



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

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Fax: (775) 684-2020

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

February 28, 2023

Ms. Vera Boyer
Esmeralda County Deputy Auditor / Recorder
P.O. Box 458
Goldfield, NV 89013

Re: Annual Audit Fiscal Year 2022
Esmeralda County, Town of Goldfield, Town of Silver Peak

Dear Ms. Boyer:

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.

In our review of your audit, we identified two habitual repeated material weaknesses as noted by your auditor on pages 200 and 201 of the audit report. Also listed on pages 202 and 203 of the audit report were two recurring significant deficiencies in internal control over financial reporting.

Per NRS 354.6245, within 60 days after delivery of the annual audit to the local government, the governing body shall advise the department what action has been taken to prevent recurrence of violation of law or regulation and to correct each continuing violation.

Please submit a plan of corrective action with original signatures by March 15, 2023. It is recommended that you have your governing body sign the plan eliminating the need for a copy of the minutes reflecting the vote to be submitted to our department.

If you should have any questions, please do not hesitate to call me at 775-684-2077. My e-mail address is kgransbery@tax.state.nv.us

Sincerely,

A handwritten signature in black ink that reads "Kerl Gransbery".

Kerl Gransbery
Budget Analyst
Local Government Finance
Department of Taxation

cc: Daniel C. McArthur, Ltd



Esmeralda County Recorder/Auditor Office

Vera Boyer

Recorder/Auditor

PO Box 458

Goldfield, Nv. 89013

Office: (775) 485-6337

Fax (775) 485-6338

Email vboyer@esmeraldacountynv.org

March 06, 2023

Department of Taxation
1550 College Parkway, Suite 115
Carson City, Nv 89706-7937

Esmeralda County, Nevada respectfully submits the following corrective action plan for the year ending June 30, 2021.

Corrective Action for Internal Control Finding

2022 – 001 Financial Period Close

RECOMMENDATIONS:

- The financial closing and reporting process should be clearly defined, documented, and communicated to appropriate departments.
- Staffing requirements of the County Auditor's and Treasurer's office should be reviewed and adjusted as necessary.
- Specific closing tasks should be assigned to staff with specific dates for completion of month end close. Tasks should include significant account reconciliation, account analysis, account variance analysis, and adjusting journal entries to correct noted errors.
- Accounts receivable and accounts payable accounts should be reconciled to subsidiary ledgers/listings.
- Capital outlay expenditures should be reconciled to the capital asset listing.
- The County Auditor and the County Treasurer should agree on the reconciled cash and investment balances of each fund. Any reconciling item should be recorded.

Corrective Action: The staff of the County Auditor and County Treasurer continue to receive training concerning use of the accounting software program. Continued training will be necessary due to initial system installation errors. In addition, accounting, training continues to be made available to office staff. With the completion of corrective action for timely bank reconciliation financial close should be timely.

Responsible Individual: County Auditor and County Treasurer

Anticipated Completion Date: On going as the training becomes available

2022-002 Pooled Cash and Investment Reconciliation

RECOMMENDATIONS:

- Two individuals within the Treasurer's office should be trained on bank reconciliation procedures.
- Addition of an employee to assist with the completion of the bank reconciliation.
- The Auditor should be provided a copy of the completed bank and investment reconciliation in a timely manner after the end of the month for review.
- Items identified as part of the reconciliation that require adjustment to the general ledger should be posted timely.
- Reconciliation reports and related cash and investment fund balance reports should be presented to the County Commission timely after the end of the month for Commission review.

Corrective Action: The County has determined that it will perform the bank reconciliation procedures outside of the software system due to continuing issues with the software and will continue until such time the County can rely on the software system for cash reconciliation.

Training will be provided to staff of the County Treasurer's office on the completion of bank reconciliations. Training should be completed by April 30, 2023.

Responsible Individual: County Treasurer

Anticipated Completion Date: April 30, 2023

2022-003 Credit Card Expenditures

Significant Deficiency in Internal Control Over Financial Reporting

RECOMMENDATIONS:

- County credit card policy and procedure should be reviewed and updated. Credit card statements along with supporting documentation for expenditures should be audited by the County Auditor prior to payment. All credit card activity should be recorded on the general ledger monthly.

Corrective Action: The county will review and update the credit card policy that will be approved by the County Commission.

Responsible Individual: County Auditor

Anticipated Completion: April 30, 2023

2022-004 Apportionment of Investment Income

Significant Deficiency in Internal Control Over Financial Reporting

RECOMMENDATIONS: Investment income should be allocated monthly to each fund that participates in the investment pool. A second person should review investment income to verify accurate revenue allocation prior to posting. Training should be provided to staff members. Staffing requirements should be reviewed and adjusted as necessary.

Corrective Action: Training will be provided to staff of the County Treasurer and County Auditor offices on apportionment of investment income.

Corrective Action for Compliance to Nevada Revised Statutes

Chapter 354.280(2) of the Nevada Revised Statutes indicates that the Treasurer is to submit to the County Commission each month at any regular meeting, or at a special meeting, a statement of the balance of each fund together with the money on deposit, outstanding checks, and cash on hand. The monthly statements were not submitted for several of the months during the year.

Corrective Action: Monthly reports have been submitted to the County Commission for the months of March, 2022 as recorded in the minutes of the County Commission. Fund Balance Cash reports are now being filed monthly with the County Commission. Corrective action has been taken.

Responsible Individual: County Treasurer

Anticipated Completion: April 30, 2023

This corrective action plan was presented to the Board of County Commissioners on March 07, 2023.
The corrective action plan was approved on March 07, 2023.

