b>				
Equipment improvements	100,000	0	100,000	
Year Total	100,000	0	100,000	
<b>2028</b>				
Equipment improvements	100,000	0	100,000	
Year Total	100,000	0	100,000	
	<b>1,725,000</b>	<b>0</b>	<b>1,725,000</b>	
<b>Year Identified</b>	<b>Start Date</b>	<b>Est. Completion Date</b>	<b>Manager</b>	<b>Project Partner</b>
2012	Jul 1, 2019	Jun 30, 2020	Utility Superintendent	

**MEMORANDUM**

**TO:** Audit Committee

**THROUGH:** Ray Tulloch

**FROM:** Clifford F. Dobler

**SUBJECT:** Potential charge offs of capitalized costs incurred at the Burnt Cedar Water Disinfection Plant #2299DI1401

**STRATEGIC PLAN REFERENCE(S):** None

**DATE:** 6-16-2022

**I. RECOMMENDATION**

Review, discuss and determine if action is necessary to expense costs that may have been incorrectly capitalized. This may also require identification of what level of asset componentization is being applied and too ensure consistency in this application.

**II. BACKGROUND and ANALYSIS**

For the past six years from 7-1-2015 to June 30, 2021, \$548,004 in costs were charged to the Burnt Cedar Water Disinfection Plant capital project #2299DI1401. During that period, several charges for design, IVGID engineering, IVGID work orders, and outside purchases and contracts were included.

It is unclear, if all of the charges were capitalized under one capital assets or were capitalized as individual components of the Disinfection Plant.

**Probable Expense Items**

Concept designs were completed by Jacobs Engineering Group, Inc. for a contingency plan to extend water intake line for low levels in Lake Tahoe (\$28,037) and CH2M-Hill provided an evaluation of the SSADA system

*Handwritten:* s/b written off

(21,271). These charges should have been expensed based on Moss Adams recommendations.

IVGID Engineering charges of \$60,000 should have been expensed based on Moss Adams recommendations.

There were 7 internal work orders for \$5,647 which were for labor only and may not have reached the capitalization thresholds. There could be associated purchased items when combined with the labor could have reached the capitalization. A public records request have been made for the work ourders..

LA Perks Plumbing & Heating, Inc. repaired three inlet pumps for \$26,889 which should have been expensed as repairs.

Ferrell Civil Engineering charged \$4,350 for Beach flatscape and Carson Pump LLC, charged \$500. Both charges should have been expensed as the amounts did not meet capitalization thresholds.

Brown & Reed charged \$7,700 to repair the HVAC which should have been expensed.

There was \$35,182 charged by Coldale Electric Supply for Water Pump Station 2.1. Obviously a coding error. why?

Aggregate?

**Components subject to capitalization as separate items**

The vast majority of the remaining costs appear to be for new software and hardware.

**Exhibits**

- A. List of Costs from 7-1-2015 to 6-30-2021
- B. Project Summary for 2020

**III. BID RESULTS**

*Not required*

**IV. FINANCIAL IMPACT AND BUDGET**

Possible prior period adjustment.

**V. ALTERNATIVES**

NONE



**VI. COMMENTS**

NONE

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

NONE

**VIII. BUSINESS IMPACT**

.Material Weakness in financial statements effecting future financing arrangements.

based on who's  
judgment '20 ~~CFR~~ COAFR  
mws (4)

Amounts are not  
sufficiently material to represent  
an  
m.w.

EXHIBIT A

		From 07/01/2014 to 06/30/2021							
		Project 2299DI1401 Burnt Cedar Water Disinfection Plant Improvements							
EFFECTIVE DATE	DESCRIPTION	VENDOR	VENDOR INVOICE#	PO	DEBIT	CREDIT	BALANCE		
	Capital Improvements						0.00		
	<b>TOTAL</b>				<b>0.00</b>	<b>0.00</b>	<b>0.00</b>		
					Balance	Forward	0.00		
11/30/2015	CIP #2299DI1401 - TO 19 - BCWDP Ozone ga	Jacobs Engineering Group Inc	4024787	16-0043	8,282.90		8,282.90		
12/31/2015	CIP Engineering Charges - December 2015				7,500.00		15,782.90		
02/29/2016	CIP Engineering Charges - February 2016				2,500.00		18,282.90		
03/31/2016	Project 2299DI1401 Installation new over	Did not meet threshold	L.A. Perks Plumbing & Heating, Inc.	845923	3,850.00		22,132.90		
04/30/2016	CIP Engineering Charges - April 2016				6,500.00		28,632.90		
05/31/2016	CIP Engineering Charges - May 2016				2,500.00		31,132.90		
06/28/2016	TO 18 - BCWTP Low Lake Level Contingency	Jacobs Engineering Group Inc	4029345	16-0046	4,139.00		35,271.90		
06/30/2016	CIP Engineering Charges - June 2016				5,000.00		40,271.90		
06/30/2016	CH2M Hill				1,104.00		41,375.90		
06/30/2016	CH2M Hill				21,576.86		62,952.76		
06/30/2016	TO 18 - BCWTP Low Lake Level Contingency	Concept Project	Jacobs Engineering Group Inc	4035265	16-0046	23,928.20	86,880.96		
06/30/2016	BCWDP Tech Support Services, TO 12.1.		Jacobs Engineering Group Inc	4035163	16-0053	502.20	87,383.16		
	<b>TOTAL</b>				<b>87,383.16</b>	<b>0.00</b>	<b>87,383.16</b>		
					Balance	Forward	87,383.16		
07/31/2016	CIP Engineering Charges - July 2016				2,000.00		89,383.16		
09/27/2016	TO 18 - BCWTP Low Lake Level Contingency	Concept Project	Jacobs Engineering Group Inc	4033642	16-0046	4,109.80	93,492.96		
09/27/2016	BCWDP Tech Support Services, TO 12.1.		Jacobs Engineering Group Inc	4033641	16-0053	3,827.80	97,320.76		
09/30/2016	CIP Engineering Charges - September 2016				2,500.00		99,820.76		
10/01/2016	SCADA System Evaluation - CH2M Hill	Concept Project			13,178.50		112,999.26		
10/31/2016	SCADA System Evaluation	Concept Project	Jacobs Engineering Group Inc	4040915-A	14-0029	8,093.38	121,092.64		
11/30/2016	CIP Engineering Charges - November 2016				7,500.00		128,592.64		
01/31/2017	Work Order #8233				528.90		129,121.54		
01/31/2017	BCWDP Tech Support Services, TO 12.1.		Jacobs Engineering Group Inc	4045272	16-0053	7,308.75	136,430.29		
01/31/2017	CIP #2299DI1401 - TO 20 - BCWDB Electric		Jacobs Engineering Group Inc	4045276	17-0002	18,010.70	154,440.99		
02/07/2017	CIP #2299DI1401 - APOL 3/4 SS Chk Vlv 62		Western Nevada Supply	16892680		239.64	154,680.63		
02/28/2017	CIP Engineering Charges - February 2017				5,000.00		159,680.63		
03/14/2017	SS ball valve and actuator for drip leg		Bakersfield Pipe and Supply, Inc.	52325805.002	17-0176	8,150.00	167,830.63		
03/14/2017	Freight		Bakersfield Pipe and Supply, Inc.	52325805.002	17-0176	154.14	167,984.77		
03/24/2017	8 300 bolt & nut set zinc pltd		Western Nevada Supply	16949599		85.71	168,070.48		
03/28/2017	CIP #2299DI1401 - WPS2-1 pump control va		Western Nevada Supply	16886176	17-0171	10,937.95	179,008.43		
03/31/2017	parts		Western Nevada Supply	16958958		73.20	179,081.63		
03/31/2017	CIP Internal Work Order #8233				289.57		179,371.20		
03/31/2017	CIP Engineering Charges - March 2017				10,000.00		189,371.20		
04/25/2017	crane service		Connolly Crane Service, Inc	14217		708.75	190,079.95		
04/30/2017	CIP Work Order Charges - April 2017				2,110.53		192,190.48		
04/30/2017	CIP Work Order Charges - April 2017				1,853.22		194,043.70		
04/30/2017	CIP Engineering Charges - April 2017				6,500.00		200,543.70		
04/30/2017	CIP # 2299DI1401 TO 20 - BCWDB Electric		Jacobs Engineering Group Inc	4050237	17-0002	46,166.45	246,710.15		

		From 07/01/2014 to 06/30/2021					
		Project 2299DI1401 Burnt Cedar Water Disinfection Plant Improvements					
EFFECTIVE DATE	DESCRIPTION	VENDOR	VENDOR INVOICE#	PO	DEBIT	CREDIT	BALANCE
04/30/2017	BCWDP Ozone Piping Modifications	K. G. Walters Construction Co	17-0213	17-0213	5,800.00		252,510.15
05/01/2017	CIP # 2299DI1401 - steel	U.S. Pipe and Foundry CO., LLC	INV050130		802.28		253,312.43
05/01/2017	CIP # 2299DI1401TO 20 - BCWDB Electric	Jacobs Engineering Group Inc	4050237	17-0002		46,166.45	207,145.98
05/01/2017	CIP # 2299DI1401TO 20 - BCWDB Electric	Jacobs Engineering Group Inc	4050237	17-0002	5,156.60		212,302.58
05/03/2017	CIP # 2299DI1401BCWDP Tech Support Ser	Jacobs Engineering Group Inc	4050315	16-0053	1,888.10		214,190.68
05/03/2017	CIP # 2299DI1401TO 20 - BCWDB Electric	Jacobs Engineering Group Inc	4050320	17-0002	1,257.60		215,448.28
05/31/2017	CIP Work Order Charges - May 2017				561.40		216,009.68
06/30/2017	CIP Work Order Charges - June 2017				303.42		216,313.10
	<b>TOTAL</b>				<b>175,096.39</b>	<b>46,166.45</b>	<b>128,929.94</b>
					Balance	Forward	216,313.10
01/01/2018	BCWDP Tech Support Services, TO 12.1.	Jacobs Engineering Group Inc	4063154	16-0053	6,469.70		222,782.80
01/01/2018	TO 20 - BCWDB Electrical and WPS-1 Impro	Jacobs Engineering Group Inc	4063152	17-0002	7,884.00		230,666.80
03/07/2018	removal and install of new pump @ lakesh	Dan Trampe DBA Carson Pump LLC	4100		500.00		231,166.80
03/27/2018	Repair of three inlet pumps at BCWDP, pe	Reed Electrical & Field Services	RJIR3974	18-0203	2,580.00		233,746.80
04/01/2018	TO 20 - BCWDB Electrical and WPS-1 Impro	Jacobs Engineering Group Inc	4067496	17-0002	4,649.80		238,396.60
04/13/2018	Burnt Cedar Beaches Flatscape - stair re	Ferrell Civil Engineering	2018	18-0209	4,350.00		242,746.60
04/30/2018	Repair of three inlet pumps at BCWDP, pe	Reed Electrical & Field Services	RJIR4067	18-0203	12,155.19		254,901.79
05/30/2018	Repair of three inlet pumps at BCWDP, pe	Reed Electrical & Field Services	RJIR4123	18-0203	4,244.81		259,146.60
05/30/2018	Change Order Rebuild Water Damaged Pump	Reed Electrical & Field Services	RJIR4123	18-0203	7,910.38		267,056.98
06/30/2018	TO 20 - BCWDB Electrical and WPS-1 Impro	Jacobs Engineering Group Inc	4068748	17-0002	801.20		267,858.18
	<b>TOTAL</b>				<b>51,545.08</b>	<b>0.00</b>	<b>51,545.08</b>
					Balance	Forward	267,858.18
09/12/2018	Burnt Cedar WDP Improvements, Firewall s	CDW Government, Inc.	PDX9945	19-0054	4,985.00		272,843.18
09/12/2018	Burnt Cedar WDP Improvements, Firewall s	CDW Government, Inc.	PDX9945	19-0054	1,100.00		273,943.18
09/12/2018	Sales tax due to shipping to California	CDW Government, Inc.	PDX9945	19-0054	361.41		274,304.59
10/01/2018	Birdseye Construction - Invoice 000259	??????			5,000.00		279,304.59
10/31/2018	CIP Engineering Charges - October 2018				600.00		279,904.59
10/31/2018	BCWDP Improvements Project, network and	Jacobs Engineering Group Inc	704839CH001	18-0308	4,846.10		284,750.69
11/02/2018	WPS 2-1 Improvements; Quote S6400296. wrong account	Codale Electric Supply	S6400296.001	19-0035	35,182.26		319,932.95
12/11/2018	BCWDP Improvements; Firewall system equi	CDW Government, Inc.	QFJ5040	19-0149	2,806.98		322,739.93
12/13/2018	BCWDP Improvements; Firewall system equi	CDW Government, Inc.	QJX3404	19-0149	2,137.30		324,877.23
12/14/2018	BCWDP Improvements; Firewall system equi	CDW Government, Inc.	QKD2594	19-0149	823.78		325,701.01
12/18/2018	BCWDP Improvements; Firewall system equi	CDW Government, Inc.	QKX8078	19-0150	4,361.35		330,062.36
12/20/2018	BCWDP Improvements; Firewall system equi	Dell Marketing LP C/O Dell USA L.P.	10288242608	19-0151	13,768.44		343,830.80
01/09/2019	T100 compact GPS ntp server, surge suppressor & antenna extension cable	SHI International Corp.	809356276		912.78		344,743.58
01/14/2019	CAT6 wiring for Scada project	CDW Government, Inc.	QQZ6215		148.81		344,892.39
01/22/2019	BCWDP Improvements Project, network and security IT services, TO 28. - Srvc rendered 9/29 - 11/30/2018	Jacobs Engineering Group Inc	704839CH002	18-0308	14,444.06		359,336.45
01/31/2019	CIP Engineering Charges				1,000.00		360,336.45
01/31/2019	BCWDP Improvements; Firewall system equipment per Quote KGKN675. To be shipped to I. Ossokie   Jacobs, 2525 Airport Park, Redding CA 96002.	CDW Government, Inc.	QJN8617	19-0149	2,392.22		362,728.67

		From 07/01/2014 to 06/30/2021						
		Project 2299DI1401 Burnt Cedar Water Disinfection Plant Improvements						
EFFECTIVE DATE	DESCRIPTION	VENDOR	VENDOR INVOICE#	PO	DEBIT	CREDIT	BALANCE	
01/31/2019	BCWDP Improvements; Firewall system equipment per Quote KGKN675. To be shipped to I. Ossokie I Jacobs, 2525 Airport Park, Redding CA 96002.	CDW Government, Inc.	QJN8617	19-0149		<del>2,392.22</del>	360,336.45	
01/31/2019	BCWDP Improvements; Firewall system equipment per Quote KGKN675. To be shipped to I. Ossokie I Jacobs, 2525 Airport Park, Redding CA 96002.	CDW Government, Inc.	QJN8617	19-0149	<del>2,392.22</del>		362,728.67	
02/07/2019	TRIPP 24U RACK ENCLOSURE 33 DEEP	CDW Government, Inc.	QZZ5926		690.00		363,418.67	
02/09/2019	TRIPP PDU BASIC 120V 15A 5-15/20R & TRIPP RACK HEAVY DUTY SLIDING SHELF	CDW Government, Inc.	RBK0453		420.00		363,838.67	
02/28/2019	CIP Engineering Charges				500.00		364,338.67	
03/04/2019	Fortinet Fortitoken MOB SW 10U - BC improvements	CDW Government, Inc.	RJF6422		307.75		364,646.42	
03/05/2019	fortinet fg-100E + 1yr 24/7 support - BC improvement project	CDW Government, Inc.	RJL4524		2,563.28		367,209.70	
03/18/2019	Precision 5820 Tower XCTO Base - BC upgrades	Dell Marketing LP C/O Dell USA L.P.	10301420938		2,510.52		369,720.22	
03/19/2019	Burnt Cedar WDP Improvements Project; variable frequency drive installation. Work bid per NRS 338. - MAR2019 - Electrical #1 @ Burnt Cedar plant	San Joaquin Electric, INV	2019.03.19 - Elec.#1	19-0116	53,400.00		423,120.22	
03/21/2019	Burnt Cedar WDP Improvements Project; HVAC repairs. Work bid per NRS 338.	Brown & Read Engineering, Inc	10488	19-0185	7,700.00		430,820.22	
03/31/2019	CIP Engineering Charges				2,000.00		432,820.22	
04/09/2019	Change Order - Additional onsite installation BCWDP Improvements; Quote S6400296.	Codale Electric Supply	S6644602.001	19-0035	<del>3,325.00</del>		436,145.22	
04/09/2019	Change Order - Additional onsite installation BCWDP Improvements; Quote S6400296.	Codale Electric Supply	S6644602.001	19-0035		<del>3,325.00</del>	432,820.22	
04/09/2019	Change Order - Additional onsite installation BCWDP Improvements; Quote S6400296.	Codale Electric Supply	S6644602.001	19-0035	3,325.00		436,145.22	
04/09/2019	Change Order 2 BCWDP Improvements; Quote S6400296.							
04/09/2019	Extra work required for start-up of the VFD's post construction	Codale Electric Supply	S6644602.001	19-0035	10,238.00		446,383.22	
04/26/2019	TO 20 - BCWDB Electrical and WPS-1 Improvements Final Apr 28, 2018 to Dec 28, 2018	Jacobs Engineering Group Inc	393670CH004	17-0002	9,231.10		455,614.32	
04/26/2019	BCWDP Improvements Project, network and security IT services, TO 28. Dec 1, 2018 to Mar 29, 2018	Jacobs Engineering Group Inc	704839CH003	18-0308	25,704.80		481,319.12	
06/01/2019	BCWDP Improvements Project; engineering services during construction, per TO 32.	Jacobs Engineering Group Inc	D3203800-001	19-0192	14,997.94		496,317.06	
06/26/2019	BCWDP Improvements; new chemical feed pumps.	G3 Engineering Inc.	2019-6285	19-0332	13,981.00		510,298.06	
06/30/2019	PowerFlex 755 AC Packaged Drive	Codale Electric Supply	S6709568.001	19-0318	10,306.45		520,604.51	
	<b>TOTAL</b>				<b>258,463.55</b>	<b>5,717.22</b>	<b>252,746.33</b>	
						Balance Forward	520,604.51	
05/05/2020	BCWDP Improvements Project; new LOX control panel.	Tesco Controls, Inc.	0070116-IN	20-0268	22,135.00		542,739.51	
	<b>TOTAL</b>				<b>22,135.00</b>	<b>0.00</b>	<b>22,135.00</b>	
						Balance Forward	542,739.51	
10/05/2020	INSTALLED STANDARD RAIN GUTTERS @ 665 LakeshoreBlvd	Dunn Rite Inc	16034		2,082.00		544,821.51	
06/28/2021	Upgrade to Captor injection pump at Burnt Cedar WDP. Requested by K. Rudd.	G3 Engineering Inc.	2021-7151	21-0234	5,265.32		550,086.83	
06/30/2021	To expense CIP Cost to Operating					<del>2,982.00</del>	548,004.83	
	<b>TOTAL</b>				<b>7,347.32</b>	<b>2,082.00</b>	<b>5,265.32</b>	
	<b>GRAND TOTAL</b>				<b>601,970.50</b>	<b>53,965.67</b>	<b>548,004.83</b>	

Engineering Charges - \$60,000

EXHIBIT B



**Project Summary**

<b>Project Number:</b>	2299DI1401
<b>Title:</b>	Burnt Cedar Water Disinfection Plant Improvements
<b>Project Type:</b>	E - Capital Maintenance
<b>Division:</b>	99 - General Administration - Water
<b>Budget Year:</b>	2020
<b>Finance Option:</b>	
<b>Asset Type:</b>	DI - Distribution Infrastructure
<b>Active:</b>	Yes

<b>Project Description</b>
<p>The Burnt Cedar Water Disinfection Plant produces one billion gallons of potable drinking water for the 8000+ customers in Incline Village and Crystal Bay. The delivery of potable water to our customers is the most important mission of the Public Works Department. The two main federal water regulations that regulate the District's water system is the Surface Water Treatment Rule (SWTR 1989) and the Long Term 2 Enhanced Surface Water Treatment Rule (LT2 2006). The Plant contains raw water pumping, ozone system for disinfection for virus inactivation, ultraviolet system for girardia and cryptosporidium inactivation, chlorine dosing for residual disinfectin in the distribution, and treated water pumping. Associated with these processes are communication equipment, electrical equipment, instrumentation equipment, valving, standby electrical generation, chemical dosing etc. The plant has been in existence since 1961 with the most recent major upgrade completed in 2012 to achieve compliance with LT2.</p> <p>This project is to cover the on-going capital maintenance and replacement of the equipment and facilities at the water disinfection plant.</p>
<b>Project Internal Staff</b>
<p>Staff will oversee the design, bid and administer the construction.</p>
<b>Project Justification</b>
<p>This project is for on-going capital replacement of equipment and facilities at the water disinfection plant. This project also includes a possible extension of the water intake pipeline. EPA and State Regulations may require extension of the raw water intake to the water plant where it is deeper and farther from the shore and creek mouths where it will be less influenced by disturbances from storms. This project also includes the potential abandonment of the old water intake line in Crystal Bay owned by IVGID since 1978. This project funds mechanical, electrical civil and control system improvements.</p>

July 10, 2022

To: Ray Tulloch - Chairman of Audit Committee

From: Clifford F. Dobler

Re: Wastewater Treatment Plant Improvements #259922102 - Potential charge offs of prior costs which may have been capitalized as an asset rather than expensed as repair and maintenance.

could be mostly fully depreciated. Exp in wrong period.

