

Community Forum on IVGID Finances held on October 18, 2017 at the Chateau:

Questions submitted by the public with responses by IVGID

Question: This has been great tonight – when is the next one and what will be the topic?

Answer: The next Community Forum on IVGID Finances is slated to be held in February 2018. We will be focusing on the Capital Improvement 5 Year Plan.

Question: I like what I am hearing about you managing our facilities – can you talk about our future?

Answer: A good source of information about our future can be found on our website:

- Strategic Plan guiding principles:
<https://www.yourtahoeplace.com/ivgid/resources/district-strategic-plan>
- Community Services Master Plan:
<https://www.yourtahoeplace.com/ivgid/resources/community-services-master-plan>
- 5 year Capital Improvement Projects:
<https://www.yourtahoeplace.com/ivgid/financial-transparency/5-year-capital-project-summary>

Question: Regarding Diamond Peak revenues – I noticed 2008 revenues were nearly \$14 million compared to \$9 million last year. How much of that do you attribute to the economy collapsing in 2008 vs. the draught, lower ticket prices, etc.

Answer: In 2008, Diamond Peak received \$7 million in bond proceeds to remodel the Base Lodge, which was half of the \$14 million this question is referring to. Operating Revenues the last two years have been all time highs.

Question: What happens if the District stays on the pay as you go versus bonding?

Question: It doesn't make sense pay cash for long-term items. It seems like there are two trustees who are adverse to leases and debt. What are the long-term implications of this?

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Answer: At some point, our asset replacement needs are going to exceed our available cash and we will have to find alternative sources.

Question: Is the Fund Balance the same as the Reserve Balance?

Answer: In the governmental funds, fund balance is essentially our measure for target reserves. In the proprietary funds, the unrestricted portion of net position is what we measure for our target reserves.

Question: The 2016 CAFR on page 26 Statement of Activities lists the Rec Fee (facility fee) as general revenues of all funds except utilities. Is that correct?

Answer: While it is listed that way, that statement is an accumulation of multiple funds, the reality is the Facility Fee is limited to use by the Community Services and Beach funds, respectfully.

Question: Why would the \$9,700,000 set aside for the effluent pipeline be considered unrestricted?

Answer: There are a lot more rules for governmental accounting activities about restrictions, and categories of committed, assigned for Community Services. It doesn't exist for Utilities. Governmental Accounting Standards Board says money that is in an enterprise account is already dedicated exclusively to that enterprise. The State law passed for central services cost allocation, acknowledges the restriction about enterprise funds. For the effluent pipeline that is in the Utility Fund, the defined standard is that unrestricted net position in that fund only is used for utilities. The only reason we are collecting those monies is for the effluent pipeline.

Question: District's attorney Jason Guinasso said there is no Chart of Accounts. Kendra Wong says there is but it is not a "public record." Now it exists and is very public on our webpage. Please explain why IVGID was previously concealing this key document?

Question: For years, IVGID Staff have refused to share IVGID's chart of accounts repeatedly assert it is not a "public record" required to be made available to the public for examination. It wasn't until about a month ago when IVGID staff chose

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to publish it on its website. What changed and why? Answer: The District has always had a Chart of Accounts; however, due to its size and complexity, it only existed as a database and was not produced as a document in a form that would make it a public record. Instead, the District has maintained a table of the elements of the chart of accounts, which was recently added to website in a form available for staff use. And now that makes it a public record: [https://www.yourtahoeplace.com/uploads/pdf-ivgid/Legend to Our Account Structure.pdf](https://www.yourtahoeplace.com/uploads/pdf-ivgid/Legend%20to%20Our%20Account%20Structure.pdf).

Question/Suggestion – Since there was no time to answer questions, please answer them and post them to the website.

Answer: Great! Thanks for the suggestion, here they are!

Question: Why did we spend all this \$\$ on ads to attend this meeting and then have un-readable slides.