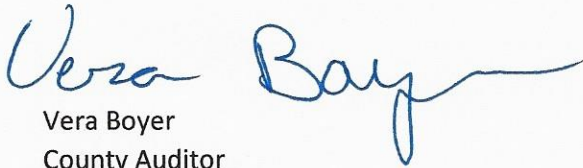
Sincerely,

A handwritten signature in blue ink that reads "Ralph Keyes". The signature is fluid and cursive, with a long horizontal stroke at the end.

Ralph Keyes
Commissioner Chairman

A handwritten signature in blue ink that reads "LaCinda Elgan". The signature is cursive and elegant, with a prominent initial "L".

LaCinda Elgan
County Treasurer

A handwritten signature in blue ink that reads "Vera Boyer". The signature is cursive and includes a long horizontal stroke at the end.

Vera Boyer
County Auditor



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March 15, 2023

Ms. Vera Boyer
Esmeralda County Deputy Auditor / Recorder
P.O. Box 458
Goldfield, NV 89013

Re: Annual Audit Fiscal Year 2022
Esmeralda County, Town of Goldfield, Town of Silver Peak

Dear Ms. Boyer:

Pursuant to NRS 354.6245, the Department of Taxation has evaluated the plan of corrective action submitted by you for violations of statute and/or regulation identified in the June 30, 2022 audit report. Based on the evaluation the Department of Taxation has found the plan to be satisfactory.

If you have any questions, please feel free to give me a call me at (775) 684-2077 or e-mail me at kgransbery@tax.state.nv.us.

Sincerely,

A handwritten signature in black ink that reads "Keri Gransbery".

Keri Gransbery, Budget Analyst
Local Government Finance
Department of Taxation



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March 15, 2023

Sid Beckwith, Chairman
White Pine Television District
PO Box 151704
Ely, NV 89315

Re: 2nd Request for Extension on Annual Audit Report

Dear Mr. Beckwith,

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

Pursuant to your letter dated March 14, 2023, and the Department's policy on granting extensions, White Pine Television District is hereby granted an extension until April 13, 2023, for the submission to its governing body the audit report for the fiscal year ending June 30, 2022.

The extension is contingent on the submission of two copies of the audit report to the Department of Taxation no later than April 28, 2023.

If you should have any questions, please do not hesitate to contact me at 775-684-2027 or e-mail address at barragan@tax.state.nv.us.

Sincerely,

A handwritten signature in blue ink, appearing to read "Evelyn P. Barragan".

Evelyn P. Barragan
Budget Analyst

White Pine Television District
PO Box 151704
Ely, NV 89315

March 14, 2023

Evelyn Barragan
State of Nevada
Department of Taxation
1550 E College Parkway, Suite 115
Carson City, NV 89706-7934

Dear Evelyn,

The White Pine Television District would like to request a 30-day extension for the Fiscal Year 2022 Audit through April 13th, 2023. The Auditor that the White Pine Television District had engaged to complete the June 30, 2022 has withdrawn from the engagement. The board has been working on lining up a new auditor and have signed an Engagement letter today with Anderson Bros CPA out of Idaho to complete the audit.

The board has a draft of the financial statements for the Audit report prepared by McMullen, McPhee & Co, LLC certified public accountants. The TV District is planning to use the figures reported on it for the preparation of their tentative budget. The final budget will be prepared using the final audit report.

The Audit report is expected to be received by the board by May 15th and is expected to hold a meeting to approve the audit shortly after. They will send to the State of Nevada Department of Taxation by May 31st.

Please contact us with any questions.

Very truly yours,



Mark Paris, CPA
McMullen, McPhee & Co, LLC



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STEVE SISOLAK
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TONY WREN
Chair, Nevada Tax Commission
SHELLIE HUGHES
Executive Director

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Fax: (775) 688-1303

October 19, 2022

White Pine County Tourism and Recreation
Kyle Horvath, Director
150 6th Street
Ely, NV 89301

Re: Request for Extension on Annual Audit Report

Dear Mr. Horvath,

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

Pursuant to your letter dated November 18, 2022 and the Department's policy on granting extensions, White Pine County Tourism and Recreation is hereby granted an extension until December 20, 2022 for the submission to its governing body the audit report for the fiscal year ending June 30, 2022.

The extension is contingent on the submission of two copies of the audit report to the Department of Taxation no later than January 14, 2023.

If you should have any questions, please do not hesitate to contact me at 775-684-2027 or e-mail address at barragan@tax.state.nv.us.

Sincerely,

A handwritten signature in blue ink, appearing to read "Evelyn P. Barragan".

Evelyn P. Barragan
Budget Analyst
Local Government Finance

TOPAZ RANCH ESTATES WATER CO

3924 CARTER WAY

WELLINGTON, NV 89444

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8:00AM to 2:30PM

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November 18, 2022

Nevada Department of Taxation
Local Government Finance
1550 College Parkway, Suite 115
Carson City, NV 89706
Re: Request for Extension - June 30, 2022 Audit

In accordance with the requirements of NRS 354.624(1) and NAC 354.735, we are respectfully requesting an extension of time to file our audit for the year ended June 30, 2022. Local Government Topaz Ranch Estates General Improvement District
Audit Firm David E. Silva, CPA
Silva, Sceirine & Assoc, LLC
9585 Prototype Court, Suite C
Reno, NV 89521
dsilva@cpassa.com

Date Report to be Filed with Board of Trustees

January 11, 2023, which is a scheduled public meeting.

Date Report to be Filed with NV Department of Taxation

January 18, 2023, which immediately follows the public meeting noted above.

Explanation We have had turnover in key employees this year and additional time is needed to prepare requested data for audit.