**THIS CORRESPONDENCE IS TO BE MADE PART OF THE NEXT AUDIT COMMITTEE PACKET.**

At the Audit Committee meeting held on June 16, 2022, the committee reviewed all of the charges accounted for under one n project #259922102 which amounted to \$1,197,757 for the 7 year period from July 1, 2014 to June 30, 2021 (EXHIBIT A).

The AC asked to receive more information on the 15 internal "work orders" amounting to \$41,937. A public records request was made and the 15 work orders are attached as EXHIBIT B. The work orders provided minimal information and consisted of charges for labor and equipment usage, presumably for trucks. NO MATERIALS WERE INCLUDED IN THE WORK ORDERS.

It was quite disappointing to find that of the 15 work orders, 7 were not related to the Sewer Treatment Plant. There was one for Sewer Pump Station #4, one for Sewer Pump Station #5, and two for Sewer Pump Station #1. There were two for the DWSP#3, one for Reservoir Access Safety Improvements (part of the water system) and the remaining is not identified. One work order on 4/30/2021 had \$61,924.52 in material costs with no disclosure on who it was paid to nor what it was for.

According to the Project Summary for Fiscal year 2022-2023, this account will involve over 5 treatment processes requiring four different types of equipment. In addition, six different facilities to control other aspects.

According to the Project Summary (EXHIBIT C) that over the next six years, \$1.125 million will be spent on four large projects and the remaining \$375K is listed as Equipment Improvements. This is assumed to be a catch all for repairs and maintenance.

Since the AC was unaware if the costs specified in EXHIBIT A have been allocated into separate components and then capitalized according to Board Policies and Practices, it becomes impossible to determine what amount of costs should have charged off as expenses. There obviously is no internal controls over what costs should be charged to what project. It would seem that the project account may have been established as a "catch all" for many items.

EXHIBIT A - Listing of historical charges to project # 259922102

EXHIBIT B - Listing of Work Orders.

EXHIBIT C - Project Summary Report fiscal 2022-2023

overstated.

August 15, 2022

for '21 CAFR?

To: Audit Committee and Paul Navazio

CC: Ray Tulloch, IVGID Board of Trustees and Indra Winquest

From: Clifford F. Dobler

Re: Charge off of capital assets or cost held in construction in process which should have been expensed as PRIOR PERIOD ADJUSTMENTS FOR FISCAL YEAR ENDING JUNE 30, 2021

With the creation of the Moss Adams report regarding expensing pre development designs and assessments on potential capital projects, the Audit Committee engaged members to determine what historical costs which were capitalized as an asset or held in the construction in progress accounts should be expensed. Any costs subject to expensing and which occurred in a prior year would be reported as a "Prior Period Adjustment".

In the June 30, 2020 CAFR, IVGID Staff determined that \$212,044 and \$77,216 relating to the community services master plan and the high school ball field held in the CIP account were applicable to predevelopment concept designs and were expensed. These charge offs were reported as "Prior Period Adjustments" in the CAFR. The Audit Committee then realized that IVGID staff had not done the necessary research on predevelopment design and assessments on other potential projects most of which were in the CIP account. - basis for assertion.

On May 31, 2021, I provided a memorandum of pre design and assessment costs on 10 projects which should NOT have been retained in the CIP account or capitalized as an asset. The total estimated costs were \$4,469,712. (Exhibit A)

In the June 30, 2021 ACFR, Staff only addressed \$3,100,110 for pre design and assessments on Phase II of the Effluent Pipeline which was expensed from the capital asset account and reported as a "Prior Period Adjustment". Four other projects indicated in my May 31, 2021 memo, namely, a water line leak study (\$78,506), the Incline Beach Building concept designs (\$216,131), the Tennis Facility Study (\$40,143), and the Diamond Peak Master Plan (\$156,030) were charged off from the CIP account but were NOT reported as prior period adjustments but instead reduced the current year capital additions to the CIP account. An additional \$95,628 for the Diamond Peak Master Plan was charged off in the same fashion but was not included in my memo. poor disclosure.

Charging off expenses incurred in prior years against current year capital costs is unheard of and a complete contradiction when compared to the pipeline charge off. The costs were incurred in the prior years and should have been reported as a prior period adjustment NOT a reduction against current year capital costs. X

Another 10 items for 110,061 (not covered in the May 31, 2021 memo) was charged off from the CIP account but not reported as a prior period adjustment and again reduced current year costs. These items were true expenses or the amounts failed to meet capitalization thresholds.

Not only did Staff fail to charge off, as a prior period adjustment, \$120,268 for pre design and assessments on the Incline Park ball fields but remarkably ADDED \$120,268 to the ball field costs prior to transferring the total to the capital project account thus leaving a NEGATIVE balance in the CIP account. This transaction is unacceptable and a manipulation of costs. source

In fiscal year 2020, \$1,591,983 in costs for the Mountain Golf Course Clubhouse rehab was transferred from the CIP account to a capital asset account. Included in the transfer was \$282,954 for conceptual designs and temporary repairs which should have been expensed but was not. Also \$46,000 in pre design costs for cart paths was not expensed and

poor disclosure - any reclass ?

remain in the CIP account. There is no logical reason why these amounts were not charged off as a prior period adjustments.

Lastly, \$219,802 for temporary repairs and conceptual design on the Burt Cedar Pool and \$40,000 for concept design on the WRRF Aeration System were not charged off as prior period adjustments and remain in the CIP accounts as of June 30, 2021.

The inconsistency in reporting for essentially the same type of costs in the June 30, 2021 ACFR is unacceptable and created a material misrepresentation in reporting the 2021 ACFR.

To recap this mess

*date?*

*?*

- A total of \$4,675,401 should have been recorded as prior period adjustments in fiscal 2021
- Only \$3,110,110 of the recommended \$3,179,600 pipeline costs were charged off as a PRIOR PERIOD ADJUSTMENT *in '22*
- \$698,476 was charged off from the CIP accounts to current year capital project costs rather than properly being recorded as a prior period adjustment
- \$746,547 in costs primarily for the Burnt Cedar Pool repairs and concept designs and the Mountain Golf Course Clubhouse concept designs remained in the CIP account or were transferred to capital assets and not expensed as a prior period adjustment.
- \$120,268 for the Baseball fields was actually transferred TWICE to the capital asset accounts leaving a negative \$120,268 in the CIP account

Subsequent to the end of June 30, 2021 additional studies by me were completed on potential charge off of costs as prior period adjustments for the following projects: Water and Sewer Pump Stations, Wastewater Treatment Plant, Wetlands, Adjust facilities in NDOT right away, Burt Cedar water plant, Pond # 2 lining abandoned design and irrigation, tees, greens and bunkers at the two golf course. The extent of these required charge offs have not been quantified by IVGID Staff.

THIS NOCENSE MUST STOP AND BE CORRECTED. THESE CHARGE OFFS ALONG WITH OTHER CHARGE OFFS DISCOVERED OVER THE PAST SIX MONTHS WILL RESULT IN OVER \$7 MILLION DOLLARS OF PRIOR PERIOD ADJUSTMENTS WHICH IS MATERIAL AND THE 2021 ACFR MUST BE RESTATED TO PROPERLY REFLECT CAPITAL ASSETS AND EXPENSES.

Exhibit A - May 31, 2021 memo from Clifford F. Dobler to the Audit Committee and Indra Winqwest and Paul Navazio.

*status?*

*real net #*

*9/28 to Board from Marty.*

*[Signature]*  
*stot*



EXHIBIT A

May 31, 2021

To: Audit Committee for meeting on June 9, 2021

} not elsewhere in this binder.

CC: Indra Winquest, Paul Navazio

From: Clifford F. Dobler

Re: Reclassification of certain preliminary project costs which have been accounted for as construction in progress but must be expensed. The costs either have no future value because of abandonment or are considered expenses in accordance with the guidelines outlined in the Moss Adams final report dated 1/14/2021.

**Background**

In 2020, Moss Adams was engaged by the Audit Committee to review the capitalization policies and provide best practice accounting guidance. As outlined in the final report: "**Accepted practice includes recognition of the different stages of a project including preliminary, construction and post-construction. Preliminary stage activities include conceptual formulation and evaluation of alternatives, determination of future needs, feasibility studies, and development of financing alternatives. Cost incurred in the preliminary stages are expensed as costs in this stage are not directly connected with creating service capacity of a particular asset.**" //

Over several years, IVGID staff did not distinguish or establish separate accounts for the three phases of a project and only one project account was established. As such, ALL costs of a project were considered a future capital assets and were accounted initially in Construction in Progress and once the project was placed into service, ALL of the costs were transferred to a capital asset account and depreciated.

In the 2020 CAFR, IVGID management only expensed two projects which had preliminary stage activities. The expense was treated as a prior year adjustment (Note 22 of 2020 CAFR). The two projects were \$212,044 related to the development of a Parks Master Plan (Plan was actually called the Community Services Master Plan) and \$77,216 related to preliminary designs for the High School Ball Fields but stated in Note 22 of the 2020 CAFR as the Incline Village Ball field. It should be understood what the reason was for preliminary design of the High School Ball Fields.

IVGID management either overlooked or did not address expensing other preliminary stage activities on several projects and the costs remain in the Construction in Progress account as of June 30, 2020. A short description of the projects and estimated costs to be expensed are listed below:

**Burnt Cedar Pool**

In 2019, IVGID incurred \$119,498 to repair waterlines at the Burnt Cedar Pool. Since a new pool has been started, these repairs have no future value, have been abandoned and must be expensed. See my memo to Audit Committee dated August 24, 2020.

In 2020 two contracts were awarded to TSK architects for conceptual design (\$32,200) and for schematic design (\$68,104) to develop a new swimming pool at Burnt Cedar Beach and the amounts should be expensed. In addition, all IVGID staff charges and third party cost estimates should also be expensed. A final design contract and a CMAR contract were approved by the Board of Trustees on December 9, 2020.

Agree - Suf (M)

### **Utilities - WRRF Aeration System**

In March 2018, a contract was issued to CH2M-Hill for conceptual design (\$40,000) for improvements to the WRRF Aeration System which should be expensed together with all related IVGID staff charges from March to December, 2018 when the final design for the project was authorized.

### **Utilities - Waterline Leak Study**

In March 2019, a contract was issued to Pure Technologies for \$52,500 to provide a conditions assessment of a 4,200 foot long alternate water transmission line from Water Pump Station #2 to a water reservoir located on Lariat Circle. The line was taken offline in 2001 because of recurring leaks. The total costs of the assessment as of June 30, 2020 was \$78,506 which may have included IVGID staff time and other costs. These costs should be expensed.

### **Utilities - Effluent Pipeline Phase II**

This project involves several items. In violation of Board requirements to keep individual projects separate, the General Manager decided in 2018 that any costs associated on or for the effluent pipeline from the Wastewater Treatment Plant to the wetlands in the Carson city area would be reported within this project.

On January 29, 2020, IVGID Staff provided a presentation to the Board of Trustees which indicated the accumulated costs were \$5,146,100 through June 30, 2019, however the CIP report for the same date indicated only \$4,864,275 had been accumulated on the project. It is unknown what is the difference between the two reports. The requested reconciliation of the air pressure relief valves reported as \$643,400 but public records documented only \$567,409 and the difference has not been explained by Staff. A reconciliation of the meters and valves installed in three different areas and reported as \$86,500 in costs. However, public records documented only \$77,687 in costs and the difference has not been explained.

On 2/10/2021, the Audit Committee by a unanimous vote approved the Audit Committee Report to the Board of Trustees which included the recommendation to expense \$3,179,600 which was capitalized in fiscal year 2019 as "**Placed in Service**". Exhibit C of the Audit Committee report describes the items which should be expensed. According to minutes of the Board of Trustee meeting held on February 10, 2021, the Board of Trustees approved the Audit Committee recommendation.

It is recommended that all charges made to the Effluent Pipeline Phase II project be reviewed and separated into the various subprojects to provide an accurate accounting for capitalization and expenses. In the past, the Board of Trustees has recommended that individual projects be reported rather than "lumped" into one project.

### **Mountain Golf Course**

In 2012/2014 contracts were issued to Global Golf Advisors and BRG Architecture for a facility assessment and future needs recommendations and to develop conceptual designs on 5 options for a new clubhouse. Costs incurred as of June 30, 2020 were \$132,203. These costs should be expensed as no recommendations were enacted.

In the summer of 2018, a fire occurred in the Clubhouse kitchen area. In November 2018, Smith Design was issued a design contract for the rehabilitation of the Clubhouse which included a large expansion of the deck area. The intent was to fast track the rehabilitation for completion prior to the opening of the golf course in May 2019. Subsequently it was determined that the

rehabilitation could not occur in time for the season and would be postponed until the season ended. In order to provide services, fire damage repairs were completed for temporary use during the 2019 season. The costs incurred was \$150,751 (may include the design fees of Smith which should not be expensed). An unknown portion of the temporary repairs were abandoned when the extensive rehabilitation started at the end of the 2019 season. Certain of the temporary repair costs should be expensed. - why?

In 2020 a contract was issued to Lumos and Associates for schematic design (\$27,500) of the Mountain Golf Course cart path replacements which should be expensed together with all IVGID staff charges of \$18,500 from July, 2020 to February 2021 when final design was approved by the Board of Trustees.

### **Tennis Center**

In 2015 and 2016, a contract and change order was issued to LLOYD Design for \$42,120 to evaluate the Tennis Center. This assessment should be expensed together with IVGID staff charges.

In 2018 a contract was issued to BJK Architecture and Engineering to develop conceptual design (\$26,501) for the rehabilitation of the Tennis Center. These costs should be expensed together with all IVGID staff charges from 2018 to the Board approval of the final design on 6/19/2019.

### **Incline Park - Ball fields**

In July, 2017, a contract was issued to LPA Inc. for \$41,000 to develop conceptual design for improvements to the three ball fields at Incline Park. In December, 2017 a contract was issued to Lloyd Consulting Group, LLC for \$58,500 to provide engineering design services including a survey, site planning, schematic design, construction documents and permitting. In November, 2018 an additional contract for \$15,430 was issued to LLOYD to modify the design to lower the estimated costs. A project called Incline Park Improvements (#4378BD1801) was set up but a budget was never established. The total costs as of June 30, 2020 was \$120,268 which includes other unknown costs beyond the three contracts. Another project called Incline Park Facility Renovation (#4378LI1803) was established for construction of improvements to only one ball field. A review of both project accounts should be conducted as the total costs as of March 31, 2021 for the Park Facility Renovation is \$1,550,570 which is in excess of the Incline-Tahoe Foundation grant made to IVGID of \$1,328,001. The two Lloyd contracts mentioned above were for final design and subsequent modification. The actual payments made were \$75,458 (\$59,563 & \$15,430) and should be transferred from the Incline Park Improvements project to the Incline Park Facility Renovation project.

### **Incline Beach Building**

In May 2016, a contract for design of the Incline Beach Building was issued to Bull, Stockwell and Allen for \$221,891. The contract consisted of two main phases 1) community outreach, program concepts, and schematic design for \$81,745 and 2) final design and construction documents. A large portion of the work was authorized based on the Beach Recreation Enhancement Opportunity Plan approved by the Board of Trustees in February 2016. After phase 1 of the contract was substantially completed, two cost estimates were conducted resulting in estimates between \$3.9 million and \$5.2 million which included site improvements never addressed in the design contract. More importantly the design was a replica of the building at Sand Harbor which is six times larger than the existing building at Incline Beach. Sand Harbor has between 800,000 to 1,000,000 visitors while Incline Beach has annual visits of about 130,000.

The total costs in the construction in progress account is \$216,131 which includes IVGID staff time, estimates and unknown other costs. The entire amount should be expensed as expenditures were for only the first phase of the contract.

In 2014, IVGID Board decided to develop a master plan for summer activities and expansion of the winter activities by issuing an assessment contract on 9/12/2014 (\$152,000) to the SE Group which was approved by the Board of Trustees in 2015. Accumulated costs through 6/30/2020 is \$156,030. This work was concept only, community steering and financial models which should all be expensed.

In October, 2015, the Board of Trustees approved expenditures to submit a plan for Phase 1a of the approved master plan to TRPA, USFS and Washoe county for environmental clearances. Contracts were issued in 2015 to SE Group for \$29,000 for permit submittals and in 2019 to Hauge Brueck Associates for \$32,800 to perform biological resources surveys of rare plants, California Spotted Owl and the Northern Goshawk required in advanced of environmental documentation. The submittals, if made, by the SE Group are almost six years old and are probably would need to be re submitted. Currently the Board of Trustees have removed Phase 1a and 1b of the master plan from the 5 year capital plan. With the Forest Service special use permit on 361 acres expiring on December 31, 2023 and the lack of interest in continuing the Phase 1a summer activities, these costs are conceptual submittals and should be expensed.

**Conclusions and Recommendations**

IVGID management has historically assigned only one project number for a future construction project. In order to avoid the consolidating costs, components two separates accounts should be established for each project. First an expense account which will include all concepts, community outreach, schematics designs, assessments, and financing options. After the Board of Trustees accept the inputs and accepts other conditions and decides to move forward with final plans then a CIP account should be established for the final design, construction and in house staff time to complete the project.

The Audit Committee recommends that IVGID Staff establishes separate accounts as prescribed in the Moss Adams report for the three main phases of a project. This should eliminate recording of expenses in the CIP accounts.

*status of procedure.*

Memorandum

April 8, 2021

To: Indra Winquest, Paul Navazio and IVGID Board of Trustees

cc: IVGID Audit Committee

From: Clifford F. Dobler

cc: IVGID Board of Trustees

Re: Funding Public Parks through General Fund resources

Over the past year, Trustee Schmitz has discussed the possibility that operations of IVGID's Public Parks should be funded by resources of the General Fund. This proposal would be impossible to implement based on the historical operating expenses and capital costs of the Parks through the Community Service Funds and the lack of available revenues in the General Fund. The parks include Village Green, Preston Field, and the baseball fields adjacent to the Middle School.

The following is information required to make a worthy analysis

#### Annual Average Costs to operate and maintain the Park system (Exhibit A)

For the 5 year period from July 1, 2016 and June 30, 2020 the average annual costs of operating the Parks was \$802,786 with offsetting revenues averaging only \$46,469 producing an average annual net losses of \$756,317.

Park Capital Project costs for the five year period were \$3,686,458. After removing the rehab of a baseball field and a new bridge over Incline Creek, which were funded by grants, \$2,000,000 had been spent on other capital items or \$400,000 per year. The five year capital plan for 2021 to 2025 has \$1,586,640 for new purchases and projects or an average of \$317,200 per year. Based on these factors, capital costs should be considered to average around \$350,000 annually.

Combining the annual estimated costs for operations of \$750,000 and capital costs of \$350,000 the parks require about \$1,100,000 per year in subsidies.

#### General Fund Revenue and Expenses 5 years 2016 to 2020 (Exhibit B)

For the past five years from July 1, 2016 to June 30, 2020, tax revenues less operating expenses, capital outlays and reimbursements for "Central Service Costs" produced an average of only \$540,000 annually far short of the requirements to fund the parks systems. While tax revenues may increase over time because of increasing home values, IVGID's thirst to spend money will cause expenditures to increase in tandem with revenue increases. The approved fiscal 2021 budget (Exhibit B) indicated large increases in operating expenses (31% over previous 5 year average) and the excess revenues over expenditures dwindled to a minimal amount.

#### Other General Fund Items

- An extraordinary amount of investment earnings occurred in 2019 and 2020 producing annual cash yields over 9% per annum based on the average fund balances existing. These cash returns could not have occurred unless the earnings included gains from the liquidation of certain cash investments. This should be explained by management. In the long term, investment earnings should not be relied upon to fund Park ongoing operations. Assuming proper management of fund balances, the current amount of fund balance should be reduced substantially over the next few years.
- During the past five years only two transfers of \$650,000 were made to other funds. Also a series of transfers were received and disbursed to unwind a NRS violation and to properly redistribute the remaining cash from the self funded

Not really an audit issue!

Workman's compensation Fund which was part of Internal Services. The General Fund retained a net amount of \$145,000 from the closeout of the Workman's compensation fund.

- Deletion of a new Administration Building scheduled in 2024 - According to the five year capital plan (2021 to 2024), a new administration building was planned to be constructed in 2024 with a budget of \$3,350,000. An estimate conducted by Precision Budgets Inc. on 6/20/2017 based on conceptual drawings dated 9/20/2012 estimated the costs of a new building to be \$5,642,047 or \$501.52 per square foot. This has been removed from the 5 year capital plan at the BofT meeting on 3/24/2021.
- The proposed 5 year (2022 to 2026) Capital Projects plan (EXCLUDING THE ADMINISTRATION BUILDING) indicates spending an average of \$392,000 per year. which is substantially higher than historical expenditures.

### Current General Fund excessive Fund Balance

At June 30, 2020, the General Fund had a fund balance of \$4,630,149 far in excess of the appropriate level of fund balance required by Board Policy 7.1. which states 5% of operating expenses or approximately \$135,000. (operating expenses are net of the Central Service Cost reimbursements).

After considering outstanding commitments of \$1,300,000 for the mandated tax payments to Washoe County and an undetermined capital portion of the \$891,438 planned for the Tyler software installation (apparently there will be some offsets by cancelling other contracts), the fund balance continues to be far in excess of Board Policy.