Answer: The slideshow was printed and available for the public at the forum. The slides were for reference only and are posted, for your information, on our website: [https://www.yourtahoeplace.com/uploads/pdf-ivgid/CommunityForum on IVGID Finance Powerpoint Presentation .pdf](https://www.yourtahoeplace.com/uploads/pdf-ivgid/CommunityForum%20on%20IVGID%20Finance%20Powerpoint%20Presentation.pdf)

Question: Can you address the current issue of deleting emails and how this reinforces transparency?

Answer: Several questions were asked about record retention, and not related to the forum's topic of financial overview. However, it is important to understand that IVGID is not concealing nor destroying records as has been mentioned by some members of the public. As you heard at the Board meeting in September, a Board member and staff met with the representatives from the State of Nevada Archives office and the Attorney General's office. The purpose of this meeting was to discuss an update to our Records Retentions Schedule. Since that time, staff and District Counsel had a positive meeting with a great outcome and IVGID is excited to work to update its records retention policy. A records retention training will be set-up for staff and board members soon.

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Question: What did the Auditor say about the internal controls after the CAFR required reinstatement?

Answer: We found a single typographical error in 2016 audit. To address the comment on Internal Control we identified that we needed a documented second review for the future; the auditors accepted that as a way to remedy the issue.

Question: Why is the reserve for the Utility Fund using Board Policy 7.1.0 rather than appropriate Board Policy 19.1-19.2?

Answer: The reserves are based on Fund Balance (Board Policy 7.1.0.) and Board Policy 19.1.0 relates to a different calculation which is working capital.

Question: Please repeat where “target” fund #'s come from in the balance reserve slide?

Answer: Target Fund numbers are in the budget document (budget 16-17; page 114): https://www.yourtahoeplace.com/uploads/pdf-ivgid/2016-2017_Operating_Budget_2.pdf

Question: Trustees have repeatedly cited errors and incomplete information in a number of senior staff financial reports including the 2016 capital projects report and the fund balance stress test; why haven't these reports been recalculated?

Answer: We have received questions regarding accuracy; we stand by the reports as presented.

Question: Why does the actual reserve balance not account for anticipated projects – shouldn't this be reflected in the planned target reserve #'s?

Answer: The planned target reserves are based on stated components, not specific projects. Please reference our Board Policy 7.1.0: https://www.yourtahoeplace.com/uploads/pdf-ivgid/IVGID_Board_Policies.pdf.

Question: What footnote could be added to key financial tables?

Answer: The tables are included in the CAFR which already has information explaining what those items are for the whole report rather than individual pages.

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Question: You state a portion of property taxes are used to pay some of our utility costs. Given 100% of property taxes are assigned to the General Fund, what is the expense called that is transferred to utility costs and how much was budgeted this fiscal year?

Answer: We clarified in the meeting that the property taxes are not allocated to any funds, rather they cover costs in the General Fund that are not allocated to other funds. The Central Services Cost Allocation does represent Accounting and Human Resources costs allocated to other funds. (16-17 budget: \$1,177,200).

Question: For 2016 when the independent auditor restated the financials, he cited a deficiency in internal controls. As a consequence what assurance do citizens have that the 2016 CAFR is free from error and fraud?

Answer: The auditors re-issued their report dated May 3, 2017 considering the correction of the typographical error, with a special paragraph noting they expressed an unmodified report.

Question: Do you know what the Accounting Theory of Substance over form is?

Answer: Our financial reporting is governed by general accepted accounting principles including a format that is prescribed.

Question: IVGID transfers money from other funds to the beaches. Crystal Bay pays into those other funds, yet cannot use the beaches. Isn't this setting us up for more lawsuits?

Answer: The only Beach related transfers come from other beach funds. We go to great effort to make sure the beaches are paid for by those who can use them.

Question: Explain what "enabling legislation" means as it relates to determining if funds are restricted or unrestricted?

Answer: Please reference Governmental Accounting Statement #54 issued February 2009.

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Question: Is there a comparison of communities across the state as to Services; Services vs. Overall Costs; Services vs. Costs/Community Member; Values vs. Cost? If so, where can we find it?

Answer: We are not aware of such a comparison.