Thank you for your consideration of our request.
Very truly yours,

Cody Dalhaus



District Operations Manager



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4600 Kietzke Lane, Suite L235
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Fax: (775) 688-1303

November 23, 2022

Cody Dalhaus, District Operations Manager
Topaz Ranch Estates GID/Water
3924 Carter Way
Wellington, NV 89444

Re: Request for Extension on Annual Audit Report - FY 2022

Dear Mr. Reed:

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

Pursuant to your letter dated November 18, 2022 and the Department's policy on granting extensions, Topaz Ranch Estates GID/Water is hereby granted an extension until January 11, 2023 for the submission to its governing body the audit report for the fiscal year ending June 30, 2022.

The extension is contingent on the submission of two copies of the audit report to the Department of Taxation no later than January 31, 2023.

Should you have any questions, do not hesitate to contact me at (775) 684-2092 or by e-mail at tthorpe@tax.state.nv.us.

Sincerely,

Ande Thorpe, Budget Analyst
Local Government Finance
Department of Taxation

cc: David E. Silva, CPA
Silva, Sceirine & Assoc, LLC
9585 Prototype Court, Suite C
Reno, NV 89521

Ande Thorpe

From: Dave Silva <dsilva@cpassa.com>
Sent: Wednesday, February 15, 2023 11:12 AM
To: Ande Thorpe
Cc: Kristen Chinvarasopak; Christine Bradford; brandontregid@gmail.com
Subject: Topaz Ranch Estates GID Audit
Attachments: DOC125.pdf

Follow Up Flag: Follow up
Flag Status: Completed

Categories: check, Kelly

WARNING - This email originated from outside the State of Nevada. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Hello Ande,

I hope this finds you well. As you may know, we are engaged as auditors for Topaz Ranch Estates GID for their 6/30/22 audit.

I am sorry to tell you that we have had virtually no substantive recent contact with them, despite our many efforts to move this along. Our most recent email to them was late afternoon on 2/8/23 to once again attempt to schedule at least a phone meeting with them (copy attached). We have heard nothing.

We were made aware per their email to us on the morning of 2/8 that their Board chair was ill. We don't know any particulars whatsoever.

I wanted to reach out to you to **a)** let you know the above, but also **b)** to comment that we do not want the client's issues to reflect negatively on our firm as we have done everything we can to coax them into an "audit-ready" state, with no success. In the spirit of full disclosure, we billed the client \$7,000 on 1/31/23 for preliminary audit work (primarily planning activities) and received a \$7,000 on 2/13/23.

If you'd like to discuss this over the phone, please feel free to give me a call at your convenience. I do have several appointments out of the office on Wed-Fri, but I will make sure to be diligent in checking my messages and emails.

Thanks very much, Ande. I appreciate any input you might have.

Best,

Dave

David E. Silva, CPA

Silva, Sceirine & Associates, LLC
9585 Prototype Court, Suite C
Reno, NV 89521
Ph: 775/624-9105 Fax: 877/278-2597
Email: dsilva@cpassa.com



SILVA, SCEIRINE
& ASSOCIATES, LLC
CERTIFIED PUBLIC ACCOUNTANTS

This communication and any accompanying documents are confidential and privileged. If you have received this communication in error, please notify me at the above email address and please do not disclose, distribute, or take any other action in reliance upon this communication. Thank you.

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March 10, 2022

Nevada Department of Taxation
Local Government Finance
1550 College Parkway, Suite 115
Carson City, NV 89706
Re: Request for Extension - June 30, 2022 Audit

In accordance with the requirements of NRS 354.624(1) and NAC 354.735, we are respectfully requesting an extension of time to file our audit for the year ended June 30, 2022. Local Government Topaz Ranch Estates General Improvement District
Audit Firm David E. Silva, CPA
Silva, Sceirine & Assoc, LLC
9585 Prototype Court, Suite C
Reno, NV 89521
dsilva@cpassa.com

Date Report to be Filed with Board of Trustees

April 5, 2023, which is a scheduled special public meeting.

Date Report to be Filed with NV Department of Taxation

April 7, 2023, which immediately follows the public meeting noted above.

Explanation We have had turnover in key employees this year and additional time is needed to prepare requested data for audit.

Thank you for your consideration of our request.
Very truly yours,

Cody Dalhaus



District Operations Manager



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March 13, 2023

Cody Dalhaus, District Operations Manager
Topaz Ranch Estates GID/Water
3924 Carter Way
Wellington, NV 89444

Re: Request for 2nd Extension of Annual Audit Report - FY 2022

Dear Mr. Dalhaus:

The Department of Taxation is in receipt of your 2nd request for an extension of the filing requirements for the annual audit report. It is the Department's policy to grant extensions only where unforeseen and uncontrollable conditions exist, and where due care and adequate planning by both the entity and the auditor make the five-month statutory audit preparation period insufficient.

Pursuant to your letter dated March 10, 2023 and the Department's policy on granting extensions, Topaz Ranch Estates GID/Water is hereby granted an extension until April 5, 2023 for the submission to its governing body the audit report for the fiscal year ending June 30, 2022.

The extension is contingent on the submission of two copies of the audit report to the Department of Taxation no later than April 7, 2023.

Should you have any questions, do not hesitate to contact me at (775) 684-2092 or by e-mail at tthorpe@tax.state.nv.us.

Sincerely,

A handwritten signature in blue ink, appearing to read "A. Thorpe".