After adjusting for these two commitments, fund balance would remain at approximately \$2,500,000 or 1,900% higher than the appropriate level of fund balance.

Immediate attention should be given by this Board to establish a proper use of the Fund Balance.

*True?*

- reduced the Ad valorem tax rate to lower revenues
- Transfer funds to the Community Service Funds and/or the Utility Fund (transfers cannot be done to Beaches because not all property owners who are assessed taxes have use of the Beaches)
- Annual transfers are limited to 10% of General Fund expenditures, (NRS ~~343.117~~ 354.6117) resulting in limitations on transfers for, at least, the next 9 years.
- Begin funding Community Programming (Recreational Programming) currently accomplished in the Community Services Funds from resources in General Fund. There is no provision in NRS 318 to fund community programming, however, under NRS 377A, taxes can be used for miscellaneous special purposes which include "Recreational programs".

### Public Parks are allowed under NRS 318 - General Improvement Districts

The Nevada Revised Statute 318.116 provides a basic power to the Board of a General Improvement District to furnish recreational facilities described in NRS 318.143 which includes public parks. Park improvements and operations can and are currently being funded by the Facilities Fees (standby services charges) which are allowed and currently being assessed upon property owners under NRS 318.197 which allows flexibility in amounts which can be assessed.

### Alternative Use of General Fund annual revenue surpluses and excess fund balances.

Under NRS 318, IVGID does not have the power to use of the Facility Fees assessed under NRS 318.197 for Community Programming. Resources for Recreational Programming, which includes Community Programming is specifically identified in NRS Title 32 Chapter 377A through the use of TAXES. Since IVGID may have inadvertently funded such programs through Facility Fees which violates Dillon's rule, an immediate change should be made to fund the Community programs from tax resources in the General Fund.

**Conclusion**

Operations and Capital Costs for Parks should remain in the Community Services Fund as authorized by NRS 318.116. Based on the projections for the General Fund there would not be an identifiable source of revenues which could support the current and planned expenditures for the parks.

Exhibit A - Historical Revenues, Expenses and Capital Costs for Parks

Exhibit B - Historical Revenues, Expenses and other Financing Sources of the General Fund.

Incline Village General Improvement District  
 Community Services Venues Operating Revenues and Expenses 2016 to 2020

EXHIBIT A

Operations only

	Championship Golf Course	Mountain Golf Course	Facilities	Diamond Peak	Rec Center Community Programming	Park	Tennis	Recreation Administration	Other Revenues	Total
<b>2016</b>										
Revenues (NO Rec Fee)	3,488,229	645,128	275,156	10,202,972	1,264,177	59,551	166,533	(521,179)	601,927	16,182,464
Expenses	(8,526,303)	(937,694)	(432,187)	(6,441,024)	(2,228,737)	(1,311,502)	(256,359)	(315,943)		(14,833,585)
Capital Projects									601,927	
	(37,874)	(292,566)	(157,031)	3,761,948	(964,560)	(636,933)	(89,026)	(837,122)	601,927	1,326,879
<b>2017</b>										
Revenues (NO Rec Fee)	3,542,663	627,986	387,701	11,326,968	1,274,149	4,430	166,577	(573,542)	336,636	17,134,568
Expenses	(8,944,772)	(1,002,559)	(498,577)	(6,810,598)	(2,225,893)	(8,010,744)	(262,369)	(354,367)		(15,919,969)
Capital Projects										
	(402,109)	(374,373)	(110,676)	4,516,370	(951,744)	(771,494)	(95,792)	(927,909)	336,636	1,214,599
<b>2018</b>										
Revenues (NO Rec Fee)	3,765,419	630,214	355,696	9,155,646	1,289,959	40,910	145,197	(758,481)	375,551	15,008,115
Expenses	(4,055,702)	(972,171)	(846,797)	(7,024,327)	(2,232,105)	(418,290)	(226,530)	(357,498)		(16,137,428)
Capital Projects										
	(250,283)	(341,957)	(92,101)	2,131,318	(942,152)	(466,384)	(83,333)	(1,115,878)	375,551	(1,129,313)
<b>2019</b>										
Revenues (NO Rec Fee)	3,902,689	740,968	392,246	11,778,871	1,364,044	40,500	153,435	(720,819)	429,729	18,077,743
Expenses	(4,285,423)	(960,442)	(462,527)	(7,830,948)	(2,296,972)	(615,439)	(253,544)	(363,285)		(17,288,580)
Capital Projects										
	(382,734)	(219,474)	(90,282)	3,947,823	(932,928)	(765,899)	(100,109)	(1,094,104)	429,729	789,163
<b>2020</b>										
Revenues (NO Rec Fee)	4,070,762	690,798	361,890	9,781,499	1,004,900	41,303	133,786	(590,712)	370,987	15,856,415
Expenses	(4,255,618)	(960,547)	(466,752)	(7,011,524)	(2,189,572)	(432,636)	(242,873)	(572,599)		(16,546,104)
Capital Projects										
	(184,856)	(269,749)	(107,802)	2,769,975	(1,184,672)	(811,314)	(109,087)	(1,168,311)	370,987	(689,685)
<b>Total</b>										
Revenues	18,769,762	3,335,094	1,772,689	52,245,956	6,197,223	11,944	765,528	(3,174,733)	2,114,640	82,259,105
Expenses	(20,067,618)	(4,833,213)	(2,331,640)	(35,116,421)	(11,173,279)	(4,011,404)	(1,243,675)	(1,963,692)		(80,745,666)
Capital Projects										
	(1,297,856)	(1,430,119)	(559,151)	17,127,535	(4,976,056)	(3,780,942)	(476,147)	(5,138,425)	2,114,640	1,513,639
Average Per year										
Operating Costs recovered	-93.53%	-69.00%	-76.02%	-148.77%	-55.46%	-5.80%	-61.55%	161.67%		
Recreation fee - Board Approved for operations only - Never required.										
2016									2,181,200	5,984,146
2017									2,050,000	5,959,152
2018									1,763,000	5,769,982
2019									1,763,000	5,784,000
2020									2,050,750	5,774,067
Total									9,807,950	29,311,347
Capital Projects Costs										
2015/2016 CAFR	415,867	235,010	138,071	707,467	101,437	665,776	46,462	14,089		2,344,199
2016/2017 CAFR	928,012	120,866	161,162	1,375,029	574,836	312,000	49,022	111,792		3,633,250
2017/2018 CAFR	664,121	402,955	198,604	1,814,021	71,100	601,203	5,000	148,812		3,905,916
2018/2019 CAFR	497,377	336,149	21,406	4,539,027	259,918	141,640	104,180	141,403		6,043,500
2019/2020 CAFR	439,872	1,592,962	71,584	792,711	244,815	1,540,711	233,776	(261,503)		5,059,031
Subtotal	2,945,249	2,689,944	590,827	9,228,255	1,252,106	3,681,472	438,462	154,593		20,985,896
Total operations & capital	(4,243,105)	(4,188,063)	(1,149,978)	7,859,280	(6,220,164)	1,467,439	(918,609)	(5,293,018)		16,459,781
Avg LOSS per year	(646,621)	(437,613)	(229,036)	1,579,856	(1,245,633)	(1,493,480)	(303,322)	(1,056,614)		

About \$2.5 million of negative revenues in Recreation Administration were transfers to the Beaches

Operating Portion	Total Facility Fee
2,181,200	5,984,146
2,050,000	5,959,152
1,763,000	5,769,982
1,763,000	5,784,000
2,050,750	5,774,067
9,807,950	29,311,347

Total	Funded by Grants	Net by IVGID
2,344,199	586,361	1,757,838
3,633,250	113,615	3,519,635
3,905,916	156,775	3,749,141
6,043,500	31,950	6,011,542
5,059,031	1,637,399	3,421,632
20,985,896	2,526,108	18,459,788



Incline Village General Improvement District  
 General Fund - Summary of General Revenues and expenditures  
 Fiscal years ending June 30, 2016 to 2020 Actual  
 Fiscal year 2020/2021 Budget

EXHIBIT B

	5 year period 2016-2020					Total	Average	2021 Budget	
	2016	2017	2018	2019	2020				
<b>Revenues</b>									
Ad valorem taxes	\$ 1,497,006	1,462,280	1,524,623	1,615,540	1,706,170	\$ 7,805,619		1,782,000	
Other Taxes	1,487,986	1,498,567	1,649,921	1,708,093	1,736,657	8,081,224		1,656,000	
Miscellaneous	50,292	4,638	2,033	2,002	952	59,917		2,400	
	<u>3,035,284</u>	<u>2,965,485</u>	<u>3,176,577</u>	<u>3,325,635</u>	<u>3,443,779</u>	<u>15,946,760</u>	<u>3,189,352</u>	<u>3,440,400</u>	
<b>Expenditures</b>									
All Operating Expenses	3,510,247	3,608,667	3,586,203	3,933,149	3,799,835	18,435,101	3,686,620	4,520,099	23% over average
Capital Projects	79,331	148,435	113,613	121,257	279,424	742,260	148,452	650,150	430% over average
Less Central Service Costs charged out	<u>(1,125,000)</u>	<u>(1,177,200)</u>	<u>(1,094,000)</u>	<u>(1,169,400)</u>	<u>(1,367,400)</u>	<u>(5,931,000)</u>	<u>(1,186,200)</u>	<u>(1,741,440)</u>	47% over average
	<u>2,466,578</u>	<u>2,574,902</u>	<u>2,606,016</u>	<u>2,885,006</u>	<u>2,711,859</u>	<u>13,244,361</u>	<u>2,648,872</u>	<u>3,428,809</u>	52% increase over average
<b>Net Operations</b>	<u>568,706</u>	<u>390,583</u>	<u>570,561</u>	<u>440,629</u>	<u>723,920</u>	<u>2,702,400</u>	<u>\$ 540,480</u>	<u>1,551,000</u>	
<b>Other Financing Sources (Uses)</b>									
Investment Earnings		51,680	89,960	111,811	111,640	902,098		131,400	
Sale of Capital Assets			16			16			
Workman's Comp Close Out									
Transfers in from Internal Services			800,000	474,356		1,274,356			
Transfers out to other Funds				(800,000)	(300,000)	(1,100,000)			
Other Transfers - No reason provided	<u>(250,000)</u>	<u>(400,000)</u>				<u>(650,000)</u>			
	<u>(250,000)</u>	<u>(348,320)</u>	<u>889,976</u>	<u>2,171</u>	<u>132,643</u>	<u>426,470</u>		<u>131,400</u>	
<b>Increase in Fund Balance</b>	<u>318,706</u>	<u>42,263</u>	<u>1,460,537</u>	<u>442,800</u>	<u>864,563</u>	<u>3,128,869</u>		<u>142,991</u>	
<b>Beginning Fund Balance</b>	<u>1,501,280</u>	<u>1,819,986</u>	<u>1,862,249</u>	<u>3,322,786</u>	<u>3,765,586</u>	<u>1,501,280</u>		<u>4,630,149</u>	
<b>Ending Fund Balance</b>	<u>\$ 1,819,986</u>	<u>1,862,249</u>	<u>3,322,786</u>	<u>3,765,586</u>	<u>4,630,149</u>	<u>\$ 4,630,149</u>		<u>\$ 4,773,140</u>	
<b>Investment Earnings on average fund balance</b>				9.20%	10.30%			2.84%	
<b>Appropriate Level of Fund Balance - Board Policy 7.1 - 4% of Expenditures</b>					\$ 108,474			\$ 137,152	
<b>Over appropriate level of fund Balance</b>								3460.2%	
<b>Property Tax Settlement with Property Owners</b>									
<b>Reserves for Tyler</b>									

May 29, 2021

*Not really an audit*  
*AFR*  
*22*  
*issue*

To: Board of Trustees, Indra Winqest, Paul Navazio

cc: Audit Committee - Proper Disclosure Requirements - Note 15 of 2020 CAFR (information only)

From: Clifford F. Dobler

Re: Cash Position of Utility Fund 2020 to 2022

Over several Board of Trustee meetings, nowhere in the array of budget documents was any analysis provided of what is and what will be the AVAILABLE cash position after the Board of Trustee mandated restriction/reserve of cash for the Effluent Pipeline project and the cash held on behalf of the Tahoe Water Suppliers Association which has been set aside from all of the cash accounts (cash and cash equivalents, short term investments and investments - long term).

Attached is a Computation of Available Cash Positions as of 2020, the estimated amount for fiscal year 2020/2021 and the budgeted amount for fiscal year 2021/2022.

**June 30, 2020**

As stated in the June 30, 2020 CAFR, the cash held in the utility fund was \$14.724 million.

After setting aside cash of and for:

- \$11.570 million for the Effluent Pipeline Project unanimously approved by the Board of Trustees in March and August of 2020
- \$772,000 for the interest earned from investing the Effluent Pipeline money, which under Board Policy is required to be set aside. Nothing was ever done after the IVGID Audit Committee recommended the set aside and the Board of Trustees agreed with the recommendation. No agenda items has been brought to the Board of Trustees to restrict, "reserve" or "designate" these funds for the Effluent Pipeline project.
- \$157,000 for cash held on behalf of the Tahoe Water Suppliers Association

*done?*

Then.

The remaining cash available after these removals was only \$2.225 million slightly above the appropriate levels described in Board Policy/Practice 7.1.0 and 7.2.0

**June 30, 2021 estimate**

As stated in the State Budget form 4404LGF, IVGID staff has estimated that the cash used for expenditures will exceed cash flow from operating activities by \$2.458 million for the fiscal year ending June 30, 2021.

As a result, there will be NO remaining cash available after the restricted set asides and association funds are separated and according to the Staff estimate, \$233,000 will be required to be drawn from the Effluent Pipeline project restricted/reserved set aside cash. While this misappropriate of funds may not be a direct violation of NRS 354.626, the intent of the Board and Staff is to spend some of the Pipeline set aside. One could be confused by the \$3.033 million indicated as "capital contributions" which would seem money came from some other outside source. These funds are nothing more than transferring cash from the short and long term investments which existed at June 30, 2020. In other words, taking money

from one pocket and putting the same money into another pocket. No new money. Calling these transfers as a "Capital Contribution" is a stretch to anyone's imagination.

*may be fine.*

June 30, 2022 budget

As stated in the State Budget form 4404LGF for fiscal year ending June 30, 2022 which the Board of Trustees approved on March 26, 2021, expenditures will exceed cash flow from operating activities by \$2.515 million. As there is NO other known resources indicated other than from hope, the Board **approved and intends to use \$2.515 million of the Pipeline set aside restricted money to spend on other capital projects.** To authorize spending money which the Utility Fund does not have is very unorthodox and defies logic. The budget is to appropriate money to spend. The budget alone is an intent to spend. How could this Board approve spending money which is NOT AVAILABLE. *??*

This abuse of using funds set aside for a specific project without any disclosure is a direct violation of any standards required by any Fiduciary holding restricted funds for the public and other entities.

While the budget expenditures for fiscal 2021/2022 have not yet been spent but are intended to be spent thus requiring the use of RESTRICTED FUNDS for other purposes, a violation of NRS may exist. This is for legal counsel to determine and twist. Not kosher to me.

Based on the budget, NRS 354.626 will be violated once the expenditures are made unless immediate action is taken to provide funds for the budgeted expenditures.

**Conclusion**

*not an ~~EP~~ ACFR issue*

It is time to end the parade of misunderstanding, the hocus pocus, the changing of words, the deception, lack of disclosure and irresponsibility. Bring forth an agenda item at a future Board meeting which will clearly state the Board of Trustees decision to release \$2.780 million of the restricted/reserved funds for the Effluent Pipeline which has been authorized to spend on other acquisitions of capital assets.

This Board of Trustees simply, in good conscience, should not approve a budget without having proper resources to fund expenditures.

Intending to obtain unknown future resources is not an acceptable answer to stray from reality.

Make things right and be a fiduciary .

There should be a special meeting of the Board of Trustees as soon as possible

**Postscript**

Be aware that after removing all cash accounts from working capital on June 30, 2020 , there was **negative** working capital of \$123,015 which is unheard of in the annals of what would be considered prudent management.

Also be aware that the \$2.184 million of "reserves", required by Board policy 7.1.0 does **not exist** and IVGID management has not provided any plan of replenishment .

*status*

Exhibit C

Incline Village General Improvement District

Utility Fund

Investment Earnings set aside for Phase II of Effluent Pipeline

Compliance with Board Policy and Practice 13.2.0 2.3

Fiscal Year	Expressed in Thousands - From CAFR				Pipeline Portion	% Pipeline	CAFR Investment Earnings	Pipeline Portion
	Cash	Short Term Investments	Long Term Investments	Total				
2013	\$ 418	2,300	5,115	7,833	2,683	34.25%	56	\$ 19
2014	427	950	7,065	8,442	5,251	62.20%	61	38
2015	340	1,000	9,075	10,415	6,506	62.47%	82	51
2016	79	7,826	3,624	11,529	7,900	68.52%	154	106
2017	1,796	6,797	3,985	12,578	9,405	74.77%	60	45
2018	6,764	1,190	3,453	11,407	8,662	75.94%	71	54
2019	4,366	2,248	5,527	12,141	9,657	79.54%	283	225
2020	9,415	3,792	1,537	14,744	11,570	78.47%	298	234
Should be transferred to reserved funds								<b><u>\$ 772</u></b>

15. DESIGNATED FUNDS

11

restrict

reserve

At its meeting of March 3, 2020 the Board of Trustees took action to designate \$9,626,890 for the purpose of earmarking the funds for the Effluent Pipeline Project. On August 12, 2020 the Board designated an additional \$1,912,767 the Effluent Pipeline Project from unexpended appropriations provided for in the FY2019/20 budget. These two Board actions result in a total of \$11,569,657 for this project. The funds designated for the Effluent Pipeline Project represent a portion of funds received by the District from utility rate revenues established and collected specifically for Utility capital improvement projects.

Notwithstanding the Board's action to designate funding for the Effluent Pipeline Project, this funding remains in the unrestricted net position of the District's business-type activities on the government-wide Statement of Net Position. This is due to the determination that the Board's designation does not rise to the level of meeting the criteria set forth in GASB Statement No. 54 for "restricted" net position within proprietary funds.

restricted and reserved

Who determined that

16. LEASE OBLIGATIONS

Revenue:

Miscellaneous revenue includes rent received for cell towers on District property. Under an agreement with American Tower, \$20,685 was paid for a tower at the Mountain Golf Course. The current five-year term is from April 2017 and ends in 2022, with the option for extensions every five years through 2037, cancelable by either party. Rent increases 3% per year. Under an agreement with AT&T \$19,572 was paid for a tower at the Mountain Golf Course. The current five-year term is from October 2015 and ends in 2020, with automatic extensions every five years, through 2035, cancelable by the tenant. Rent increases 3% per year. Under an agreement with AT&T \$64,155 was paid for a tower at Diamond Peak Ski Resort. The current five-year term is from July 2018 ends in 2023, with extensions every five years, cancelable by the tenant, through 2038. Rent increases 3.5% per year. Revenue in the amount of \$11,197 was also received from T-Mobile (assigned to Crown Castle) for a cell tower lease at Diamond Peak Ski Resort. Its term is June 2017 to 2022 with 1 option to renew for 5 years.

	American Tower Lease	AT&T	AT&T	T-Mobile	Parasol Foundation	Reno-Sparks Convention and
FY 2021	\$ 21,305	\$ 20,159	\$ 66,400	\$ 11,197	\$ 1	\$ 1
FY 2022	21,945	20,764	68,724	11,384	1	1
FY 2023		21,386	71,130		1	1
FY 2024		22,028			1	1
FY 2025		22,689			1	1
FY 2026					1	1
FY 2027					1	1
FY 2028					1	1

District leases 1.5 acres of property adjacent to the Incline Village Middle School to the Parasol Foundation for \$1.00 per year.

District leases property located at 969 Tahoe Boulevard to the Reno-Sparks Convention and Vist1or Authority for \$1.00 per year.

Expenses:

Golf Cart Lease – In fiscal year 2019/20 the District entered into an Installment Purchase Agreement with PNC Equipment Finance, LLC for a fleet of replacement golf carts for the Mountain Golf Course. The District's total obligation under this agreement total \$121,605 paid in 48 equal monthly installments. The lease started in July 2020, with the first payment against this obligation made in June 2020 in the amount of \$2,533.

The District holds a Use Permit for Diamond Peak operations and activities on property owned by the U.S. Forest Service adjacent to District-owned property. The District pays an annual permit fee based on revenues generated by selected Ski operations. The fee amount for the fiscal year ending June 30, 2020 was calculated at \$52,000.