Ande Thorpe, Budget Analyst
Local Government Finance
Department of Taxation

cc: Kristen Chinvarasopak, CPA
Silva, Sceirine & Assoc, LLC
9585 Prototype Court, Suite C
Reno, NV 89521



April 2, 2023

VIA EMAIL: brandontregid@gmail.com

Mr. Brandon Taylor, Board Chairman
Topaz Ranch Estates General
Improvement District
1490 Albite Rd.
Wellington, NV 89444

VIA EMAIL: tthorpe@tax.state.nv.us

Ms. Ande Thorpe
Nevada Department of Taxation
Local Government Finance
1550 College Parkway, Ste 115
Carson City, NV 89706

Re: Topaz Ranch Estates General Improvement District (the District) – June 30, 2022 Audit

Dear Brandon and Ande,

As you know, the District's June 30, 2022 audit has been extended to April 5, 2023 for delivery to the governing board and April 7, 2023 for submission to the Department of Taxation. Despite our rather extraordinary attempts, including through this weekend, to meet these deadlines, we are, unfortunately, unable to do so. As has been discussed in previous communications, the District had not been able to provide us with necessary audit information on a timely basis, thereby creating several scheduling conflicts that we have had to manage for the client's benefit.

As of this afternoon, the primary issues that need to be resolved are:

- Our audit report will include a number of internal control findings that are required to be reported under *Government Auditing Standards*. Also required are management's response to the findings.
- We need sufficient time to respond to comments and questions raised by our Quality Control Reviewer and resolve any open items.

I don't believe that the above can be accomplished in a matter of a day or two. Over the past few days and up until today, I had thought we could provide the Board with a partial draft for its April 3rd meeting; however, I have decided against that because the items outlined above simply cannot be completed by tomorrow in such a manner as to ensure compliance with our professional standards.

While we are very cognizant of the extended deadlines, I must respectfully say that I am not willing to expose ourselves to the risk of issuing a flawed product because of delays which were not of our own creation. We have made every effort to help the District comply with the filing requirements and we will continue to move forward as expeditiously as possible. That being said, please note that neither our staff

Mr. Brandon Taylor, Board Chairman

Ms. Ande Thorpe

April 2, 2023

Page 2

nor I will be working on Easter Sunday, April 9th. May I suggest that the Board meeting be re-noticed for some point during the week of April 10th with delivery of the audit to Nevada Department of Taxation immediately after the Board's acceptance.

We look forward to a successful completion in the coming days.

Thank you.

With best regards,



David E. Silva

cc: Christine Bradford – via email: tregidbookkeeper@gmail.com

Dave Akola – Via email: dtakola@gmail.com



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April 7, 2023

Nevada Department of Taxation
Local Government Finance
1550 College Parkway, Suite 115
Carson City, NV 89706

Re: Request for Extension – June 30, 2022 Audit

In accordance with the requirements of NRS 354.624(1) and NAC 354.735, we are respectfully requesting an extension of time to file our audit for the year ended June 30, 2022.

Local Government

Topaz Ranch Estates General Improvement District

Audit Firm

David E. Silva, CPA
Silva, Sceirine & Assoc, LLC
9585 Prototype Court, Suite C
Reno, NV 89521
dsilva@cpassa.com

Date Report to be Filed with Board of Trustees

April 12, 2023, which is a scheduled public meeting.

Date Report to be Filed with NV Department of Taxation

April 15, 2023, which immediately follows the public meeting noted above.

Explanation

We have had turnover in key employees this year and additional time is needed to prepare requested data for audit.

Thank you for your consideration of our request.

Very truly yours,



Cody Dalhaus
District Operations Manager



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April 7, 2023

Cody Dalhaus, District Operations Manager
Topaz Ranch Estates GID/Water
3924 Carter Way
Wellington, NV 89444

Re: Request for 3rd Extension of Annual Audit Report - FY 2022

Dear Mr. Dalhaus:

The Department of Taxation is in receipt of your 3rd request for an extension of the filing requirements for the annual audit report. It is the Department's policy to grant extensions only where unforeseen and uncontrollable conditions exist, and where due care and adequate planning by both the entity and the auditor make the five-month statutory audit preparation period insufficient.

Pursuant to your letter dated April 7, 2023 and the Department's policy on granting extensions, Topaz Ranch Estates GID/Water is hereby granted an extension until April 12, 2023 for the submission to its governing body the audit report for the fiscal year ending June 30, 2022.

The extension is contingent on the submission of two copies of the audit report to the Department of Taxation no later than April 15, 2023.

Should you have any questions, do not hesitate to contact me at (775) 684-2092 or by e-mail at tthorpe@tax.state.nv.us.

Sincerely,

A handwritten signature in blue ink, appearing to read "A. Thorpe".

Ande Thorpe, Budget Analyst
Local Government Finance
Department of Taxation

cc (via email): David E. Silva, CPA
Silva, Sceirine & Assoc, LLC
9585 Prototype Court, Suite C
Reno, NV 89521

CLGF

Public/Member Recommendation for Repeal

REPORTS REGARDING RECEIPT AND DISTRIBUTION OF PROPERTY TAXES

The Department supports the following recommendation for repeal of NAC 354.566-354.577:

Property tax revenue report (NAC 354.566-354.577) – This is a report that compares a county treasurer’s collections of school district property taxes to what the school district is reporting it has received. Under the old Nevada Plan, this report was used in the true-up of Distributive School Account (DSA) revenues for school districts.

With the implementation of a new funding formula for school districts in Nevada, effective July 1, 2021, all property taxes revenues generated by the 75-cent school district operating rate are now remitted by county treasurers to the State to be deposited to the State Education Fund. Therefore, the State – not school districts – knows exactly how much was collected for this tax. Moreover, there is no longer a true-up process based on property taxes received, so there is no longer a reason for this report.

~~NAC 354.566 Definitions. (NRS 354.107, 354.594) As used in NAC 354.566 to 354.577, inclusive, unless the context otherwise requires, the words and terms defined in NAC 354.567 and 354.569 have the meanings ascribed to them in those sections.~~

~~—(Added to NAC by Com. on Local Gov’t Finance by R117-09, eff. 6-30-2010)~~

~~—NAC 354.567 “Central assessment roll” defined. (NRS 354.107, 354.594) “Central assessment roll” means the central assessment roll described in NRS 361.3205.~~

~~—(Added to NAC by Com. on Local Gov’t Finance by R117-09, eff. 6-30-2010)~~

~~—NAC 354.569 “Property tax receipts” defined. (NRS 354.107, 354.594) “Property tax receipts” means receipts from ad valorem property taxes, including, without limitation, any receipts from:~~

~~—1. Taxes on real and personal property which are paid pursuant to NRS 361.483;~~

~~—2. Deferred taxes on real property previously held for agricultural or open space use which are assessed pursuant to NRS 361A.280;~~

~~—3. Taxes on any property that is not on the secured tax roll which are assessed pursuant to NRS 361.505, 361.767, 361.769 or 361.770;~~

~~—4. Taxes on any property that is valued by the Nevada Tax Commission pursuant to NRS 361.320 which are collected pursuant to NRS 361.3205; and~~

~~—5. Taxes on the net proceeds of minerals which are appropriated to a county pursuant to NRS 362.170, except that the term does not include any franchise fees, payments for oil or gas leases, fees for hunting or fishing, or payments by the Federal Government in lieu of taxes.~~

~~—(Added to NAC by Com. on Local Gov’t Finance by R117-09, eff. 6-30-2010)~~

~~— NAC 354.571 Preliminary summary reports: Filing by tax receiver in each county. (NRS 354.107, 354.594) On or before August 1 of each fiscal year, the tax receiver of each county shall file with the Department, the Department of Education and the county school district a preliminary summary report of the total amount of property tax receipts for the immediately preceding fiscal year that were received by the county before July 1 of the current fiscal year. Except as otherwise provided in NAC 354.577, the report must not duplicate any amounts previously reported pursuant to NAC 354.566 to 354.577, inclusive, during the immediately preceding fiscal year.~~

~~— (Added to NAC by Com. on Local Gov't Finance by R117-09, eff. 6-30-2010)~~

~~— NAC 354.573 Preliminary summary reports: Contents. (NRS 354.107, 354.594) The preliminary summary report required by NAC 354.571 must include:~~

~~— 1. The total amount of the property tax receipts of the county classified by type, including:~~

~~— (a) The total amount of taxes collected for the immediately preceding fiscal year attributable to property on the secured tax roll;~~

~~— (b) The total amount of taxes collected for the immediately preceding fiscal year attributable to property on the unsecured tax roll;~~

~~— (c) The total amount of taxes collected for the immediately preceding fiscal year attributable to property on the central assessment roll;~~

~~— (d) The total amount of taxes on the net proceeds of minerals collected for the immediately preceding calendar year which was distributed to the county pursuant to NRS 362.170;~~

~~— (e) The total amount of taxes on the net proceeds of minerals collected for the current calendar year which was distributed to the county pursuant to NRS 362.170;~~

~~— (f) The total amount collected for delinquent taxes attributable to all the fiscal years ending on or before June 30, 2005;~~

~~— (g) The total amount collected for delinquent taxes attributable to all the fiscal years beginning on or after July 1, 2005, and before the commencement of the current fiscal year;~~

~~— (h) The total of all the amounts described in paragraphs (a) to (g), inclusive;~~

~~— (i) The total amount of the pertinent commission paid into the county treasury pursuant to NRS 361.530; and~~

~~— (j) The result obtained by subtracting the sum described in paragraph (i) from the sum described in paragraph (h).~~

~~— 2. The portions of the property tax receipts of the county distributed for the operation of public schools, using a tax rate of 75 cents on each \$100 of assessed valuation of taxable property, including:~~

~~— (a) The portion of the total amount of taxes collected for the immediately preceding fiscal year attributable to property on the secured tax roll which was distributed to the county school district;~~

~~— (b) The portion of the total amount of taxes collected for the immediately preceding fiscal year attributable to property on the unsecured tax roll which was distributed to the county school district;~~

~~— (c) The portion of the total amount of taxes collected for the immediately preceding fiscal year attributable to property on the central assessment roll which was distributed to the county school district;~~

~~— (d) The portion of the total amount of taxes on the net proceeds of minerals distributed to the county during the immediately preceding fiscal year pursuant to NRS 362.170 which is available to the county school district for use in the current fiscal year pursuant to subsection 2 of NRS 387.195;~~

~~— (e) The portion of the total amount of taxes on the net proceeds of minerals collected for the immediately preceding calendar year which was distributed to the county pursuant to NRS 362.170 and subsequently distributed to the county school district;~~

—(f) The portion of the total amount of taxes on the net proceeds of minerals collected for the current calendar year which was distributed to the county pursuant to [NRS 362.170](#) and subsequently distributed to the county school district;

—(g) The portion of the total amount collected for delinquent taxes attributable to all the fiscal years ending on or before June 30, 2005, which was distributed to the county school district;

—(h) The portion of the total amount collected for delinquent taxes attributable to all the fiscal years beginning on or after July 1, 2005, and before the commencement of the current fiscal year which was distributed to the county school district;

—(i) The total of all the amounts described in paragraphs (a) to (h), inclusive;

—(j) The total amount of the pertinent commission paid into the county treasury pursuant to [NRS 361.530](#); and

—(k) The result obtained by subtracting the sum described in paragraph (j) from the sum described in paragraph (i).