## Attachments

### Computation of Cash Positions

- Exhibit A - fiscal year 2020 CAFR
- Exhibit B - State Budget Form - Statement of Cash Flows
- Exhibit C - Investment earnings set aside for Phase II of Effluent Pipeline 2013 to 2020
- Exhibit D - Note 15 of 2020 CAFR - Designated Funds
- Exhibit D-1 - Excerpt of Minutes of March 11, 2020 IVGID Board of Trustee meeting - 3 pages
- Exhibit D-2 - Excerpt of Minutes of August 12, 2020 IVGID Board of Trustee meeting - 3 pages

ATTACHMENT  
Computation of Cash Positions

**Incline Village General Improvement District**  
**Utility Fund - Cash Positions 2020 to 2022**  
in thousands

**Fiscal 2020 - CAFR - EXHIBIT A**

Cash	\$ 9,415	
Short Term Investments	3,772	
Long Term Investments	<u>1,537</u>	
Set Asides Note 15	14,724	
Effluent Pipeline (See note 1 below)	(9,657)	Board restricted on 3-11-2020
Effluent Pipeline (See note 1 below)	(1,913)	Board reserved on 8-12-2020
Other required reductions		
Interest on Pipeline Set Aside	(772)	Board Policy - 13.2.Exhibit C
Tahoe Water Suppliers Association	<u>(157)</u>	Fudiciary Funds
 Cash Position - End of Fiscal year 2020	 <b>\$ 2,225</b>	

**Fiscal 2021 - form 4404LGF EXHIBIT B**

Operations	5,196	
Acquisition Capital Assets - Note 2 below	(7,140)	includes \$2m for pipeline
Sale of Assets	6	
Payments on Debt	(538)	
Interest on Debt	(97)	
Interest Earned	<u>115</u>	
	<u>(2,458)</u>	
 NEGATIVE - Cash Position End of Fiscal year 2021	 <b>\$ (233)</b>	

**Fiscal 2022 - form 4404LGF EXHIBIT B**

Operations	3,271	
Acquisition Capital Assets	(5,217)	includes \$2m for pipeline
Sale of Assets	-	
Payments on debt	(554)	
Interest on Debt	(89)	
Interest Earned	<u>74</u>	
	<u>(2,515)</u>	
 NEGATIVE CASH POSITION - End of fiscal year 2022	 <b>\$ (2,748)</b>	

Note 1 - Note 15 of the 2020 CAFR states these funds are designated funds which is incorrect, Board unamously approved restricted and reserved funds.

Note 2 - This does not agree with the report on page 130 of Board packet of May 26,2021 which states \$6,975,454 Difference is only \$165,000

# EXHIBIT A

## INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT PROPRIETARY FUNDS STATEMENT OF NET POSITION JUNE 30, 2020

		Business - type Activities Enterprise Utility Fund	Governmental Activities Internal Services Fund
<b>ASSETS</b>			
Current assets:			
Current Assets other than cash \$1,436,889	Cash and cash equivalents	\$ 9,415,167	\$ 125,554
	Short term investments	3,791,702	-
	Accounts receivable	1,268,002	-
	Interest receivable	17,560	-
	Grants receivable	12,881	-
	Inventories	151,327	69,919
	Total current assets	14,656,639	195,473
Noncurrent assets:			
	Investments - long-term	1,537,061	-
	Contractual deposits	100	-
	Restricted deposit for debt service reserve	229,223	-
	Restricted for TRPA Deposits	93,572	-
	Total noncurrent assets	1,859,956	-
<b>Capital Assets</b>			
	Land	6,715,544	-
	Construction in progress	1,607,772	-
	Buildings and structures	15,596,832	-
	Improvements and Infrastructure	114,599,557	-
	Equipment and vehicles	3,882,231	253,869
	Total capital assets	142,401,936	253,869
	Less: accumulated depreciation	(75,114,633)	(189,522)
	Total capital assets (net)	67,287,303	64,347
	Total noncurrent assets	69,147,259	64,347
	Total assets	83,803,898	259,820
<b>LIABILITIES</b>			
Current liabilities:			
	Accounts payable	355,031	24,581
	Accrued personnel costs	444,160	72,353
	Accrued interest payable	54,080	-
	Unearned revenue	167,926	-
	Current maturities of long-term debt	538,707	-
	Total current liabilities	1,559,904	96,934
Non-current liabilities:			
	Non-current long term debt	3,546,231	-
	Total liabilities	5,106,135	96,934
<b>NET POSITION</b>			
	Net investment in capital assets	63,202,365	64,347
	Restricted	322,895	-
	Unrestricted	15,172,503	98,539
	Total net position	\$ 78,697,763	\$ 162,886

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



EXHIBIT B

PROPRIETARY FUND	(1)	(2)	(3) BUDGET YEAR ENDING 06/30/22	
	ACTUAL PRIOR YEAR ENDING 6/30/2020	ESTIMATED CURRENT YEAR ENDING 6/30/2021	TENTATIVE APPROVED	FINAL APPROVED
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts from customers and users	12,352,585	12,492,674	12,783,176	12,796,676
Receipts from interfund services	167,499	144,759	241,400	241,400
Receipts from operating grants	-	31,000	31,000	31,000
Payments to and for employees	(4,051,848)	(4,154,486)	(4,669,314)	(4,723,960)
Payments to vendors	(4,055,051)	(2,825,219)	(3,922,603)	(4,526,170)
Payments for interfund services	-	(492,709)	(536,613)	(547,540)
<b>a. Net cash provided by (or used for) operating activities</b>	<b>4,413,185</b>	<b>5,196,019</b>	<b>3,927,046</b>	<b>3,271,406</b>
<b>B. CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Transfer from General Fund	45,000	-	-	-
<b>b. Net cash provided by (or used for) noncapital financing activities</b>	<b>45,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>C. CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Acquisition of capital assets	(1,529,939)	(7,140,286)	(4,279,000)	(5,216,500)
Proceeds from sale of assets	11,227	6,070	-	-
Payments of capital related debt	(523,988)	(538,707)	(553,841)	(553,838)
Capital contributions <i>this is just using LT &amp; ST cash</i>	-	3,032,786	-	-
Payment of interest	(119,145)	(96,914)	(89,293)	(89,291)
<b>c. Net cash provided by (or used for) capital and related financing activities</b>	<b>(2,161,845)</b>	<b>(4,737,051)</b>	<b>(4,922,134)</b>	<b>(5,859,629)</b>
<b>D. CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Restricted investment released (increased)	(6,284)			
Investments purchased	(1,302,993)			
Investments sold or matured	3,749,128			
Investment interest received	312,774	114,540	74,000	74,000
<b>d. Net cash provided by (or used in) investing activities</b>	<b>2,752,625</b>	<b>114,540</b>	<b>74,000</b>	<b>74,000</b>
<b>NET INCREASE (DECREASE) in cash and cash equivalents (a+b+c+d)</b>	<b>5,048,965</b>	<b>573,508</b>	<b>(921,088)</b>	<b>(2,514,223)</b>
<b>CASH AND CASH EQUIVALENTS AT JULY 1, 20xx</b>	<b>4,366,202</b>	<b>9,415,167</b>	<b>9,988,675</b>	<b>9,988,675</b>
<b>CASH AND CASH EQUIVALENTS AT JUNE 30, 20xx</b>	<b>9,415,167</b>	<b>9,988,675</b>	<b>9,067,587</b>	<b>7,474,452</b>

Incline Village General Improvement District  
(Local Government)

SCHEDULE F-2 STATEMENT OF CASH FLOWS

Utility Fund

CIP Budget	\$4,279,000
Carryover Pond	1,550,000
Expenses Items	(612,500)
<b>Total</b>	<b>\$5,216,500</b>

To my knowledge, there was never an approval to budget \$1,550,000 for the Pond lining so there could not be a carryover. Not listed on popular report.

Minutes  
Meeting of March 11, 2020  
Page 12

2020/2021 season passes including an Early Bird (Tier 1) through April 30, 2020, a Preseason (Tier 2) May 1 – October 31, 2020, and a Regular Season (Tier 3) rate, beginning November 1, 2020 through the end of the ski season in 2021. Trustee Morris seconded the motion. Chairman Callicrate called the question and the motion carried unanimously.

Trustee Wong moved to approve a Non Resident ski season pass rate increase of twenty dollars (\$20.00) to all pass products included in the Early Bird (Tier 1), Preseason (Tier 2), and Regular Season (Tier 3) categories excluding the 6 & Under and the 80+ products from the increase within all three tiers. Trustee Morris seconded the motion. Chairman Callicrate called the question and the motion carried unanimously.

Trustee Wong moved to approve a zero dollar increase to Resident ski season pass products included in the Early Bird (Tier 1), Preseason (Tier 2), Regular Season (Tier 3) categories as well a zero dollar increase to all Resident daily lift ticket products. Trustee Morris second the motion. Chairman Callicrate called the question and the motion carried unanimously.

**F.3. Review, discuss and possibly restrict \$9,656,890 to the Effluent Pipeline Project, Project #2524SS1010 from the Unrestricted Net Position in the Utility Fund effective March 12, 2020 (Requesting Staff Member: Interim District General Manager Indra Winquest)**

Interim District General Manager Winquest introduced the item and said there has been a lot of discussion after the workshop. He wanted to make sure we had this discussion in order to restrict funds at this point. He said we didn't include pond-lining project and that there was formal direction on how much to set aside for pond lining.

Chairman Callicrate said the Board had a lengthy discussion regarding restricting funds for the effluent pipeline and that as of today, we can only restrict \$9.6 million dollars. Interim District General Manager Winquest said we will bring this back to restrict the funds for the project.

Trustee Dent asked about including future funds to this motion. District General Counsel Velto said he would be hesitant. Chairman Callicrate said both the Interim District General Manager and the Director of Public Works

understands we can bring it back. He said let's take action on specifically what we want to do today and bring back on a future agenda item for future funding. Interim District General Manager Winquest said he wanted to get this on the agenda because there are members of the public who feel these funds are being spent down and we want to restrict them to this project.

Trustee Schmitz asked if we can back out the \$70,000 charged to that project. She said \$70,000 has been used and doesn't know how or when that was approved. The community has been under the impression the two million dollars was for the effluent pipeline. In this particular Fiscal Year, we got another \$70,000. Interim District General Manager Winquest said we can discuss this with Staff and bring it back.

Chairman Callicrate said that \$70,000 of the two million dollars has been spent and that we can rectify that and modify what we have listed so there is no confusion.

Trustee Wong said if \$70,000 was spent on pipeline, it's reasonable that it would be charged against the two million and move forward with \$1.9 million.

Chairman Callicrate said he wants to be more clear.

Hearing no further Board comments, Chairman Callicrate opened the matter to public comments.

Margaret Martini said she strongly supports restricting \$9.6 million to be used solely for the effluent pipeline of the six miles of failing pipeline. She said two million dollars was collected for more than seven years which was supposed to fund this project. It's unfortunate the District repurposed those funds to fund other projects. She said restrict two million dollars for 2020 and subsequent years.

Alexandra Profant agreed with Margaret Martini.

Aaron Katz read and provided a prepared statement.

Mark Alexander said please consider your and their words closely. They were talking about replacement. He spoke about slip lining instead of digging a ditch and dropping in new pipe. He said consider the type of work. He spoke about consequences. He said without consequences, there won't be changed behavior.

Hearing no further public comments, Chairman Callicrate closed public comments and brought the matter back to the Board.

Trustee Morris said he wanted clarification on restriction to a phase or the entire project. Chairman Callicrate said it is restricted for the effluent pipeline project in its entirety from overflow to the wetlands. We are making a commitment of \$9.6 million for the pipeline project. We have additional things we will have to address. He said it's not a bait and switch. If we restricted it to one specific point on the pipeline, and have a break somewhere else, that won't be helpful.

Trustee Schmitz said there were concerns in the community. Funds have been spent from this project for emergency repairs. She said this is for replacement and mitigation and not repairs. Trustee Schmitz spoke about the project summary as replace, upgrade, and remediate in project description. Interim District General Manager Winquest said he can bring this back with updated wording.

Trustee Dent said the capital improvement budget is on the March 25 agenda with project summaries and budget summaries.

Chairman Callicrate said the restriction of funds is on this agenda item.

Trustee Morris made a motion that the Board of Trustees restricts \$9,656,890 to the Effluent Pipeline Project, Project #2524SS1010 from the Unrestricted Net Position in the Utility Fund effective March 12, 2020. Trustee Dent seconded the motion. Chairman Callicrate asked if there were any additional Board comments.

*Where  
in  
Cliff's  
memo?*

Trustee Wong said that Staff has provided a history of the pipeline and gave a full accounting of what was spent on pipeline.

Chairman Callicrate, hearing no further comments, called the question – the motion was carried unanimously.

Chairman Callicrate called for a brief recess.

**F.4. Review, discuss, and possibly authorize the Audit Committee Chair to engage an independent expert for a sum not to exceed \$35,000 to give an opinion and/or guidance on the issues raised**

Cedar and reference the project number and focus on the option and then Staff can bring back and clarify the funding and accounting. District General Counsel Nelson said that he agrees as the Board is not obligating any funds which is important to get clarification on which alternative. Chairman Callicrate asked if the Board needed a motion amendment or can we move forward? District General Counsel Nelson said it is a reference to a fund and not an obligation and that can be dealt with when this is brought back to obligate funds. Trustee Morris said that he would like to have the record include the project number rather than the other descriptor. District General Counsel Nelson said that doesn't change the motion.

Hearing no further comments, Chairman Callicrate called the question and the motion was passed unanimously.

Chairman Callicrate thanked everyone for their efforts and input. Engineering Manager Chorey asked for clarity on the CMAR process and should Staff continue or abandon. Chairman Callicrate said that there is an opportunity offline to discuss that question as he doesn't want to cloud the issue so let's touch base on this in the next day or so. District General Manager Winquest agreed to take it offline.

At 10:25 p.m., Chairman Callicrate called for a 5-minute break; the Board reconvened at 10:30 p.m.

**H.3. Review, discuss and possibly take all or part of the following six (6) actions related to the District's Fund Balances. (Requesting Staff Member: Director of Finance Paul Navazio)**

- a. **Acknowledge receipt of an update on Unaudited Fund Balances as of June 30, 2020.**
- b. **Authorize additional reservation of \$1,912,767 in unexpended utility rate revenue collected during Fiscal Year 2019/2020 in support of the District's Effluent Export Pipeline Project.**
- c. **Authorize commitment of \$1,360,000 in available fund balance in the General Fund for anticipated settlement of the property tax dispute filed against Washoe County et al, Nevada State Board of Equalization and the Department of Taxation by the Village League to Save Incline Assets, Inc. (Case No. CV03-06922)**

- d. **Authorize the District's General Manager to direct the District's Director of Finance to reflect allocation of estimated FY2019-20 year-end Community Services Special Revenue Fund fund balances as follows:**
  - i. **Reflect commitment of \$5,594,546 in support current year FY2020-21 Capital Improvement Projects, and**
  - ii. **Affect transfer of additional \$1,100,000 in Community Services Special Revenue fund balance to the Community Services Capital Fund(s) in support of future priority capital improvement projects.**
- e. **Outline and possibly set future agenda items in order to designate additional available fund balances in support of specific future Capital Improvement Projects in conjunction with the Board's ongoing refinement of the District's Capital Improvement Plan priorities for Fiscal Year 2020/2021 through 2024/2025.**

Director of Finance Navazio gave an overview of the submitted materials. Trustee Morris said that he feels comfortable with all of this as we have talked about this and understand the nomenclature and trying to keep us all on board. He understands the valid comment on getting our terminology consistent moving forward and that he would like to put off item e as Staff can bring back that item. Chairman Callicrate said he agrees. Director of Finance Navazio said that the only purpose is that a. through d. is not the end all and be all.

Trustee Morris made a motion as follows:

- a. Acknowledge receipt of an update on Unaudited Fund Balances as of June 30, 2020.
- b. Authorize additional reservation of \$1,912,767 in unexpended utility rate revenue collected during Fiscal Year 2019/2020 in support of the District's Effluent Export Pipeline Project.
- c. Authorize commitment of \$1,360,000 in available fund balance in the General Fund for anticipated settlement of the property tax dispute filed against Washoe County et al, Nevada State Board of Equalization and the Department of Taxation by the Village League to Save Incline Assets, Inc. (Case No. CV03-06922)

- d. Authorize the District's General Manager to direct the District's Director of Finance to reflect allocation of estimated FY2019-20 year-end Community Services Special Revenue Fund fund balances as follows:
  - i. Reflect commitment of \$5,594,546 in support current year FY2020-21 Capital Improvement Projects, and
  - ii. Affect transfer of additional \$1,100,000 in Community Services Special Revenue fund balance to the Community Services Capital Fund(s) in support of future priority capital improvement projects and that there may be additional actions in the future.

Trustee Wong seconded the motion. Chairman Callicrate asked for any further comments, hearing none, he called the question and the motion was unanimously passed.

**J. APPROVAL OF MINUTES (for possible action)**

**J.1. Meeting Minutes of July 22, 2020**

Chairman Callicrate asked for any changes, hearing none, the minutes were approved as submitted.

**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 Morris said that this coming Friday he shall be attending the Washoe County Debt Commission meeting.

**L. PUBLIC COMMENTS\* - Limited to a maximum of three (3) minutes in duration.**

Margaret Martini passed on her opportunity to speak.

Yolanda Knaak said you did a great job and one thing on the refund, do it through Washoe County and have it come across on our tax bill as a credit.

Date: May 31, 2021 '21 CAFR - net really

To: Audit Committee

CC: Board of Trustees, Indra Winqest, Paul Navazio

From: Clifford F. Dobler

Re: Incline Park Facility Renovation # 437811801 - Final disclosure of the close out of the Memorandum of Understanding with Incline-Tahoe Foundation ("MOU") regarding construction of the project - Recommendations to Board of Trustees.

**Background of MOU and budget**

Incline Tahoe Foundation ("ITF") provided two specific grants for the improvements to the Ball Fields at Incline Park. Funds for the grants were provided to IFT from a private donor. The first grant was for \$58,400 to design upgrades to three ball fields. A contract was awarded on December 18, 2017 to LLOYD Engineering. A second grant for \$1,350,801 only for improvements to Ball Field #3 was made on March 18, 2019 after several amendments were made to reduce the scope of work to offset the high price of the sole bid from a contractor for construction. From the second grant ITF was to receive \$22,800 for administration and IVGID was to receive \$1,386,401. In addition, \$135,080 of contingency fees could be provided for additional improvements if the donor, which provided the fund to ITF, approved the additional improvements.

The CIP budget for this project was established in fiscal year 2019 for \$1,208,071 and was never increased.

**Costs and reimbursements from IFT under Grant**

As of March 31, 2021, the total costs of the project is \$1,550,570, however, does not include the design fees from Lloyd Consulting Group under two contracts for \$58,500 and \$15,430 (Costs \$75,458), plan check fees (\$6,123), and TRPA Soils application (\$601) all of which were charged to another project called Incline Park Improvements (#4378BD1801) which was unbudgeted and which a project summary was never completed. The total costs are \$82,182 and should properly be accounted for as costs for the IFT grant funded project. If properly transferred the total costs for the grant funded project would be \$1,632,752 exceeding the CIP budget by \$424,681. Nothing was ever brought to the Board of Trustees to approve the budget overruns. Certain Board members suggest that because the costs were being funded by a grant, increasing the budget was not necessary. Untrue. All expenditures must have a budget. The funds from a grant is a revenue item and do not reduce the expenditures. I suggest that the words "net of grant" be removed from the project description in the CIP "popular report" as of March 31, 2021 since it is an inaccurate statement.

The costs also exceed the two IFT grant amounts of \$1,444,801 (\$58,500 and \$1,386,401) by \$187,951. Assuming the \$135,080 contingency fees available in the second grant was authorized to reimburse IVGID for the increased costs, there would remain \$52,871 which would not be recovered (see below for the unreimbursed costs).

In 2019, IVGID requested three reimbursements from ITF for only \$1,355,400, with the last request done on December 19, 2019 almost 17 months ago, leaving a considerable amount of IVGID's out of pocket costs unreimbursed. According to the reimbursement statements, two change orders from RaPID Construction (#2 and #8) were excluded from the reimbursements. Change order #2 (\$51,150) was for increased costs to change the drainage plan, which according to Indra Winqest, was considered, presumably by staff, an infrastructure project and not part of the Grant. According to the revised drainage plan, the improvements in the original plan were eliminated and the change order should have reflected a credit for

ICFR implications



the eliminated items. That was not done. Change order #4 (\$8,778) was for light pole repairs which may be a proper exclusion but should have been expensed and not left in the CIP.

Assuming the two change orders issued to RaPID Construction are not reimbursed, then the total IVGID costs subject to reimbursement would be \$1,572,824 (\$1,632,752 less \$51,150 and \$8,778). Since IVGID has only billed \$1,355,400, then \$237,424 is required to be billed and funded by ITF. According to a recent e mail from Susan Herron, a billing is in process. According to the MOU the District responsibilities are under section 3.4 "Invoicing shall be on a reimbursement basis and shall be submitted no more frequently than monthly". Not 17 months.

*A major condition of the MOU, was that ITF would be responsible for all costs of the project. Excluding the change order for the increased cost of drainage improvements from reimbursement should have been a Board decision, not management and could have been discussed at the time the RaPID requested the change order for \$51,150 which required Board approval.*

It is unknown if all reimbursement requests made by IVGID have been paid by ITF.

### History of Grant Agreements:

- 1) A letter agreement regarding the first grant of \$58,500 for design of the 3 ball fields at Incline Park
- 2) On December 14, 2017 a "Grant Agreement" for \$760,000 was executed
- 3) In April, 2018 an increase to the Grant Agreement to \$1,208,071 was approved by the Board of Trustees, however, an amendment to the 2017 Grant Agreement was never prepared but the increase was understood by correspondence.
- 4) On 3-19-2019, a new Memorandum of Understanding(MOU), replacing the two previous agreements was approved by the Board which increased the IVGID portion of the grant to \$1,386,301.

### RaPID Construction Contract - Circumventing Board approval of Change orders

In December 20, 2018, RaPID Construction was the only bid received from the invitation to bid advertisement dated 11-16-2018 for the IVGID Ball field Improvement Project. The bid was \$1,456,654 with an additional \$357,764 in alternatives.