—(Added to NAC by Com. on Local Gov't Finance by R117-09, eff. 6-30-2010)

~~—NAC 354.575 Report by county school district of corresponding receipts and deductions; reconciliation of differences between reports. ([NRS 354.107](#), [354.594](#))~~

—1. On or before August 10 of each fiscal year, a county school district shall provide to the Department, the Department of Education and the tax receiver of the county a report of all the receipts and deductions of the county school district for the immediately preceding fiscal year which pertain to the amounts included in the preliminary summary report filed pursuant to [NAC 354.571](#). If the total amounts reported by the county school district pursuant to this subsection differ from the corresponding amounts included in the preliminary summary report by more than 3 percent in any category, representatives of the school district and the tax receiver must jointly determine the reasons for that difference.

—2. On or before August 15 of each fiscal year, the tax receiver of each county shall:

—(a) Make any adjustments necessary to reconcile the amounts contained in the preliminary summary report filed pursuant to [NAC 354.571](#) for the immediately preceding fiscal year with the amounts contained in the report filed by the county school district pursuant to subsection 1;

—(b) Include in the preliminary summary report an explanation of the reasons for any differences of greater than 3 percent determined pursuant to subsection 1; and

—(c) Submit a copy of the preliminary summary report, as revised pursuant to this subsection, to the Department, the Department of Education and the county school district.

—(Added to NAC by Com. on Local Gov't Finance by R117-09, eff. 6-30-2010)

~~—NAC 354.577 Final summary reports: Filing by tax receiver in each county; contents. ([NRS 354.107](#), [354.594](#))~~

—1. On or before September 10 of each fiscal year, the tax receiver of each county shall file with the Department, the Department of Education and the county school district a final summary report of the total amount of property tax receipts for the immediately preceding fiscal year that were received by the county. The final summary report must include the information described in [NAC 354.573](#) and the total amount of any property tax receipts for the immediately preceding fiscal year that were received by the county during July and August of the current fiscal year.

—2. The amounts reported pursuant to this section must not be duplicated in any preliminary summary report filed pursuant to [NAC 354.571](#) during any subsequent fiscal year, except that the total amount of any property tax receipts for the immediately preceding fiscal year that were received by the county during July and August of the current fiscal year must be included in and accounted for in the preliminary summary report filed during the next fiscal year.

—(Added to NAC by Com. on Local Gov't Finance by R117-09, eff. 6-30-2010)

CLGF

Department Recommendation for Repeal

FISCAL REPORTS

This section is not practical. The fiscal report is required by NRS 354.6015, and the local governments also file the tentative and final budgets. The tentative and final budgets have more relevant information for the Department than the fiscal report.

~~NAC 354.555—Fulfillment of requirements of submitting tentative budget and transmitting final budget. (NRS 354.107, 354.594, 354.596, 354.598) If the governing body of a local government submits a fiscal report of the local government to the Department pursuant to NRS 354.6015 and NAC 354.557 and 354.559, the local government shall be deemed to have fulfilled the requirement of:~~

- ~~—1. Submitting a tentative budget to the Department pursuant to NRS 354.596; and~~
- ~~—2. Transmitting a final budget to the Nevada Tax Commission pursuant to NRS 354.598.~~

~~(Added to NAC by Com. on Local Gov't Finance by R201-01, 4-5-2002, eff. 7-1-2002)~~

Public/Member Recommendation for Amendment

Quarterly economic survey report (NAC 354.559(2)(d)) – this is a quarterly report showing an agency’s fund balance and cash, major economic developments, and certain other items. While the intent of this report may be justified, we are unsure how Taxation really uses this report and what authority the Department would have to take action based on the information submitted by all local governments on a quarterly basis. Thus, in our view, this is less of a black-and-white issue than the issue above, and more of a cost-benefit issue, i.e., is the value of this information worth the effort of local governments to provide this report four times a year? We would urge the Committee to consider also deleting this regulation. Alternatively, there may be other solutions such as exception reporting that can be considered as well.

NAC 354.559 Contents and form; deadlines for submission; forwarding of final budget. ([NRS 354.107](#), [354.594](#), [354.6015](#))

1. The fiscal report that the governing body of a local government is required to submit electronically to the Department pursuant to [NRS 354.6015](#):

- (a) Includes the information listed in paragraph (b) of subsection 2 of [NRS 354.6015](#);
- (b) Must be submitted to the Department in the form of the documentation set forth in subsection 2; and
- (c) Must be submitted to the Department on or before the dates and times set forth in subsection 2.

2. The fiscal report described in subsection 1 consists of the following documentation:

(a) Except for a local government that has been exempted from the requirement of filing its tentative budget pursuant to the provisions of [NRS 354.475](#) and [NAC 354.010](#) to [354.040](#), inclusive, the tentative budget that is required to be submitted to the Department pursuant to [NRS 354.596](#). The tentative budget must be submitted to the Department on or before 5 p.m. on April 15 of each year.

(b) A copy of the final budget that is required to be submitted to the Nevada Tax Commission pursuant to [NRS 354.598](#). Except as otherwise provided in this paragraph, the copy of the final budget must be submitted to the Department on or before 5 p.m. on June 1 of each year. The copy of the final budget of:

(1) A school district must be submitted to the Department on or before 5 p.m. on June 8 of each year; and

(2) A local government that has been exempted from the requirement of filing its tentative budget pursuant to the provisions of [NRS 354.475](#) and [NAC 354.010](#) to [354.040](#), inclusive, must be submitted to the Department on or before 5 p.m. on April 15 of each year.

(c) If the local government is augmenting a budget pursuant to [NRS 354.598005](#), the information concerning the budget augmentation that the governing body of the local government is authorized to file with the Department pursuant to that section. That information must be submitted to the Department within 30 days after the adjournment of the legislative session if the governing body files the information as authorized pursuant to subsection 6 or 7 of [NRS 354.598005](#).

(d) *Except for school districts*, the responses of the local government to the quarterly survey prescribed by the Committee concerning the economic conditions affecting the local government. The responses must be submitted to the Department not later than 45 days after the end of each quarter of a fiscal year.

(e) Except for a local government that has been exempted from the requirement of filing its audit reports pursuant to the provisions of [NRS 354.475](#) and [NAC 354.010](#) to [354.040](#), inclusive, the actual revenue and the actual expenditures for the fiscal year immediately preceding the fiscal year in which the information is submitted. The information relating to the actual revenue and actual expenditures must be submitted to the Department on or before January 1 of each year.

(f) If the local government has been exempted from the requirement of filing its audit reports pursuant to the provisions of [NRS 354.475](#) and [NAC 354.010](#) to [354.040](#), inclusive, the statement of revenues, expenditures and changes in fund balance that is required to be submitted to the Department pursuant to [NAC 354.040](#). The statement must be submitted to the Department on or before January 1 of each year.

3. For the purpose of submitting the information required to be included in the fiscal report pursuant to paragraph (a), (b) or (e) of subsection 2, the governing body of a local government shall report information relating to:

(a) A special revenue fund, capital project fund or debt service fund of the local government separately from information relating to any other special revenue fund, capital project fund or debt service fund of the local government if any of the revenue in the special revenue fund, capital project fund or debt service fund was received from property taxes or the Local Government Tax Distribution Account;

(b) The expenditures or expenses of the local government by the governmental function to which the expenditure or expense was charged for the general fund of the local government and for each special revenue fund, capital project fund, debt service fund and proprietary fund of the local government;

(c) The total expenditures or expenses of the local government charged against each fund listed in the fiscal report in at least the following categories:

- (1) Salaries and wages;
- (2) Benefits;
- (3) Services and supplies; and
- (4) Capital outlay; and

(d) Revenue in categories, including, without limitation, property taxes, other taxes, business licenses, other licenses and permits, Local Government Tax Distribution Account, intergovernmental resources, charges for services, and fines and forfeitures.

4. Upon receipt of a final budget, the Department shall forward a copy of the final budget to the Nevada Tax Commission.

(Added to NAC by Com. on Local Gov't Finance by R201-01, 4-5-2002, eff. 7-1-2002)

Department Recommendation for Amendment

EXEMPTION OF SPECIAL DISTRICTS FROM CERTAIN REQUIREMENTS

Amend - This was changed to reflect total expenditures of less than \$300,000 as shown in NRS 354.475, changed in 2017.

NAC 354.010 Eligible districts; authorized exemptions; petition for exemption. ([NRS 354.107](#), [354.475](#), [354.594](#))

1. Any special district with annual total expenditures of less than ~~\$200,000~~ **300,000** during a current fiscal year and annual total expenditures of less than ~~\$200,000~~ **300,000** budgeted for the succeeding fiscal year may petition the Department for exemption from all or any one of the following:

(a) Filing of a tentative budget.

(b) Filing of independent audit reports.

(c) Publishing requirements of the Local Government Budget and Finance Act, [NRS 354.470](#) to [354.626](#), inclusive, other than the annual publication of a notice of budget adoption and filing.

(d) Maintaining accounting records on an accrual or modified accrual basis.

2. The petition must be in the form of an ordinance or resolution adopted by the governing body of the district.

3. No district will be granted an exemption if it is:

(a) In noncompliance with any law or regulation at the time the petition is made; or

(b) In default in payments due for the redemption of any bond or for any other outstanding indebtedness.

[Tax Comm'n, Local Gov't Reg. No. 14 § 1, eff. 9-7-73; A 2-7-76; No. 14 § 4, eff. 9-7-73] — (NAC A 1-10-84; 1-16-92; A by Com. on Local Gov't Finance by R201-01, 4-5-2002)

DRAFT

**Minutes of the Committee Meeting
COMMITTEE ON LOCAL GOVERNMENT FINANCE
December 13, 2022, 9:30 a.m.**

The meeting was held at the Department of Taxation, 1550 College Parkway, Carson City as well as via zoom.

COMMITTEE MEMBERS PRESENT:

Marvin Leavitt
Christine Vuletich
Mary Walker
Marty Johnson
Jeff Cronk
Jessica Colvin
Mary Walker
Felicia O'Carroll
Gina Rackley

COUNSEL TO COMMITTEE:

Rost Olsen

**DEPT OF TAXATION STAFF
PRESENT:**

Jeffrey Mitchell
Yvonne Nevarez-Goodson
Kelly Langley
Kellie Grahmann
Keri Gransbery
Evelyn Barragan
Ande Thorpe
Christina Griffith
Chali Spurlock

MEMBERS OF THE PUBLIC PRESENT:

Name	Representing
Ralph Keyes	Esmeralda County
Diane Bartholemew	Clark County School District
Alan Kalt	Pool Pact, CFO
Raelynn Powers	Nye County
Lorina Dellinger	Nye County
Lucinda Elgin	Esmeralda County
Vera Boyer	Esmeralda County
Dan McArthur	Esmeralda County
Tim Hipp	Esmeralda County
Frank Carbone	Nye County
Cindy Creighton	Nevada Taxpayers Association
Savannah Rucker	Nye County
George Hritz	NTA
Susan Neal	
Tim Sutton	
Liz Enriquez	
R. Russell	
Steven Osburn	
Liz Jordan	
Dillon Kay	
Pat Leavitt	

ITEM 1. ROLL CALL AND OPENING REMARKS

Chairman Leavitt opened the meeting. Members Paul Johnson, Tom Ciesynski, and Jim McIntosh were absent, all other members were present.

ITEM 2. PUBLIC COMMENT

There was no public comment.