In early 2019, IVGID Staff negotiated with RaPID to reduce the scope of work by eliminating improvements to Fields #1 and #2 and eliminating all alternatives. The negotiated price was established at \$1,298,241 and a contract was executed on 3-19-2019.

However for some unknown reason, on March 18, 2019, (one day before the contract date) IVGID issued Change Order #1 reducing the contract by \$158,413 based on the **BID amount not the CONTRACT amount**. This change order should never have been issued.

As a result of this improper change order, seven additional changes orders of \$116,663 were issued without Board approval, under the assumption that until cumulative change orders exceeded \$50,000 no approvals were required. Under Board Practice 13.2.0 - 3.8.7.2, it states: **General Manager Responsibility - Duties: Approve change orders cumulatively not exceeding 10% of construction contract or \$50,000.**

By creating a phony \$158,413 negative change order, the seven additional change orders were issued for \$116,663 which on a CUMULATIVE basis when combined with the phony change order #1 did not meet the required Board approval for cumulative change orders over \$50,000. Thus all change orders were never brought to the Board for approval and Staff intentionally or unintentionally violated Board Practice 13.2.0.

Change order #2 was for \$51,150 issued on July 24, 2019 for a reconfiguration of the drainage system. During negotiations to establish a lower contract price modifications to the infield drainage system was a major item. Apparently on May 5, 2019, the drainage plan was changed again with county comments delivered in May and July, 2019. Had the phony Change order #1 not been created, this change order would have require Board approval.

Purchase order #19-0216 was dated May 1, 2020 almost 14 months after the contract was issued and only included change orders 2 through 6.

Another major concern is the MOU with Incline Tahoe Foundation (ITF) only provided for \$1,298,241(the original contract amount). It is unclear if the additional \$116,663 in change orders were approved by ITF.

### Conclusion

The administration of this contract and the related MOU was quite weak. Request by certain Board members and the Audit Committee to hire a contract administrator has not yet been fulfilled but should be acted upon as soon as possible.

Based on the irregularities in this contract, the PICA contract, the Terracon contract and the Moss Adams report which reviewed only a few contracts, an investigation into the proper handling of other large contracts should be considered

### Recommendation

Since a major amount of time has elapsed since completion of the project in 2020, a report to the Board of Trustees should be completed which establishes:

- Classification of costs into proper project accounts
- The final amount which will be reimbursed to IVGID by ITF
- The final amount of IVGID's costs which will not be reimbursed
- Status of any disputes which may exist with ITF
- A memorandum from IVGID and ITF that MOU conditions for the project construction have been satisfied.
- A close out memorandum between RaPID and IVGID
- That all as built drawing are completed (especially the drainage plan)
- Explanation if any IVGID engineering costs were billed to the project

Exhibits are extensive and will be delivered upon request.

*Has this  
been done?*

*No danglers / A R ?*

**MEMORANDUM**

*Title to  
to assets on  
the B/S?*

**TO:** Audit Committee

**THROUGH:** Matthew Dent

**FROM:** Clifford F. Dobler

**SUBJECT:** Review, discuss and recommend to the Board of Trustees that the title for each of the 89 parcels of land acquired from Washoe County include the public purpose restriction required by Washoe County and that the nine parcels which were recorded as an asset in the General Fund be transferred to the Community Services Fund.

**STRATEGIC  
PLAN REFERENCE(S):**

*'21 CAFR*

**DATE:** June 1, 2021

**I. RECOMMENDATION**

That the Audit Committee request the Board of Trustees to direct outside legal counsel to review the legal title of the 89 land parcels which were acquired from Washoe County in 2013 and 2014 to insure that an exception to the title for each parcel has been or will be recorded in the County real estate records which clearly states that the parcels are for public purpose as defined in NRS 361.603.

*No  
BV*

**II. BACKGROUND**

*too del*

In 2013, 2014 and 2015 IVGID ~~acquired~~ 92 parcels of land from Washoe County which had acquired the parcels through a tax forfeiture. The IVGID board and management made a determination that the parcels would be held for a public purpose allowing Washoe County to transfer the parcels to IVGID and waive all delinquent taxes which had accumulated. In addition, IVGID had considerable delinquent and unpaid Facility Fees which could not be collected and had to be removed from the Washoe County records.

Note 4 of the fiscal 2013 CAFR states: ***"The parcels were acquired at no cost, for public purposes and were zoned as unbuildable. The General Fund holds 9 parcels which may be able to be restored to a form that makes them buildable at some point in the future. The remaining 78 parcel are held by the Community Services Fund. They could be sold at some future point because they carry the ability to have recreational privileges while remaining unbuildable"***.

who? Unfortunately, in 2014 and 2015, the IVGID Director of Finance, without Board of Trustee approval, sold three of the parcels to third parties which violated the terms of the purchase agreement with Washoe County. After public outrage addressing the inappropriate sales, Washoe County acknowledged IVGID's failure to honor the purchase agreement required IVGID to pay the accumulated delinquent taxes on the three parcels which were sold.

Since the parcels were sold, the legal title for each property probably did not have a title exception which delineated the Washoe County requirement to keep the parcels for a public purpose. It can be assumed that the other 89 parcels which were acquired from the County do not have the proper title exception.

No other parcels have been sold.

In order to avoid future IVGID employees from inadvertently suggesting to sell the parcels, an exception to the title on each property would prevent any sale from occurring as the exception would effectively notify a potential buyer that the parcel cannot be purchased.

**Attached are excerpts of the 2013 to 2020 CAFR notes to financial statements regarding the parcels.**

**Two issues should be reviewed and corrected**

- 1) Have Legal Counsel record in the County property records the exception to title for public purpose on each of the parcels held by IVGID
- 2) Record in the IVGID property records that the 9 parcels which were transferred to the General Fund be transferred back to the Community Services Fund. The general fund had no viable interest in the 9 parcels. The transfer to the General Fund was done apparently with the intent of selling the parcels wherein the proceeds would be deposited into the General Fund.

### III. BID RESULTS

status?

SUBJECT

-3-

DATE

None

**IV. FINANCIAL IMPACT AND BUDGET**

None

**V. ALTERNATIVES**

None

**VI. COMMENTS**

None

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

None

**VIII. BUSINESS IMPACT**

None

or

Depreciation expenses for the year ended June 30, 2013 were charged to functions as follows:

Governmental Activities:

General Government \$ 78,239

Business-Type Activities:

Utility Fund Water and Sewer \$ 2,613,840  
 Community Services 2,246,216  
 Beach 117,317  
 Subtotal – Enterprise Funds 4,977,373  
 Fleet, Engineering and Buildings 7,926  
 Total \$4,985,299

\* In April 2013, the District acquired 87 parcels from Washoe County, which they held in trust following acquisition at a tax forfeiture sale. All parcels are located within the boundaries of the District. The parcels were acquired at no cost, for public purposes and were zoned as unbuildable. The General Fund holds 9 parcels which may be able to be restored to a form that makes them buildable at some point in the future. The remaining 78 parcels are held by the Community Services Fund. They could be sold at some future point because they carry the ability to have recreation privileges while remaining unbuildable.

**5. ACCRUED PERSONNEL COSTS**

The General Fund processes and pays 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 record a due to the General Fund. Generally no payroll or personnel accruals are recorded on the individual funds. Accruals for Sick Leave 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, which has a separate Internal Service Fund.

As a regular course of operations the payroll from June 30 was paid July 12th. 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 in 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. The District has no post employment benefit obligations for health insurance.

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's Workers Compensation claims are processed by a Third Party Administrator. Claims are paid through a District zero balance account. Checks issued are payables until presented to the bank for payment.

As of June 30, 2013 the Accrued Personnel Costs were comprised of:

	Governmental	Business-type	Total
<b>Current Payroll Liabilities:</b>			
Accrued Payroll	\$427,383	\$ 2,591	\$ 429,974
Taxes Withheld	149,017	-	149,017
Accrued Benefits	31,298	3,779	35,077
Deferred Comp	3,315	-	3,315
Pension	19,857	-	19,857
Work Comp Claims	-	69	69
<b>Ongoing Benefit Liabilities:</b>			
Health Reimbursement Accounts	101,337	-	101,337
Sick Leave Retirement Benefit	12,000	160,423	172,423
Workers Comp unpaid losses and expenses	-	323,000	323,000
Accrued Vacation	<u>107,658</u>	<u>302,708</u>	<u>410,366</u>
 Total Government-wide	 <u>\$851,865</u>	 <u>\$792,570</u>	 <u>\$1,644,435</u>

Depreciation expenses for the year ended June 30, 2014 were charged to functions as follows:

Governmental Activities:	
General Government	<u>\$ 78,078</u>
Business-Type Activities:	
Utility Fund Water and Sewer	\$ 2,771,756
Community Services	2,293,786
Beach	<u>137,493</u>
Subtotal – Enterprise Funds	5,203,035
Fleet, Engineering and Buildings	<u>9,950</u>
Total	<u>\$5,212,985</u>

In April 2014, the District acquired 4 parcels from Washoe County, which they held in trust following acquisition at a tax forfeiture sale. All parcels are located within the boundaries of the District. The parcels were acquired at no cost for public purposes and were zoned as unbuildable. These 4 parcels are held by the Community Services Fund. They could be sold at some future point because they carry the ability to have recreation privileges while remaining unbuildable.

**5. ACCRUED PERSONNEL COSTS**

The General Fund processes and pays 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 record a due to the General Fund. This process provides the General Fund with the necessary available financial resources to meet these obligations. Generally no payroll or personnel accruals are recorded to the individual funds. Accruals for HRA, Sick Leave 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, which has a separate Internal Service Fund.

As a regular course of operations the payroll from June 30 was paid July 12th. 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 in 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. The District has no 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's Workers Compensation claims are processed by a Third Party Administrator. Claims are paid through a District zero balance account. Checks issued are payables until presented to the bank for payment.

As of June 30, 2014 the Accrued Personnel Costs were comprised of:

	Governmental	Business-type	Total
Current Payroll Liabilities:			
Accrued Payroll	\$288,018	\$ -	\$ 288,018
Taxes Withheld	23,917		23,917
Accrued Benefits	27,630	941	28,571
Deferred Comp	4,192	-	4,192
Pension	22,441	-	22,441
Ongoing Benefit Liabilities:			
Health Reimbursement Accounts	32,742	73,489	106,231
Sick Leave Retirement Benefit	12,642	202,154	214,796
Workers Comp unpaid losses and expenses	-	255,656	255,656
Accrued Vacation	<u>89,542</u>	<u>335,141</u>	<u>424,683</u>
Total Government-wide	<u>\$501,124</u>	<u>\$ 867,381</u>	<u>\$1,368,505</u>

The District has a number of Construction in Progress projects open as of June 30, 2015. The General Fund includes an Information Technology Network for \$585,466 that was placed into service July 1, 2015. The Utility Fund includes \$358,762 that is for a water main project that will be completed later in 2015, and \$1,267,970 for the design phase of the Effluent Export Line that will be ongoing through at least 2017. Community Services Fund includes \$235,649 for creek restoration that is grant funded and likely to be completed by mid-2016. 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, 2015 were charged to functions as follows:

Governmental Activities	
General Government	<u>\$ 81,005</u>
Business-Type Activities	
Utility Fund Water and Sewer	\$ 2,865,958
Community Services	2,342,332
Beach	<u>149,427</u>
Subtotal -- Enterprise Funds	5,357,717
Fleet, Engineering and Buildings	<u>10,638</u>
Total	<u>\$5,368,355</u>



In April 2015, the District acquired one parcel from Washoe County, which they held in trust following acquisition at a tax forfeiture sale. The parcel is located within the boundaries of the District. The parcel was acquired at no cost, for public purposes. The parcel already has a District utility easement recorded on it. The parcel is held by the Utility Fund.

**5. ACCRUED PERSONNEL COSTS**

The General Fund processes and pays 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 record a due to the General Fund. This process provides the General Fund with the necessary available financial resources to meet these obligations. Generally no payroll or personnel accruals are recorded to the individual funds. Accruals for HRA, Sick Leave 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 bank accounts specific for payment of benefits except for those accumulated for Workers Compensation, which has a separate Internal Service Fund.

As a regular course of operations the payroll from June 30 was paid July 3rd. 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 in 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. The District has no 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's Workers Compensation claims are processed by a Third Party Administrator. Claims are paid through a District zero balance account. Checks issued are payables until presented to the bank for payment.



The District has a number of Construction in Progress projects open as of June 30, 2016. Community Services includes \$156,030 for the Diamond Peak Master Plan, and \$168,572 for the Incline Creek Culvert Rehabilitation. Beach includes \$107,790 for the Incline Beach Facility Study. The Utility Fund includes \$238,657 for the Equipment Storage Building, and \$1,868,073 for the design phase of the Effluent Export Line that will be ongoing through at least 2018. 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, 2016 were charged to functions as follows:

Governmental Activities:	
General Government	\$ 162,414
Recreation	2,424,322
Beach	195,930
Internal Services	<u>11,888</u>
Total Depreciation Expense	<u>\$ 2,794,554</u>

Business-Type Activities:	
Utility Fund Water and Sewer	<u>\$ 2,929,425</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 from June 30 was paid July 8th. 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 in 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. 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's Workers Compensation claims are processed by a Third Party Administrator. Claims are paid through a District zero balance account. Checks issued are payables until presented to the bank for payment.

The District has a number of Construction in Progress projects open as of June 30, 2017. Community Services includes \$215,911 for the Diamond Peak Master Plan, and \$373,971 for the Incline Creek Culvert Rehabilitation. Beach includes \$180,574 for the Incline Beach Facility Study. The Utility Fund includes \$474,228 for the Equipment Storage Building, \$2,122,682 for the design phase of the Effluent Export Line that will be ongoing through at least 2018, and \$839,532 for the 2017 Watermain Replacement that opened early. 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, 2017 were charged to functions as follows:

Governmental Activities:	
General Government	\$ 210,791
Recreation	2,547,499
Beach	214,003
Internal Services	<u>11,888</u>
Total Depreciation Expense	<u>\$ 2,984,181</u>
Business-Type Activities:	
Utility Fund Water and Sewer	<u>\$ 2,945,922</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 7. 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 in 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 17 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's Workers Compensation claims are processed by a Third Party Administrator. Claims are paid through a District zero balance account. Checks issued are payables until presented to the bank for payment.

Continued

Business-Type Activities

Utility Capital assets not being depreciated				
Land	\$ 6,715,544	\$ -	\$ -	\$ 6,715,544
Construction in Progress	4,519,884	7,037,423	(7,406,266)	4,151,041
Total utility capital assets, not being depreciated	11,235,428	7,037,423	(7,406,266)	10,866,585
Utility Capital assets, being depreciated				
Buildings and structures	11,900,859	3,272,789	(7,638)	15,166,010
Service infrastructure	105,000,108	3,633,611	(7,638)	108,626,081
Equipment and vehicles	3,483,938	499,866	(261,820)	3,721,984
Total utility capital assets at historical cost	120,384,905	7,406,266	(277,096)	127,514,075
Less accumulated depreciation for:				
Buildings and structures	(7,033,426)	(285,276)	7,638	(7,311,064)
Service infrastructure	(56,580,752)	(2,496,893)	7,638	(59,070,007)
Equipment and vehicles	(2,573,945)	(191,463)	261,820	(2,503,588)
Total accumulated depreciation	(66,188,123)	(2,973,632)	277,096	(68,884,659)
Total utility capital assets being depreciated, net	54,196,782	4,432,634	-	58,629,416
Business-Type Activities Capital Assets, net	\$ 65,432,210	\$ 11,470,057	\$ (7,406,266)	\$ 69,496,001

The District has a number of Construction in Progress projects open as of June 30, 2018. Community Services includes \$223,333 for the Diamond Peak Master Plan, and \$1,320,561 for the Incline Creek Culvert Rehabilitation. Beach includes \$210,032 for the Incline Beach Facility Study. The Utility Fund includes \$3,831,490 for the design phase of the Effluent Export Line that project will be ongoing through at least 2021. 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, 2018 was charged to functions as follows:

Governmental Activities:	
General Government	\$ 242,714
Recreation	2,823,174
Beach	229,196
Internal Services	10,319
Total Depreciation Expense	<u>\$ 3,305,403</u>
Business-Type Activities:	
Utility Fund Water and Sewer	<u>\$ 2,973,632</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.

Continued

Capital Asset activity for the year ended June 30, 2019:

	Balance		Balance	
	July 1, 2018	Increases	Decreases	June 30, 2019
<b>Business-Type Activities</b>				
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
<b>Business-Type Activities Capital Assets, net</b>	<b>\$ 69,496,001</b>	<b>\$ 5,211,364</b>	<b>\$ (5,549,081)</b>	<b>\$ 69,158,284</b>

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>
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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.

121 CAFR

November 6, 2020

To: Audit Committee (for distribution by Susan Herron) , Indra Winquest and Tim Callicrate

From: Clifford F. Dobler

Re: Installation of Air Relief Valves on Effluent Pipeline

At the public meeting held on January 29, 2020, a presentation on the Effluent Pipeline was presented indicating that between 2012 and 2019 fiscal years \$5,146,100 had been charged to the Effluent Pipeline Phase II project.

Of special note was the \$643,400 indicated as spent on Installing Air Relief Valves on the Export Pipeline which was never budgeted nor ever part of the Effluent Pipeline Phase II project.

In August, I requested public records which would support the \$643,100 of charges. I received 8 pages of information today. I summarized the 8 pages onto Page 2 with amounts for broad categories in GREEN.

My preliminary review provides a few highlights.

- Charges covered a FIVE year period from fiscal year 2015/2016 to 2019/2020
- Information was provided on only \$567,408.61. The remainder of \$75,670.25 was listed as **unidentified**. In other words the charges were there but unknown what they were.
- Work orders for IVGID staff (assume to be Utility employees) was \$191,632.14 with an additional \$36,764.48 in charges from the Engineering department.
- There are several payments to a host of vendors from Home Depot, Ace Hardware, Western Nevada Supply, Spitsen Lumber, Porter's Auto Parts, among others. A very extensive list.
- There is \$24,300 for a vault, \$29,769 for repair of a USFS access road, \$8,745 paid to Far Western Anthropological Group, and \$7,934 paid to Susan Lindstrom (an Archeologist)

When charges from Ace Hardware and Home Depot get down to \$3.68 and \$5.76 then where is the efficiency?

It appears this assemblage of charges was a " catch all" for many expenses and probably other projects. There may be several charges for the Wetlands rehab. The costs of the Wetlands project, by the magic of accounting, came right in on the \$100,000 budget in fiscal 2018/2019.

Of grave concern is the capitalization of Utility Departments labor. Without any budget, labor costs have been moved from operations into capital projects. There is no Board policy which allows such action nor any indication in budgets that operating dollars would be transferred into an unbudgeted capital project and into another unrelated project budget. Bad stuff.

The gravest concern, of course, is the unaccounted \$75,670.25 (\$31,786.17 in 2018/2019 and \$43,904.08 in 2016/2017) which was reported as spent but no one seems to know what the money was actually spent on. Were journal entries created to dump more costs into the Pipeline project or what?

Over the past five years it has become quite apparent that the Utility Fund operations and capital projects have been severely mismanaged. I would recommend a full detailed audit for the past five years to determine what capital project costs should have been expensed to determine the extent of disguising losses in operating the Utility Water and Sewer Departments.

Exhibits:

Effluent Export Priority Projects CIP Project Expenditures - Page 1

Public Records of Charges by the past 5 fiscal years. - Pages 2 to 8

*State -  
pass*

# Effluent Export Priority Projects

## CIP Project Expenditures

Vendor/Item/Description	Expenditure
HDR Engineering Services	\$723,000
PICA – Condition Assessment	\$999,800
Equipment, construction and rentals associated with PICA Condition Assessment	\$334,000
NDOT Contract to repair 13 sites in 2017 (BOT 08/22/2017)	\$1,151,600
Environmental Assessment performed by USFS for TTD Bike Path with Pipeline (BOT 11/19/2014)	\$300,000
Installation of Air Relief Valves on Export Pipeline	\$643,400
IVGID Engineering Billings 2013-19	\$895,500
Export Pipeline Meters and equipment	\$86,500
Jacobs Engineering Services for Upper Pond TM	\$12,300
<b>2012 2019 CIP Expenses Total</b>	<b>\$5,146,100</b>

Effective Date	Vendor	Vendor Invoice #	PO	Project	Debit
07/31/2019	CIP Work Order Charges	July 2019		2524SS1010	745.57
09/11/2019	Big Bully Enterprises	1833		2524SS1010	720.00
09/30/2019	CIP Work Order Charges	September 2019		2524SS1010	692.93
					<b>2,158.50</b>

2018/2019 2019/2020

745.57  
692.93  
\$1,438.50

Summary

Summary	Info Provided		Labor	Engineering Labor
2019/2020	\$2,158.50		1,438.50	0
2018/2019	\$194,515.83	Unidentified \$31,766.17	\$75,796.31	\$36,764.48
2017/2018	\$204,953.22		\$58,733.67	
2016-2017	\$146,611.92	Unidentified \$43,904.08	\$49,552.49	
2015-2016	\$19,169.14		\$6,111.17	
<b>Total</b>	<b>\$567,408.61</b>		<b>\$191,632.14</b>	<b>\$36,764.48</b>

\$75,670.25

Combined \$643,078.86  
Pipeline Presentation in January 2020 \$643,400

Need to find the missing money

Close enough for government work.



				ARV Total \$226,592
Effective Date	Vendor	Vendor Invoice #	PO	Debit
07/09/2018	F.W. Carson Trucking	4844		187.50
07/10/2018	F.W. Carson Co.	70768		66.50
07/11/2018	F.W. Carson Trucking	4849		312.50
07/12/2018	MSC Industrial Supply Co.	71016869		363.36
07/27/2018	America Rents - Carson			173.75
07/31/2018	CIP Work Order Charges	July 2018		10,056.40
07/31/2018	Village Ace Hardware	4244-JULY 2018		46.10
08/08/2018	Western Nevada Supply	17545719		284.00
08/16/2018	ARMAC Construction, LLC	18-096-01	19-0030	7,086.00
08/20/2018	Western Nevada Supply	17551473	19-0057	1,653.88
08/22/2018	Western Nevada Supply	17551475	19-0057	7,077.66
08/23/2018	Western Nevada Supply	17545727		209.93
08/24/2018	Western Nevada Supply	17551473-1	19-0057	67.50
08/29/2018	Western Nevada Supply	17574192		578.80
08/31/2018	CIP Work Order Charges	August 2018		3,752.11
08/31/2018	CIP Work Order Charges	August 2018		1,492.20
09/02/2018	Western Nevada Supply	17575996		142.32
09/06/2018	MSC Industrial Supply Co.	89091209		97.14
09/12/2018	Western Nevada Supply	17551472		2,075.07
09/13/2018	United Site Services	114-7337777		367.27
09/13/2018	Western Nevada Supply	17592555		159.84
09/21/2018	Jensen Precast	SP49043		417.00
09/25/2018	Spitsen Lumber Company	41810-SEPT2018		336.07
09/25/2018	Porter's Auto Parts, Inc	4046-SEPT 2018		151.46
09/27/2018	The Home Depot			28.94
09/27/2018	United Site Services			367.27
09/27/2018	The Home Depot			18.94
09/30/2018	Village Ace Hardware	4244-SEPT 2018		231.97
09/30/2018	CIP Engineering Charges	September 2018		36,764.48
10/01/2018	America Rents			3,390.54
10/16/2018	F.W. Carson Trucking	5011		250.00
10/19/2018	Cashman Equipment Compa	16684501		844.30
10/24/2018	F.W. Carson Trucking	5031		250.00
10/25/2018	Spitsen Lumber Company	41810-OCT2018		66.81
10/31/2018	CIP Work Order Charges	October 2018		11,636.77
10/31/2018	Village Ace Hardware	4244-OCT 2018		52.61
11/30/2018	CIP Work Order Charges	November 2018		541.98
12/01/2018	Susan Lindstrom, Consulting	20181201	18-0187	6,300.00
12/01/2018	Susan Lindstrom, Consulting	20181201	18-0187	1,634.00
12/14/2018	F.W. Carson Trucking	5094		875.00
12/18/2018	F.W. Carson Trucking	5096		437.50
12/21/2018	Global Machinery	06030185		2,869.64
12/21/2018	F.W. Carson Trucking	5097		875.00
12/26/2018	Cinderlite Trucking Corp	300971		60.00
12/27/2018	Western Nevada Supply	47713633		349.98
12/31/2018	CIP Work Order Charges	December 2018		11,230.71
01/14/2019	F.W. Carson Trucking	5107		500.00
01/15/2019	Western Nevada Supply	17729970		310.25
01/18/2019	F.W. Carson Trucking	5105		500.00
01/19/2019	F.W. Carson Trucking	5106		500.00
01/25/2019	The Home Depot			5.76
01/26/2019	Carson Pump LLC	4259	19-0148	9,650.00
01/31/2019	CIP Work Order Charges	January 2019		4,566.82
01/31/2019	Village Ace Hardware	4244-JAN 2019		10.14

10,066.40

3,752.11

1,492.20

36,764.48

11,636.77

541.98

?  
?

11,230.71

\$4,566.82

2018/2019

02/28/2019	CIP Work Order Charges	February 2019		812.97
03/20/2019	F.W. Carson Co.	19-03 App 1	19-0191	21,850.00
03/31/2019	CIP Work Order Charges	March 2019		3,462.54
05/21/2019	Western Nevada Supply	17870584		285.37
05/31/2019	Western Nevada Supply	17870587		1,306.83
05/31/2019	CIP Work Order Charges	May 2019		1,204.29
06/03/2019	F.W. Carson Trucking	5255		250.00
06/04/2019	Cinderlite Trucking Corp	308731		57.00
06/05/2019	Cinderlite Trucking Corp	308919		28.50
06/06/2019	Western Nevada Supply	17892246		102.11
06/06/2019	Western Nevada Supply	17890038		71.20
06/07/2019	Western Nevada Supply	17893426		416.04
06/12/2019	Waters Vacuum Truck Serv	9442		2,945.00
06/11/2019	Cinderlite Trucking Corp	309340		71.25
06/19/2019	America Rents Inc	47261-2		1,107.64
06/20/2019	Waters Vacuum Truck Serv	9556		950.00
06/20/2019	F.W. Carson Trucking	5286		375.00
06/21/2019	Cinderlite Trucking Corp	310259		75.40
06/27/2019	The Home Depot			53.76
06/27/2019	The Home Depot			73.96
06/30/2019	Village Ace Hardware	4241 -JUNE 2019		3.68
06/30/2019	CIP Work Order Charges	June 2019		27,029.52
				194,815.83
				\$194,815.83
				(226,592.00)
		Unidentified Items		(31,776.17)

812.97

3,462.54

1,204.29

27,029.52

\$75,796.31

Effective Date	Description	Vendor	Vendor Invoice #	PO	Debit	Credit	Balance
							ARV Total \$204,954
07/05/2017	Export line air relief valve replacement	Ferguson Waterworks - 1423	1276216	17-0285	8,000.69		
07/26/2017	10 air relief valves for the export line	T & T Valve & Instrument, Inc.	53233	17-0320	21,440.00		
07/26/2017	Freight	T & T Valve & Instrument, Inc.	53233	17-0320	750.00		
07/31/2017	armorcast vault w torsion eff lid	Ferguson Waterworks - 1423	1276240		24,300.00		
07/31/2017	CIP Work Order Charges - July 2017	CIP Work Order Charges	July 2017		2,248.98		\$2,248.98
08/24/2017	1x3 river rock	Cinderfite Trucking Corp	276081		224.00		
08/29/2017	river rock 8 yard	Cinderfite Trucking Corp	276347		224.00		
08/31/2017	17-980				50.00		
08/31/2017	river rock 8 yard	Cinderfite Trucking Corp	276279		224.00		
08/31/2017	river rock 16 yard	Cinderfite Trucking Corp	276287		448.00		
08/31/2017	bal due per 8/31/17 statement	United Rentals (North America, Inc	1497251294-001		969.84		
08/31/2017	THE HOME DEPOT #3312	The Home Depot			87.52		
08/31/2017	CIP Work Order Charges - August 2017	CIP Work Order Charges	August 2017		5,161.55		\$5,161.55
08/31/2017	CIP Work Order Charges - August 2017	CIP Work Order Charges	August 2017		1,158.19		\$1,158.19
08/31/2017	August 2017 in-store charges for 4244	Village Ace Hardware	20170831-stmt-4244		32.70		
09/25/2017	Insulated ARV cover	Big Bully Enterprises	1710		2,076.00		
09/30/2017	CIP Work Order Charges - September 2017	CIP Work Order Charges	September 2017		561.28		\$561.28
09/30/2017	CIP Work Order Charges - September 2017	CIP Work Order Charges	September 2017		1,970.90		\$1,970.90
10/04/2017	viv, spools, flg, vlv box	Western Nevada Supply	17188417		1,748.81		
10/04/2017	hole saw carbide tip, ergo grip saw, pit	MSC Industrial Supply Co.	C61883468		229.42		
10/05/2017	FxF DI Spool	Western Nevada Supply	17188417-1		236.47		
10/10/2017	mini excavator rental	Sunbelt Rentals	73008018-0001		930.00		
10/12/2017	CONE, SIGN, TRAFFIC CONTROL, FLAGGER	Silver State Barricade & Sign, Inc.	95810		795.71		
10/12/2017	di ss tagg slv	Western Nevada Supply	17188525		1,760.31		
10/26/2017	OCT 2017 in store chgs	Spitsen Lumber Company	41810-OCT 2017		45.69		
10/31/2017	CIP Work Order Charges - October 2017	CIP Work Order Charges	October 2017		14,218.56		\$14,218.56
10/31/2017	CIP Work Order Charges - October 2017	CIP Work Order Charges	October 2017		5,224.57		\$5,224.57
11/17/2017	lf 2 hrs 90 all	Western Nevada Supply	17242599		284.76		
11/17/2017	lf 2-1/2 x 2 hrs bush	Western Nevada Supply	17242231		99.36		
11/17/2017	excavator rental for project	Cashman Equipment Company	15854101		1,182.95		
11/22/2017	svcs rendered 7/20/17 for job# 17001-09	FARR Construction CORP Dba:Re	11222017		4,620.00		
11/30/2017	CIP Work Order Charges - November 2017	CIP Work Order Charges	November 2017		5,369.65		\$5,369.65
11/30/2017	CIP Work Order Charges - November 2017	CIP Work Order Charges	November 2017		6,560.39		\$6,560.39
12/01/2017	Transport backhoe 11/3/17	F.W. Carson Trucking	4645		437.50		
12/16/2017	semi transport rental	F.W. Carson Trucking	4628		281.25		
12/16/2017	semi transport rental	F.W. Carson Trucking	4633		312.50		
12/27/2017	Clear, grade out access CIP#2524SS1010	Burdick Ex Co, Inc.	Prop#1 12272017		2,908.09		
12/31/2017	CIP Work Order Charges - Dec. 2017 - Work Or	CIP Work Order Charges	December 2017		522.78		\$522.78
12/31/2017	CIP Work Order Charges - Dec. 2017 - Work Or	CIP Work Order Charges	December 2017		2,244.83		\$2,244.83
12/31/2017	Acct#4244 - DECEMBER '17 In-Store Charge	Village Ace Hardware	4244-December 2017		24.28		
01/30/2018	armorcast 30x40 torsion frm&cvr	Ferguson Waterworks - 1423	1328719		1,635.00		
01/31/2018	CIP Work Order Charges - January 2018	CIP Work Order Charges	January 2018		981.18		\$981.18
04/10/2018	Effluent Export Line, Phase II; 8 air re	T & T Valve & Instrument, Inc.	54553	18-0288	18,217.87		
04/11/2018	5 axle semi-truck rental	F.W. Carson Trucking	4736		375.00		
04/13/2018	TNS-44507 Permit fee	State of Nevada-NDEP/BWPC	04132018		250.00		
04/13/2018	5 axle semi-truck rental	F.W. Carson Trucking	4737		500.00		
04/14/2018	insulated ARV covers	Big Bully Enterprises	1747		1,480.00		
04/24/2018	pvc union buna & sxm adptr	Ferguson Waterworks - 1423	1364899		37.73		
04/25/2018	returned pvc union buna & sxm sdptr	Ferguson Waterworks - 1423	CM114930			37.73	
04/26/2018	Effluent Export Line Phase II, Quote B33	Ferguson Waterworks - 1423	1360258	18-0291	5,186.88		
04/27/2018	THE HOME DEPOT #3309	The Home Depot	DEPOT #3309		99.92		
04/30/2018	CIP Work Order Charges - April 2018	CIP Work Order Charges	April 2018		4,627.45		\$4,627.45
04/30/2018	CIP Work Order Charges - April 2018	CIP Work Order Charges	April 2018		2,666.28		\$2,666.28
04/30/2018	April 2018 In-Store Chgs - Acct# 4244	Village Ace Hardware	4244-APRIL 2018		71.35		
05/22/2018	CIP 2524SS1010 Refund from USDA/FS	USDA/FS	FS-REFUND			3,669.25	
05/31/2018	CIP Work Order Charges - May 2018	CIP Work Order Charges	May 2018		171.26		\$171.26
05/31/2018	CIP Work Order Charges - May 2018	CIP Work Order Charges	May 2018		1,074.95		\$1,074.95

2017-2018

06/20/2018	Effluent Export Line Phase II, Quote B33	Ferguson Waterworks - 1423	1360257	18-0291	17,600.00		
06/26/2018	Repair USFS access roadway over the expo	ARMAC Construction, LLC	18-073-01	18-0383	29,769.00		
06/30/2018	CIP Work Order Charges - June 2018	CIP Work Order Charges	June 2018		2,012.60		
06/30/2018	CIP Work Order Charges - June 2018	CIP Work Order Charges	June 2018		1,938.20		
					208,660.20	3,706.98	204,953.22

\$2,012.60

\$1,938.20

\$58,733.57

EFFECTIVE DATE	DESCRIPTION	VENDOR	VENDOR INVOICE#	PO	DEBIT	CREDIT	BALANCE
							ARV Total \$190,516
08/23/2016	CIP #2524SS1010 - Fire hyd meter body, h	National Meter & Automation, Inc.	S1075306.001		801.04		
09/20/2016	Materials -CIP 2524SS1010	Western Nevada Supply	16764192		816.57		
09/20/2016	CIP 2524SS1010 - DI Spools	Western Nevada Supply	16764193		617.87		
09/27/2016	CIP #2524SS1010 - signs, cones, flagger	Silver State Barricade & Sign, Inc.	88472		795.71		
09/30/2016	CIP Work Order Charges - September 2016	CIP Work Order Charges	September 2016		1,867.65		
10/01/2016	Village Ace Hardware	Village Ace Hardware			102.87		
10/04/2016	14 Air relief valve for export line in t	T & T Valve & Instrument, Inc.	51745	17-0075	21,168.00		
10/04/2016	Freight	T & T Valve & Instrument, Inc.	51745	17-0076	357.55		
10/18/2016	SIP #2524SS1010 - Export line ARV suppli	Ferguson Waterworks - 1423	1213037	17-0073	12,369.43		
10/25/2016	CIP 2524SS1010 Hwy 28 - Traffic Control	Silver State Barricade & Sign, Inc.	89225		428.36		
10/28/2016	CIP #2524SS1010 - flagger service - 8 hr	Silver State Barricade & Sign, Inc.	89345		360.00		
10/31/2016	41810 - OCT 2016 in store chgs	Spitsen Lumber Company	41810-OCT 2016		54.89		
10/31/2016	#4244 - OCT 2016 in store chgs	Village Ace Hardware	#4244 - OCT 2016		78.87		
10/31/2016	#4244 - OCT 2016 in store chgs	Village Ace Hardware	#4244 - OCT 2016		54.74		
10/31/2016	Work Order # 7434	Work Order #7434			1,559.41		
11/08/2016	CIP 2524SS1010 - Materials	Western Nevada Supply	16825683		387.04		
11/09/2016	Export line ARV supplies	Ferguson Waterworks - 1423	1213037-1	17-0073	23,940.00		
11/10/2016	Export line valve and FCAs.	Western Nevada Supply	16826594	17-0131	6,815.54		
11/01/2016	Village Ace Hardware	Village Ace Hardware			110.06		
11/22/2016	CIP 2524SS1010 - Export Materials	Western Nevada Supply	46838717		461.42		
11/22/2016	CIP 2524SS1010 - Materials	Western Nevada Supply	46840278		91.98		
11/22/2016	CIP 2524SS1010 - straight pipe wrench	Granger, Inc.	9282922740		183.38		
11/22/2016	CIP #2524SS1010 - Export line valve and	Western Nevada Supply	16826974	17-0131	1,369.80		
11/29/2016	CIP 2524SS1010 - Materials	Western Nevada Supply	16833991		486.85		
11/29/2016	CIP 2524SS1010 - Materials	Western Nevada Supply	16834017		3,010.80		
11/29/2016	CIP #2524SS1010 - 1-1/2 PVC S80 SXS unio	Ferguson Waterworks - 1423	1231461		70.34		
11/29/2016	CIP #2524SS1010 - hrs nip gbl, coupler,	Ferguson Waterworks - 1423	1231371		741.20		
11/30/2016	NOV 2016 in store chgs	Spitsen Lumber Company	NOV 2016		40.83		
11/30/2016	CIP Work Order Charges - November 2016	CIP Work Order Charges	November 2016		7,084.87		
11/30/2016	CIP Work Order Charges - November 2016	CIP Work Order Charges	November 2016		1,018.66		
12/06/2016	CIP 2524SS1010 Materials	Western Nevada Supply	16850620		209.55		
12/13/2016	CIP 2524SS1010 - Materials	Western Nevada Supply	16857833		50.30		
12/20/2016	CIP 2524SS1010 Materials	Western Nevada Supply	16867226		456.68		
12/20/2016	Mini Excavator Rental	Unifed Rentals (North America, Inc.)	142666036-001		612.97		
12/20/2016	CIP 2524SS1010 Mini Excavator	Unifed Rentals (North America, Inc.)	142787252-001		976.93		
12/20/2016	Export line valve and FCAs.	Western Nevada Supply	16827143	17-0131	300.84		
12/30/2016	CIP 2524SS1010 - Type 2 Class B Agg B	Bing Materials	164918		85.91		
12/31/2016	CIP 2524SS1010 - Excavator Rental	Cashman Equipment Company	15006401		1,369.00		
12/31/2016	CIP Work Order #7859	CIP Work Order Charges	December 2016		13,447.47		
12/31/2016	CIP Work Order #8112	CIP Work Order Charges	December 2016		98.15		
12/31/2016	CIP Work Order #6014	CIP Work Order Charges	December 2016		7,097.18		
12/31/2016	CIP #2524SS1010 - Type 2 class B agg B	Bing Materials	164917		162.63		
12/31/2016	DEC 2016 - In store chgs	Spitsen Lumber Company	41810-DEC 2016		405.96		
12/31/2016	DEC 2016 - in store chgs	Spitsen Lumber Company	41810-DEC 2016			8.12	
12/31/2016	TRENCH PLATE RENTAL CO Wellands mag mel	Trench Plate Rental Co.			50.15		
12/31/2016	AMERICAN READYMIXConcrete for effluent valve	American Ready Mix			484.50		
12/31/2016	Accrue Village Ace Acct #4244 Dec 2016	Village Ace Hardware			136.49		
01/01/2017	Accrue Village Ace Acct #4244 Dec 2016	Village Ace Hardware				136.49	
01/17/2017	Dec 2016 - in-store chgs	Village Ace Hardware	#4244 - Dec 2016		136.49		
01/31/2017	Work Order #6014	CIP Work Order Charges	January 2017		995.81		
01/31/2017	Work Order #7859	CIP Work Order Charges	January 2017		196.30		
01/31/2017	CIP #2524SS1010 - Type 2 Class B Agg B	Bing Materials	165126		183.81		
01/31/2017	TrenchPlateRental/Shoring-effluent line valve	TrenchPlateRental/Shoring-effluent line valve			305.10		
02/03/2017	CIP #2524SS1010 - custom insulated ARV c	Big Bully Enterprises	1677		2,076.00		
02/28/2017	CIP Work Order Charges - February 2017 - Work	CIP Work Order Charges	February 2017		896.79		
02/28/2017	CIP Work Order Charges - February 2017 - Work	CIP Work Order Charges	February 2017		294.45		
03/07/2017	CIP #2524SS1010 - SMBL 317 SDL NYL 10.64	Western Nevada Supply	16928615		209.55		

\$1,667.65

\$1,559.41

\$1,004.87

\$1,018.66

\$13,447.47

\$98.15

\$7,097.18

\$595.81

\$196.30

\$896.79

\$294.45

2016-2017

03/29/2017	CIP #2524SS1010 - 317 SDL NYL 10.84-12x2	Western Nevada Supply	16955460		419.10		
03/31/2017	CIP Internal Work Order #6014	CIP Work Order Charges	March 2017		4,435.97		
03/31/2017	CIP#2524SS1010 - mini excavator	United Rentals (North America, Inc.)	145288833-001		1,120.41		\$4,435.97
04/30/2017	CIP Work Order Charges - April 2017	CIP Work Order Charges	April 2017		1,039.38		
04/30/2017	Heritage Resources Inventory along the e	Far Western Anthropological Research Group,	3972-01	17-0146	8,745.00		\$1,039.38
04/30/2017	#4244-STMNT ARP 2017 in store chgs	Village Ace Hardware	#4244-STMNT APR 20		128.38		
04/30/2017	THE HOME DEPOT #3312	The Home Depot			25.34		
04/30/2017	THE HOME DEPOT #3312	The Home Depot			75.48		
04/30/2017	REVCHEM COMPOSITES INC	Revchem Composites Inc.			81.05		
05/23/2017	CIP # 2524SS1010Parts	Western Nevada Supply	17022218		481.74		
05/24/2017	CIP # 2524SS1010parts	Western Nevada Supply	17023312		156.98		
05/25/2017	CIP#2524SS1010 - mini excavator	United Rentals (North America, Inc.)	146865050-001		968.56		
05/31/2017	CIP Work Order Charges - May 2017	CIP Work Order Charges	May 2017		9,520.40		\$9,520.40
05/31/2017	MAY 2017 transfer station drop offs	Waste Management of Nevada	0013123-2667-9		84.19		
05/31/2017	MAY 2017 in store chgs	Village Ace Hardware	#4244-MAY STMNT		28.00		
06/05/2017	CIP#2524SS1010 - mini excavator	United Rentals (North America, Inc.)	147074386-001		961.81		
	TOTAL				146,756.53	144.61	146,611.92
							(190,516.00)
					Unidentified amount		(43,904.08)

549,552.49

					ARV Total \$19,158
EFFECTIVE DATE	VENDOR	VENDOR INVOICE#	PO	PROJECT	DEBIT
08/31/2015	CIP Work Order Charges	August 2015		2524SS1010	6,111.17
01/11/2016	T & T Valve & Instrument, Inc.	50458		2524SS1010	3,085.24
05/10/2016	Western Nevada Supply	16547353	16-0217	2524SS1010	9,806.16
05/10/2016	Western Nevada Supply	16547353	16-0217	2524SS1010	113.84
06/07/2016	Western Nevada Supply	16640029		2524SS1010	29.09
06/07/2016	Western Nevada Supply	16640074		2524SS1010	23.68
					<b>19,169.14</b>

16-0217

June 30, 2022

26

To: Ray Fulloch Chairman IVGID Audit Committee

'22 AC FR

CC: Paul Navazio, Susan Herron

From: Clifford F. Dobler

Effluent Pipeline

Re: Final AC Report to Board of Trustees dated March 9, 2022 - To be included as correspondence in the next AC meeting

Within the above referenced report, on page 19 on Appendix 1, the AC stated that \$182,023 charged to the Effluent Pipeline Project for the two year period from July 1, 2019 to June 30, 2021 should be reclassified as expenses from the Construction in Progress accounts .

On June 29, 2022, I received a listing of all charges to the Effluent Pipeline Project t # 2524SS1010 for the two year period which is attached as EXHIBIT A

**HISTORY**

A brief history of actual events indicates that from July 1, 2019 to January 29, 2020 nothing much had been accomplished. A large presentation to the Board of Trustees was done on January 29, 2020 about major cost increases. Subsequently in March, 2020, Staff requested the Board to approve design contracts to replace 5,000 feet of the pipeline and to begin design on Pond #1. The Board rejected both requests and directed management to proceed with the projects under a CMAR contract. On May 6, 2020, a draft of RFQ requirements for CMAR services was completed and on February 1, 2021 a contract for \$369K was finally issued to Granite Construction to perform Pre Construction analysis. On May 3, 2021, Granite released their findings on the analysis.

In June , 2020, HDR was issued a contract to design critical repairs which was later cancelled on July 13, 2020. Also a contract was issued to Jacobs Engineering to develop alternatives for lining Pond #1 which was delivered in September, 2021.

**A SUMMARY OF COSTS**

369  
16  
530

- \$93,300 in IVGID staff engineering - The largest component was preparing the January 29, 2020 presentation to the Board.
- \$28,730 - paid to complete IVGID's share of the EIS for the Forest Service sponsored by the Tahoe Transportation District Prior cost of \$270K were charged off as a "prior period adjustment" in 2021
- \$23,643 - paid to NDOT for the final paving in SR 28 over repairs completed in 2017 and 2018
- \$3,797 - paid to HDR for final analysis of the conditions assessment conducted by PICA in 2018
- \$5,870 - paid to HDR to design critical repairs. This project was cancelled.
- \$9,618 - paid to Granite Construction for assessment
- \$14,905 - paid to Jacobs Engineering for the Pond which should be reclassified to the proper account
- \$2,163 - paid for a work order (assumed to be the installation of a big bully)

**CONCLUSION**

From the information above with the exception of the \$14,005 paid to Jacobs Engineering for the Pond project, all costs incurred in 2022 and 2021 should be EXPENSED as pre development costs. \$167,118,20. Also the costs associated with the pond should be expensed.

**EXHIBITS**

Exhibit A - Effluent Pipeline Project Costs incurred from July 1, 2019 to June 30, 2021

Handwritten initials in a circle.



EXHIBIT A

2524SS1010 Effluent Pipeline Project							
EFFECTIVE DATE	DESCRIPTION	VENDOR	VENDOR INVOICE#	PROJECT	DEBIT	CREDIT	BALANCE
	Capital Improvements			Balance Forward			0.00
07/31/2019	CIP Work Order Charges - July 2019			2524SS1010	745.57		745.57
09/03/2019	Effluent Export Line co-alignment project. Board-awarded November 12, 2014	Tahoe Transportation District	SI12333	2524SS1010	2,386.30		3,131.87
09/11/2019	Custom Insulated ARV Cover with Velcro Enclosure	Big Bully Enterprises	1833	2524SS1010	720.00		3,851.87
09/30/2019	CIP Work Order Charges - September 2019			2524SS1010	692.93		4,544.80
09/30/2019	CIP Engineering Charges - Sept. 2019			2524SS1010	4,100.00		8,644.80
10/10/2019	Effluent Export Line co-alignment project. Board-awarded November 12, 2014	Tahoe Transportation District	SI12367	2524SS1010	2,008.48		10,653.28
10/10/2019	Effluent Export Line co-alignment project. Board-awarded November 12, 2014	Tahoe Transportation District	SI12368	2524SS1010	24,335.87		34,989.15
10/15/2019	Effluent Export Pipeline Interlocal Agreement R475-17-015, Board-awarded August 22, 2017.	Nevada Dept. of Transportation	03671J3803	2524SS1010	23,643.78		58,632.93
10/31/2019	CIP Engineering Charges - October 2019			2524SS1010	500.00		59,132.93
11/30/2019	CIP Engineering Charges - November 2019			2524SS1010	2,800.00		61,932.93
12/31/2019	CIP Engineering Charges - December 2019			2524SS1010	1,500.00		63,432.93
01/31/2020	CIP Engineering Charges - January 2019			2524SS1010	16,300.00		79,732.93
02/29/2020	CIP Engineering Charges - February 2020			2524SS1010	5,500.00		85,232.93
03/31/2020	CIP Engineering Charges - March 2020			2524SS1010	2,000.00		87,232.93
06/30/2020	Accrue Granite Construction estimate			2524SS1010		16,000.00	71,232.93
	<b>TOTAL</b>				87,232.93	16,000.00	71,232.93
						Balance Forward	71,232.93
07/08/2020	ASA 36 - Effluent Line condition assessment data analysis.	HDR Engineering, Inc.	1200278764	2524SS1010	2,437.00		73,669.93
07/30/2020	ASA 36 - Effluent Line condition assessment data analysis.	HDR Engineering, Inc.	1200289156	2524SS1010	1,359.91		75,029.84
10/31/2020	CIP Engineering Charges - October 2020			2524SS1010	2,000.00		77,029.84
11/30/2020	CIP Engineering Charges - November Estimate			2524SS1010	2,000.00		79,029.84
12/01/2020	CIP Engineering Charges - November Estimate			2524SS1010		2,000.00	77,029.84
12/01/2020	CIP Engineering Charges - November			2524SS1010	3,000.00		80,029.84
12/31/2020	CIP Engineering Charges - December			2524SS1010	6,500.00		86,529.84
01/31/2021	CIP Engineering Charges - January			2524SS1010	5,000.00		91,529.84
02/28/2021	CIP Engineering Charges - February			2524SS1010	7,000.00		98,529.84
03/31/2021	CIP Engineering Charges - March 2021			2524SS1010	7,200.00		105,729.84
03/31/2021	Effluent Export Pipeline and Pond Lining Project; pre-construction CMAR services. Project bid per NRS 338. Board awarded 1/28/2021.	Granite Construction Co.	1120427-P1	2524SS1010	812.60		106,542.44
04/02/2021	Effluent Export Pipeline and Pond Lining Project; pre-construction CMAR services. Project bid per NRS 338. Board awarded 1/28/2021.	Granite Construction Co.	1120427-E1	2524SS1010	3,544.80		110,087.24
04/30/2021	CIP Engineering Charges - April 2021			2524SS1010	9,100.00		119,187.24
05/28/2021	Effluent Export Pipeline and Pond Lining Project; pre-construction CMAR services. Project bid per NRS 338. Board awarded 1/28/2021.	Granite Construction Co.	1120427-P3	2524SS1010	1,049.80		120,237.04
05/28/2021	Effluent Export Pipeline and Pond Lining Project; pre-construction CMAR services. Project bid per NRS 338. Board awarded 1/28/2021.	Granite Construction Co.	1120427-E3	2524SS1010	4,199.20		124,436.24
05/31/2021	CIP Engineering Charges - May			2524SS1010	5,500.00		129,936.24
06/21/2021	Effluent Export Pipeline and Pond Lining Project; pre-construction CMAR services. Project bid per NRS 338. Board awarded 1/28/2021.	Granite Construction Co.	1120427-P2	2524SS1010	1,553.80		131,490.04
06/26/2021	Effluent Export Pipeline Project; Project management, critical pipeline repair ID, etc., per Contract awarded by Board on June 9, 2021.	HDR Engineering, Inc.	1200362785	2524SS1010	5,869.86		137,359.90
06/30/2021	CIP Engineering Charges - June			2524SS1010	8,000.00		145,359.90
06/30/2021	CIP Engineering Charges - June			2524SS1010	7,300.00		152,659.90
06/30/2021	Effluent Export Pipeline and Pond Lining Project; pre-construction CMAR services. Project bid per NRS 338. Board awarded 1/28/2021.	Granite Construction Co.	1120427-E4	2524SS1010	1,205.80		153,865.70
06/30/2021	Effluent Export Pipeline and Pond Lining Project; pre-construction CMAR services. Project bid per NRS 338. Board awarded 1/28/2021.	Granite Construction Co.	1120427-E5	2524SS1010	4,549.20		158,414.90
06/30/2021	Effluent Export Pipeline and Pond Lining Project; pre-construction CMAR services. Project bid per NRS 338. Board awarded 1/28/2021.	Granite Construction Co.	1120427-P4	2524SS1010	60.20		158,475.10
06/30/2021	Effluent Export Pipeline and Pond Lining Project; pre-construction CMAR services. Project bid per NRS 338. Board awarded 1/28/2021.	Granite Construction Co.	1120427-P5	2524SS1010	2,538.30		161,013.40
06/30/2021	Effluent Export Pipeline and Pond Lining Project; pre-construction CMAR services. Project bid per NRS 338. Board awarded 1/28/2021.	Granite Construction Co.	1120427-E2	2524SS1010	6,104.80		167,118.20
06/30/2021	Effluent Storage Pond - Phase 1, Pond Lining Alternatives, per contract awarded by Board on 6/9/2021.	Jacobs Engineering Group Inc	WB712900-01	2524SS1010	14,904.63		182,022.83
	<b>TOTAL</b>				112,789.90	2,000.00	110,789.90
	<b>GRAND TOTAL</b>				200,022.83	18,000.00	182,022.83

remove Jacobs for Pond

-14,904.63

2524SS1010 Effluent Pipeline Project		
EFFECTIVE DATE	DESCRIPTION	VENDOR
	Capital Improvements	
07/31/2019	CIP Work Order Charges - July 2019	
09/03/2019	Effluent Export Line co-alignment project. Board-awarded November 12, 2014	Tahoe Transport
09/11/2019	Custom Insulated ARV Cover with Velcro Enclosure	Big Bully Enterpr
09/30/2019	CIP Work Order Charges - September 2019	
09/30/2019	CIP Engineering Charges - Sept. 2019	
10/10/2019	Effluent Export Line co-alignment project. Board-awarded November 12, 2014	Tahoe Transport
10/10/2019	Effluent Export Line co-alignment project. Board-awarded November 12, 2014	Tahoe Transport
10/15/2019	Effluent Export Pipeline Interlocal Agreement R475-17-015, Board-awarded August 22, 2017.	Nevada Dept. of
10/31/2019	CIP Engineering Charges - October 2019	
11/30/2019	CIP Engineering Charges - November 2019	
12/31/2019	CIP Engineering Charges - December 2019	
01/31/2020	CIP Engineering Charges - January 2019	
02/29/2020	CIP Engineering Charges - February 2020	
03/31/2020	CIP Engineering Charges - March 2020	
06/30/2020	Accrue Granite Construction estimate	
	<b>TOTAL</b>	
07/08/2020	ASA 36 - Effluent Line condition assessment data analysis.	HDR Engineering
07/30/2020	ASA 36 - Effluent Line condition assessment data analysis.	HDR Engineering
10/31/2020	CIP Engineering Charges - October 2020	
11/30/2020	CIP Engineering Charges - November Estimate	
12/01/2020	CIP Engineering Charges - November Estimate	
12/01/2020	CIP Engineering Charges - November	
12/31/2020	CIP Engineering Charges - December	
01/31/2021	CIP Engineering Charges - January	
02/28/2021	CIP Engineering Charges - February	
03/31/2021	CIP Engineering Charges - March 2021	
03/31/2021	Effluent Export Pipeline and Pond Lining Project; pre-construction CMAR services. Project bid per NRS 338. Board awarded 1/28/2021.	Granite Construc
04/02/2021	Effluent Export Pipeline and Pond Lining Project; pre-construction CMAR services. Project bid per NRS 338. Board awarded 1/28/2021.	Granite Construc
04/30/2021	CIP Engineering Charges - April 2021	
05/28/2021	Effluent Export Pipeline and Pond Lining Project; pre-construction CMAR services. Project bid per NRS 338. Board awarded 1/28/2021.	Granite Construc
05/28/2021	Effluent Export Pipeline and Pond Lining Project; pre-construction CMAR services. Project bid per NRS 338. Board awarded 1/28/2021.	Granite Construc

Cliff to Explain

27  
3-16-23

Memorandum

November 23, 2020

21 CAFR

real issue

To: IVGID Audit Committee

Re: Effluent Pipeline - Phase II - Meters and Equipment

At the January 29, 2020 IVGID Board meeting, the Staff provided a presentation indicating the total costs of the Effluent Export Pipeline from fiscal year 2012 to 2019 was \$5,146,100 and included several components (Exhibit A). Meters and Equipment for \$86,500 were one of the components. A public records request response detailed a list of charges for \$77,686.80 (Exhibit B) That list of charges was \$8,813.20 short of what was claimed in the January presentation (Exhibit B).

As expected, the charges had little if anything to do with replacing the six miles of pipeline from Sand Harbor to the culvert at the Douglas County line along State Highway 28. The list of charges range from compressors, meters at the wetlands (12 miles away), surge tanks and replacements of pumps at pump stations. Of particular interest was a charge for Magnesium Hydroxide (a laxative).

basis

It appears any type of charge which was necessary to operate the entire 21 miles of the Export pipeline was charged to the specific project limited to only replacing the 6 miles of Pipeline as stated

The Board of Trustees approved annual budgets and rate studies which provided \$2,000,000 per year was to be set aside for the specific purpose of replacing 6 miles of pipeline and nothing else. The project summary for fiscal 2017 (Exhibit C) clearly indicates that specific purpose.

The Audit Committee should direct Staff or an outside auditor to submit a list of all charges (with appropriate backup) made to the Effluent Pipeline - Phase II project (CIP #2524SS1010) and what charges were actually operating expenses or charges for other capital projects of the Utility Fund.

Starts?

With this lack of internal controls also demonstrated from a review of the accumulated costs of Air Relief Valves and detailed in the November 6, 2020 memorandum to the Audit Committee an in depth audit is required.

It is my opinion that customers paying for water and sewer charges have been deceived on how their money was used not in accordance with the budgets or assessment of rates and could rise to a legal challenge for a "misappropriation of funds". Citizens must be told of this misappropriation.

Exhibit A - January 29, 2020 Export Pipeline Presentation of accumulated costs

Exhibit B - List of Charges for meters and equipment obtained by public records

Exhibit C - Project Summary for fiscal year 2017

# Effluent Export Priority Projects CIP Project Expenditures

<b>Vendor/Item/Description</b>	<b>Expenditure</b>
HDR Engineering Services	\$723,000
PICA – Condition Assessment	\$999,800
Equipment, construction and rentals associated with PICA Condition Assessment	\$334,000
NDOT Contract to repair 13 sites in 2017 (BOT 08/22/2017)	\$1,151,600
Environmental Assessment performed by USFS for TTD Bike Path with Pipeline (BOT 11/19/2014)	\$300,000
Installation of Air Relief Valves on Export Pipeline	\$643,400
IVGID Engineering Billings 2013-19	\$895,500
Export Pipeline Meters and equipment	\$86,500
Jacobs Engineering Services for Upper Pond TM	\$12,300
<b>2012 2019 CIP Expenses Total</b>	<b>\$5,146,100</b>

EFFLUENT EXPORT PRIORITY PROJECTS  
EXPORT PIPELINE METERS AND EQUIPMENT

1/29/2020

200-25-240-8120	02/20/2018	Surge tank air compressor for Spooner pu	Cisco Air Systems, Inc.	10,642.80
200-25-240-8120	03/06/2018	front & rear beltguards	Cisco Air Systems, Inc.	441.00
200-25-240-8120	02/28/2018	CIP Work Order Charges - February 2018		256.89
200-25-240-8120	02/28/2018	CIP Work Order Charges - February 2018		446.60
200-25-240-8120	03/12/2018	spooner air compressor	MSC Industrial Supply Co.	123.28
200-25-240-8120	03/14/2018	various nips, cplgs, plugs	Western Nevada Supply	314.99
200-25-240-8120	03/20/2018	bushings, fittings, various piping assly	Western Nevada Supply	73.98
200-25-240-8120	03/21/2018	600PSI LF gauge 2-1/2	Western Nevada Supply	92.56
200-25-240-8120	03/21/2018	1/2 blk MI XH T	Western Nevada Supply	21.22
200-25-240-8120	03/12/2018	spooner air compressor	MSC Industrial Supply Co.	123.28
200-25-240-8120	03/31/2018	March 2018 In-Store Chgs - Acct# 4244	Village Ace Hardware	168.33
200-25-240-8120	02/14/2018	Spooner Pump Station: Replacement wet we	G3 Engineering Inc.	19,350.00
200-25-240-8120	02/14/2018	Freight	G3 Engineering Inc.	1,200.00
200-25-240-8120	03/07/2018	removal and install of new pump @ lakesh	Carson Pump LLC	1,225.00
200-25-240-8120	02/08/2017	CIP #2524SS1010 - Magnesium Hydroxide mi	Brawn Mixer, Inc.	6,994.00
200-25-240-8120	02/08/2017	CIP #2524SS1010 - Freight	Brawn Mixer, Inc.	480.55
200-25-240-8120	01/01/2017	Wetlands Export Line Meter		27,457.32
200-25-240-8120	04/01/2017	Wetlands Export Line Meter		8,275.00

TOTAL

\$ 77,686.80

A LAKESH

PER REPORT

\$ 86,500.00

UNACCOUNTED

\$ 8,813.20



## Project Summary

<b>Project Description</b>	<p>As part of the original Effluent Export Pipeline Project, IVGID replaced approximately 17,300 LF in Segment 3. During planning and design of the first phase approximately 17,300 LF were identified for replacement. In August 2009, a pipe break within the unreplaced pipeline was identified. A consulting engineer revealed areas of advanced corrosion on the damaged pipeline. The replacement of the remaining pipeline should be planned and budgeted. The proposed project, Effluent Export Pipeline Project - Phase II, will replace approximately 17,300 LF of welded, cement mortar lined, high pressure steel pipe. The project will be completed over multiple years in a manner similar to the original project, with the pipeline to the center of the Southbound travel lane.</p>
<b>Project Internal Staff</b>	<p>The Engineering Department will manage all phases of this project.</p>
<b>Project Justification</b>	<p>The effluent export line transports treated wastewater from Incline Village to the Tahoe Basin. This line was constructed in the early 1970's as part of a regional effluent export project. Approximately 6 miles of line was replaced as part of the Tahoe Basin project. The current Project Cooperation Agreement with the US Army Corps of Engineers for 55% funding of all construction costs will be secured for this project. All grant funding has been removed for this project to be the utility rates.</p>

Mar 29, 2016 11:33 AM

28  
3/16 PM

Added to ~~GT~~ summary?  
or incorporated in original issue.  
Reviewed by auditor  
Added.

Memorandum

To: Audit Committee

From: Clifford F. Dobler

2022  
2-14-2021

Re: Rebuttal to February 9, <sup>2022</sup>~~2021~~ statements made by Paul Navazio, IVGID Director of Finance regarding accounting and reporting operating expenses in Capital Project Funds.

Within the January 26, 2022 Audit Committee Report to the Board of Trustees, members expressed concerns that reporting operating expenses in the capital project funds potentially violated GASB #54 definition of a Capital Project Fund and NRS 354.4995 definition of a Capital Project Fund. Definitions of both are on Exhibits A and B. ✓

In response to the Audit Committee Report, Mr. Paul Navazio claims in his February 9, 2022 memorandum to the Board of Trustees and the Audit Committee, (Exhibit C) that there was no violation of either GASB or NRS based on support by the independent auditor Davis Farr. Mr. Navazio claims that the Department of Taxation (DT) has rendered an "opinion" that the 2020/2021 Annual Comprehensive Finance Report contains no violations of applicable NRS statutes or regulations. This is incorrect. According to the January 13, 2022 letter from Kellie Grahmann, Budget Analyst of the DT (Exhibit D) there were NO violations of statute and/or regulations noted in the audit report from Davis Farr. The report from Davis Farr regarding compliance states that Davis Farr performed tests of compliance with certain provisions of laws, regulations, contracts and grant agreements which could have a direct and material effect on the financial statement amounts. The results of the tests disclosed no instances of noncompliance. However providing an opinion on compliance was not an objective of the audit and no opinion was expressed. (Exhibit E). The Audit Committee has not been provided any information on what was tested by Davis Farr. ✓

copy

Agree

Agree

According to the engagement letter between Davis Farr and IVGID, the responsibility for compliance with GASB and NRS lies not with the auditor but with management of IVGID. As such, Davis Farr has little or no liability for non compliance with GASB and NRS in reporting IVGID financial statements. As such "support" becomes

Under NRS 354.624 (Exhibit F) Each local government shall provide to its auditor:

(a) A statement indicating whether each of the following funds established by the local government is being used expressly for the purposes for which it was created, in the form required by NRS 354.6241:

- (1) An enterprise fund.
- (2) An internal service fund.
- (3) A fiduciary fund.
- (4) A self-insurance fund.

Cliff - too narrow of an interpretation.

- (5) A fund whose balance is required by law to be:  
(l) Used only for a specific purpose

The specific purpose of the Capital Project Funds is clearly established by Resolution 1838 (Exhibit G).

Under NRS 354.6241 (Exhibit G), IVGID must provide the auditor a statement that the Capital Project Funds are being administered in accordance with generally accepted accounting procedures.

On October 26, 2021, audit committee members brought forward concerns about possible incorrect accounting for and reporting of operating expenses in the Capital Projects Funds for Community Services and Beaches and corrections could have been made prior to submitting the final financial statements.

Since the Board of Trustees approved the January 14, 2021 Moss Adams report there was adequate time to bring forth, for Board approval, an augmentation of the 2020/2021 budget to reflect a reallocation of Facility Fees from the Capital Project Funds to the Special Revenue Fund to provide funds for the expenses incurred.

According to the final 2020/2021 Annual Comprehensive Finance Report a total of \$705,397 in operating expenses were reported in the Community Services Capital Projects Fund and \$234,767 in operating expenses in the Beach Capital Project Fund. If these operating expenses had been properly classified in the respective Special Revenue Funds, the revenues in excess of expenditures in the Community Services Special Revenue Fund (operating) would have been reduced by 25%,. The excess of expenditures over revenues in the Beach Special Revenue Fund would have been increased from \$211,408 to \$446,175 and increase of 111%.

Any reader of the financial statements could be misled regarding the actual expenses of operating the recreational venues.



## GASB #54

resources (investment earnings and transfers from other funds, for example) also may be reported in the fund if those resources are restricted, committed, or assigned to the specified purpose of the fund. Governments should discontinue reporting a special revenue fund, and instead report the fund's remaining resources in the general fund, if the government no longer expects that a substantial portion of the inflows will derive from restricted or committed revenue sources.

32. Governments should disclose in the notes to the financial statements the purpose for each major special revenue fund—identifying which revenues and other resources are reported in each of those funds.

***Capital Projects Funds***

33. Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

***Debt Service Funds***

34. Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated. Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in debt service funds.

## Exhibit B

**NRS 354.4995 “Capital projects fund” defined.** “Capital projects fund” means a fund created to account for resources used for the acquisition or construction of designated capital assets by a governmental unit except those financed by proprietary or trust funds.

(Added to NRS by 1983, 1636; A 1989, 402; 2001, 1798)

Moreover, management believes that the review of capital assets and subsequent write-offs to be consistent with Board Policy 9.1 and Board Practice 9.2. At the same time, given the identified need to clarify aspects of the capitalization policy, these have been largely addressed in the updated capitalization policy approved by the Board in January.

- 9) *Timing and accounting of expensing of CIP Budget items.* Management concurs with the audit comments related to the timing of expensing costs that do not meet capitalization criteria and internal processes have been updated to identify and expense these items when incurred rather than at the close-out of a project.

With respect to the Audit Committee's concern that expense items were recorded in the capital project funds, management's position – supported by the independent auditor – is that the recording of these costs within the capital project funds *does not violate GAAP/GASB*, nor does it violate provisions of the NRS. (The Department of Taxation has since rendered its opinion that the 2020/21 Annual Comprehensive Finance Report contains no violation of applicable NRS statutes or regulations).

Note – on a going forward basis, this issue is rendered moot by the transition from Governmental Funds to Enterprise Funds for the District's Community Services and Beach funds.

- 10) *Investment income.* The accounting for investment income has been modified beginning with the 2021/22 (current) fiscal year.
- 11) *Review of items capitalized in the FY2020/21 financial statements.* All FY2020/21 capital and construction-in-process items were reviewed by management and the auditor and concluded that capitalization was appropriate.
- 12) *Recording of Facility Fees in the Statement of Activities.* The Audit Committee report states that, in the Committee's opinion, the reporting of Facility Fees as general revenues is not in compliance with GAAP, and should be corrected. Management, along with current and past auditors, have determined that the Facility Fees represent non-exchange transactions and, as such, are appropriately recorded as general revenues in the District's financial statements. The Audit Committee engaged a specific discussion on this topic with Jennifer Farr, DavisFarr Managing Partner for this audit engagement.

#### Section 4 – Additional Recommendations

EXHIBIT D



STATE OF NEVADA  
DEPARTMENT OF TAXATION

Web Site: <http://tax.nv.gov>  
1550 College Parkway, Suite 115  
Carson City, Nevada 89706-7937  
Phone: (775) 684-2000 Fax: (775) 684-2020

RENO OFFICE  
4600 Kietzke Lane  
Building L, Suite 235  
Reno, Nevada 89502  
Phone: (775) 688-1295  
Fax: (775) 688-1303

STEVE SISOLAK  
*Governor*  
JAMES DEVOLLD  
*Chair, Nevada Tax Commission*  
MELANIE YOUNG  
*Executive Director*

LAS VEGAS OFFICE  
Grant Sawyer Office Building, Suite 1300  
555 E. Washington Avenue  
Las Vegas, Nevada 89101  
Phone: (702) 486-2300 Fax: (702) 486-2373

HENDERSON OFFICE  
2550 Paseo Verde Parkway, Suite 180  
Henderson, Nevada 89074  
Phone: (702) 486-2300  
Fax: (702) 486-3377

January 13, 2022

Incline Village General Improvement District  
Paul Navazio, Finance Director  
893 Southwood Boulevard  
Incline Village, NV 89451

Re: Annual Audit Report – Fiscal Year 2021

Dear Mr. Navazio:

Pursuant to NRS 354.6245, the Department of Taxation is charged with the review of all annual audits to determine their compliance with statutes and/or regulations. The Department must also identify all violations of statute and/or regulations reported therein.

The Department has completed its review of your audit report and NO violations of statute and/or regulations were noted. The auditor met the statutory provisions required by NRS 354.624 and NRS 354.6241.

If you should have any questions, please do not hesitate to contact me at 775-684-2065 or my e-mail at [kgrahmann@tax.state.nv.us](mailto:kgrahmann@tax.state.nv.us).

Sincerely,

Kellie Grahmann  
Budget Analyst  
Local Government Finance

Exhibit E  
Davis Farr - Section of Report

**Compliance and Other Matters**

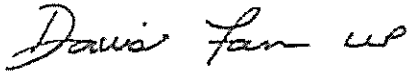
As part of obtaining reasonable assurance about whether Incline Village General Improvement District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

**District's Response to Recommendations**

The District's written response to the significant deficiencies and material weaknesses identified in our audit has not been subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**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.



Irvine, California  
December 3, 2021

## Exhibit F

### **NRS 354.624 Annual audit: Requirements; designation of auditor; scope and disposition; dissemination; prohibited provision in contract with auditor.**

1. Each local government shall provide for an annual audit of all of its financial statements. A local government may provide for more frequent audits as it deems necessary. Except as otherwise provided in subsection 2, each annual audit must be concluded and the report of the audit submitted to the governing body as provided in subsection 6 not later than 5 months after the close of the fiscal year for which the audit is conducted. An extension of this time may be granted by the Department of Taxation to any local government that submits an application for an extension to the Department. If the local government fails to provide for an audit in accordance with the provisions of this section, the Department of Taxation shall cause the audit to be made at the expense of the local government. All audits must be conducted by a certified public accountant or by a partnership or professional corporation that is registered pursuant to chapter 628 of NRS.

2. The annual audit of a school district must:

(a) Be concluded and the report submitted to the board of trustees as provided in subsection 6 not later than 4 months after the close of the fiscal year for which the audit is conducted.

(b) If the school district has more than 150,000 pupils enrolled, include an audit of the expenditure by the school district of public money used:

(1) To design, construct or purchase new buildings for schools or related facilities;

(2) To enlarge, remodel or renovate existing buildings for schools or related facilities; and

(3) To acquire sites for building schools or related facilities, or other real property for purposes related to schools.

3. The governing body may, without requiring competitive bids, designate the auditor or firm annually. The auditor or firm must be designated, and notification of the auditor or firm designated must be sent to the Department of Taxation not later than 3 months before the close of the fiscal year for which the audit is to be made.

4. Each annual audit must cover the business of the local government during the full fiscal year. It must be a financial audit conducted in accordance with generally accepted auditing standards in the United States, including findings on compliance with statutes and regulations and an expression of opinion on the financial statements. The Department of Taxation shall prescribe the form of the financial statements, and the chart of accounts must be as nearly as possible the same as the chart that is used in the preparation and publication of the annual budget. The report of the audit must include:

(a) A schedule of all fees imposed by the local government which were subject to the provisions of NRS 354.5989;

(b) A comparison of the operations of the local government with the approved budget, including a statement from the auditor that indicates whether the governing body has taken action on the audit report for the prior year;

(c) If the local government is subject to the provisions of NRS 244.186, a report showing that the local government is in compliance with the provisions of paragraphs (a) and (b) of subsection 1 of NRS 244.186; and

(d) If the local government is subject to the provisions of NRS 710.140 or 710.145, a report showing that the local government is in compliance with the provisions of those sections with regard to the facilities and property it maintains and the services it provides outside its territorial boundaries.

5. Each local government shall provide to its auditor:

(a) A statement indicating whether each of the following funds established by the local government is being used expressly for the purposes for which it was created, in the form required by NRS 354.6241:

(1) An enterprise fund.

(2) An internal service fund.

(3) A fiduciary fund.

(4) A self-insurance fund.

(5) A fund whose balance is required by law to be:

(I) Used only for a specific purpose other than the payment of compensation to a bargaining unit, as defined in NRS 288.134; or

(II) Carried forward to the succeeding fiscal year in any designated amount.

(b) A list and description of any property conveyed to a nonprofit organization pursuant to NRS 244.287 or 268.058.

(c) If the local government is subject to the provisions of NRS 244.186, a declaration indicating that the local government is in compliance with the provisions of paragraph (c) of subsection 1 of NRS 244.186.

(d) If the local government is subject to the provisions of NRS 710.140 or 710.145, a declaration indicating that the local government is in compliance with the provisions of those sections with regard to the facilities and property it maintains and the services it provides outside its territorial boundaries.

6. The opinion and findings of the auditor contained in the report of the audit must be presented at a meeting of the governing body held not more than 30 days after the report is submitted to it. Immediately thereafter, the entire report, together with the management letter required by generally accepted auditing standards in the United States or by regulations adopted pursuant to NRS 354.594, must be filed as a public record with:

- (a) The clerk or secretary of the governing body;
- (b) The county clerk;
- (c) The Department of Taxation; and
- (d) In the case of a school district, the Department of Education.

7. After the report of the audit is filed by the local government, the report of the audit, including, without limitation, the opinion and findings of the auditor contained in the report of the audit, may be disseminated by or on behalf of the local government for which the report was prepared by inclusion, without limitation, in or on:

- (a) An official statement or other document prepared in connection with the offering of bonds or other securities;
- (b) A filing made pursuant to the laws or regulations of this State;
- (c) A filing made pursuant to a rule or regulation of the Securities and Exchange Commission of the United States; or
- (d) A website maintained by a local government on the Internet or its successor,

↪ without the consent of the auditor who prepared the report of the audit. A provision of a contract entered into between an auditor and a local government that is contrary to the provisions of this subsection is against the public policy of this State and is void and unenforceable.

8. If an auditor finds evidence of fraud or dishonesty in the financial statements of a local government, the auditor shall report such evidence to the appropriate level of management in the local government.

9. The governing body shall act upon the recommendations of the report of the audit within 3 months after receipt of the report, unless prompter action is required concerning violations of law or regulation, by setting forth in its minutes its intention to adopt the recommendations, to adopt them with modifications or to reject them for reasons shown in the minutes.

(Added to NRS by 1965, 735; A 1967, 939; 1969, 800; 1971, 1344; 1973, 184; 1975, 451, 1688, 1801; 1977, 547; 1981, 313, 1768; 1987, 1043; 1989, 620; 1995, 1896, 1935; 1997, 574, 1611, 1739; 1999, 472, 2945; 2001, 1810; 2003, 1231; 2005, 292, 1344)

## Exhibit G

**NRS 354.6241 Contents of statement provided by local government to auditor; expenditure of excess reserves in certain funds; restrictions on use of budgeted ending fund balance in certain circumstances. [Effective through June 30, 2021.]**

1. The statement required by paragraph (a) of subsection 5 of NRS 354.624 must indicate for each fund set forth in that paragraph:

- (a) Whether the fund is being used in accordance with the provisions of this chapter.
- (b) Whether the fund is being administered in accordance with generally accepted accounting procedures.
- (c) Whether the reserve in the fund is limited to an amount that is reasonable and necessary to carry out the purposes of the fund.
- (d) The sources of revenues available for the fund during the fiscal year, including transfers from any other funds.
- (e) The statutory and regulatory requirements applicable to the fund.
- (f) The balance and retained earnings of the fund.

2. Except as otherwise provided in subsection 3 and NRS 354.59891 and 354.613, to the extent that the reserve in any fund set forth in paragraph (a) of subsection 5 of NRS 354.624 exceeds the amount that is reasonable and necessary to carry out the purposes for which the fund was created, the reserve may be expended by the local government pursuant to the provisions of chapter 288 of NRS.

3. For any local government other than a school district, for the purposes of chapter 288 of NRS, a budgeted ending fund balance of not more than 16.67 percent of the total budgeted expenditures, less capital outlay, for a general fund:

- (a) Is not subject to negotiations with an employee organization; and
- (b) Must not be considered by a fact finder or arbitrator in determining the financial ability of the local government to pay compensation or monetary benefits.

(Added to NRS by 1995, 1934; A 2001, 387, 1812; 2011, 1690; 2015, 2967; 2019, 3608)





**RESOLUTION NO. 1838**

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

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

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

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

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

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

**NOW, THEREFORE, IT IS ORDERED**, as follows:

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



**RESOLUTION NO. 1838**

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

\* \* \* \* \*

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

AYES, and in favor thereof, Trustees:

NOES, Trustees:

ABSENT; Trustees:

\_\_\_\_\_  
Jim Hammerel  
Secretary, IVGID Board of Trustees



**RESOLUTION NO. 1838**

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

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2021**

	GENERAL	COMMUNITY SERVICES SPECIAL REV.	BEACH SPECIAL REVENUE	COMMUNITY SERVICES CAP. PROJECTS	BEACH CAPITAL PROJECTS	COMMUNITY SERVICES DEBT SERV.	Nonmajor BEACH DEBT SERVICE	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES</b>								
Ad valorem taxes	\$ 1,760,019							\$ 1,760,019
Personal Property Tax	52,009							52,009
Intergovernmental								
Consolidated taxes	1,629,192							1,629,192
Local Government Tax Act Services	1,110	36,997						38,107
Charges for Services		16,092,512	839,405					16,931,917
Facility Fees		1,735,612	648,974	536,571	3,196,016	412,748	7,720	6,537,641
Interfund Services		91,769						91,769
Operating Grants		17,000						17,000
Capital Grants				88,505				88,505
Investment income	68,489	4,471	635					73,595
Miscellaneous	8,363	119,697						128,060
<b>Total revenues</b>	<u>3,779,698</u>	<u>18,028,055</u>	<u>1,489,014</u>	<u>625,076</u>	<u>3,196,016</u>	<u>412,748</u>	<u>7,720</u>	<u>27,608,330</u>
<b>EXPENDITURES</b>								
<b>GENERAL GOVERNMENT</b>								
Manager	397,556							397,556
Trustees	143,722							143,722
Accounting	324,601							324,601
Information Services	910,923							910,923
Human Resources	2,999							2,999
Health & Wellness	16,218							16,218
Community & Employee Relations	165,651							165,651
Administration	565,230							565,230
Capital Outlay	365,878							365,878
<b>RECREATION</b>								
Championship Golf		3,312,505						3,312,505
Mountain Golf		1,014,000						1,014,000
Facilities		1,005,717						1,005,717
Ski		6,603,759						6,603,759
Community Programming and Recreation Center		1,938,411						1,938,411
Parks		758,179						758,179
Tennis		249,060						249,060
Recreation Administration		377,556						377,556
Beach			1,700,122					1,700,122
Capital Outlay								
Championship Golf				785,415				785,415
Mountain Golf				79,296				79,296
Ski				115,469				115,469
Community Programming and Recreation Center				252,906				252,906
Parks				170,123				170,123
Tennis				798,648				798,648
Beach					1,010,438			1,010,438
Debt Service								
Principal						362,075	5,925	368,000
Interest						31,097	345	31,442
<b>Total expenditures</b>	<u>2,923,799</u>	<u>15,289,187</u>	<u>1,700,122</u>	<u>2,907,254</u>	<u>1,215,205</u>	<u>383,172</u>	<u>6,270</u>	<u>24,454,309</u>
Excess revenues (expenditures)	856,009	2,800,871	(211,108)	(2,282,178)	1,980,811	29,576	1,450	3,154,021
<b>OTHER FINANCING SOURCES:</b>								
Proceeds from Sale of Capital and Intangible Assets		52,250		1,500				53,750
Transfers In (Out) - Facility Fees for Capital Expenditure		(537,835)		537,835				
Net change in fund balance	<u>856,009</u>	<u>2,323,286</u>	<u>(211,108)</u>	<u>(1,742,843)</u>	<u>1,980,811</u>	<u>29,576</u>	<u>1,450</u>	<u>3,267,771</u>
Fund Balance, July 1, as reported	4,630,149	15,280,913	2,391,612					22,502,691
Prior period adjustment	243,512	(1,637,400)		1,637,400				243,512
Fund Balance, July 1 as adjusted	4,873,661	13,643,513	2,591,612	1,637,400				22,746,200
Fund Balance, June 30	<u>\$ 5,730,520</u>	<u>\$ 15,966,799</u>	<u>\$ 2,380,221</u>	<u>\$ (105,443)</u>	<u>\$ 1,950,811</u>	<u>\$ 29,576</u>	<u>\$ 1,450</u>	<u>\$ 25,953,977</u>

→ Total of \$705,397

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



## Project Summary

<b>Project Number:</b>	2524SS1010	
<b>Title:</b>	Effluent Export Line - Phase II	
<b>Asset Class:</b>		
<b>Division:</b>	24 - Transmission	
<b>Budget Year:</b>	2017	
<b>Scenario Name:</b>		<b>Active:</b> Yes
<b>Budget Status:</b>	Data Entry	
<b>Locations:</b>		
<b>Project Something:</b>	SS - Sewer System	

<b>Project Description</b>
<p>As part of the original Effluent Export Pipeline Project, IVGID replaced approximately 6-miles of 16-inch Export Pipeline. These included approximately 18,000 linear feet (LF) in Segment 1 and 11,000 LF in Segment 3. During planning and design of the first phase approximately 13,700 LF of Segment 3 and all 17,300 LF of Segment 2 were identified to be in good condition and were not identified for replacement. In August 2009, a pipe break within the unreplaced portion of Segment 3 washed out State Route 28. Investigation of the leak by IVGID staff and an IVGID-hired corrosion consulting engineer revealed areas of advanced corrosion on the damaged pipeline section, indicating that unreplaced portions of the export line may be nearing the end of their service and replacement of the remaining pipeline should be planned and budgeted.</p> <p>The proposed project, Effluent Export Pipeline Project - Phase II, will replace these two remaining sections within the Tahoe Basin (a total length of approximately 6 miles). Segment 2 is comprised of approximately 17,300 LF of welded, cement mortar lined, high pressure steel pipe. The remaining 13,700 LF of Segment 3 is comprised of bell and spigot, cement mortar lined, low pressure steel pipe. The project will be completed over multiple years in a manner similar to the original Effluent Export Pipeline Project. Like Phase I, the Export line will be replaced using open-cut construction, moving the pipeline to the center of the Southbound travel lane.</p>
<b>Project Internal Staff</b>
The Engineering Department will manage all phases of this project.
<b>Project Justification</b>
<p>The effluent export line transports treated wastewater from Incline Village General Improvement District's (IVGID) wastewater treatment plant to the disposal point at the wetlands southeast of Carson City. This line was constructed in the early 1970's as part of a regional effort to eliminate all wastewater effluent discharges in the Lake Tahoe basin. The effluent export line has been in continuous service since that time. Approximately 6 miles of line was replaced as part of the Effluent Export Pipeline Project - Phase I. Phase II will pursue the replacement of the remaining 6 miles of pipe within the Tahoe Basin.</p> <p>The current Project Cooperation Agreement with the US Army Corps of Engineers will expire with the completion of the Phase I work. IVGID will look to enter into an expanded Project Cooperation Agreement with the US Army Corps of Engineers for 55% funding of all construction costs. The current political climate and financial issues in Washington D.C. make it unlikely that any future funding will be secured for this project. All grant funding has been removed for this project. IVGID will also place the project on the list for the Nevada State Revolving Loan Fund. Funding for this project will be the utility rates.</p>