ITEM 3. FINANCIAL CONDITION REPORTS BY THE DEPARTMENT; CONSIDERATION AND POSSIBLE ADOPTION OF RECOMMENDATIONS AND ORDER

For Possible Action:

(a) Report and update from Elko County regarding the status of the FY 21/22 Annual Audit including any anticipated violations or non-compliance

Kellie Grahmann spoke on behalf of the Department of Taxation. She explained Elko County (Elko) was asked to appear to report on their upcoming Audit. She explained Elko asked for a 30 day extension.

Susan Paprocki updated the Committee on the Audit. She has reviewed the first drafts and it should be ready to go to the commissioners in January, and should be available to the Department after that.

Chairman Leavitt asked if the data was essentially completed, she stated it was. He appreciates their efforts. She replied they are trying to get things done as timely as they can with their limited resources and are partnered with Eide Bailly.

Member O'Carroll pointed out when census data comes back incorrect, it has to be sent back and corrected she thinks they did the right thing and are in a better position now. She applauds their efforts. She recused herself from any motion as she was a former partner with Eide Bailly.

(b) Report and update from Esmeralda County regarding the status of the FY 21/22 Annual Audit including any violations or non-compliance

Kellie Grahmann explained the issues that brought Esmeralda County (Esmeralda) to the Committee. No extensions have been requested.

Timothy Hipp, commissioner from Esmeralda, believes the final audit will be presented at the next commission meeting. He plans to vote against accepting it. He mentioned a camera project was not budgeted or approved by the commissioners. He asked the Committee for help. He thinks this committee's failure to take action only enables Esmeralda to continue.

Chairman Leavitt asked Mr. McArthur to comment.

Mr. McArthur, with Eide Bailly, met with county commissioners last week. He noted the audit will be on time and should be approved at the next meeting and filed with the Department by the end of the year. There are 4 internal control issues. He explained the camera project came from three funds. It was compatible equipment and did not require bids. The credit card issue needs significant attention. The Treasurers office hired an employee to be trained and updated on bank reconciliation procedures to have two individuals able to do reconciliations.

Chairman Leavitt asked if there is improvement over the past year. Mr. McArthur feels there is.

Kelly Langley asked Mr. McArthur if he is aware the county is working or has requested the DA to look into some of Commissioner Hipp's stated problems. Mr. McArthur noted there has been discussions with the DA concerning the camera system. He has been contacted by an individual in the county relating to transactions that occurred in the prior year that should have posted to another department. They are looking into those issues and if it is will be a prior year adjustment. He does not have enough information if it was coded correctly last year or not. He does not know if that has been discussed with the DA.

Member Colvin asked if Esmeralda has a whistle blower policy. Mr. McArthur said to his knowledge they do and does not believe anyone there is held back from bringing issues forward.

Lacinda Elgan spoke on the credit card issue, stating the commissioners office is part of the issue. They are working with Mr. McArthur on the bank reconciliations. She talked to commissioners about setbacks, stating Commissioner Windsor and Keys understand where they are and know there is a resolution.

Chairman Leavitt would like a report on where Esmeralda stands on the credit card issue and if it is resolved, how it was resolved. He stressed they need to address that.

Member Rackley asked Mr. McArthur if there were a lot of auditor adjusting entries. He replied that it's not as significant as in prior years. She wonders if an external bookkeeper could help them work on these problems. He thinks that would be appropriate and has recommended training from county sources, noting things were smoother before the change to Tyler, as well as staffing issues.

Member Walker understands the system change and agreed about bringing this back in the next meeting. She suggested giving them a time frame to correct, and if not, Taxation should maybe take over their finances.

Chairman Leavitt anticipates a meeting at the end of March or beginning of April. Happy to see improvement. He would like a report and go through every violation and internal control problem to see if they can have a resolution at that meeting. If not he will consider further action.

Member Rackley agreed, adding there is a requirement that they present a financial action plan. She noted the Committee should have that with the audit report, and they should hold them accountable to that at the next meeting.

Chairman Leavitt hopes by the next meeting Esmeralda can show what they have done to correct it.

(c) Report and update from Nye County regarding the status of the FY 21/22 Annual Audit including any violations or non-compliance

Evelyn Barrigan spoke on behalf of the Department.

Savannah Rucker spoke for Nye County. She updated the board on what is going on at the treasurers office. Raelynn Powers is the new Treasurer. There were delays on the bank reconciliation and closing fiscal 22 with the turnover. They requested an extension. They had findings in FY21 audit that tie to the treasurers office. She explained the the findings and the findings in her office, noting those are resolved now. Updated the board on the fiscal status for Nye County, stating they are on track.

Chairman Leavitt asked if the bank reconciliations will be timely now, she said yes.

Raelynn Powers stated they are caught up. Does not foresee any more issues. She will delegate to other employees and be able to provide more oversight after the holidays.

Chairman Leavitt asked her to address previous violations. Ms. Powers believes those have all been satisfied and controls have been created. She does not believe they will have any findings going forward.

Dan McArthur concurred with Ms. Rucker and Ms. Powers comments. He does not anticipate any further bank reconciliation issues. Past issues have been corrected.

Chairman Leavitt was happy to hear the progress.

Member Rackley commended Ms. Rucker and Ms. Powers for their work.

ITEM 4. For Possible Action: Consideration for the Adoption of Permanent Regulation LCB File No. R092-22: Regulation relating to local government finance; amending provisions governing the exclusion of certain money from collective bargaining negotiations and from consideration in determining the ability of a local government to pay compensation and monetary benefits; requiring certain money to be transferred from a county school district fund to the Education Stabilization Account in the State Education Fund; and providing other matters properly relating thereto. The regulation aligns NAC 354.660 with NRS 354.6241, as amended by Senate Bill 543 during the 2019 Legislative Session and Senate Bill 439 during the 2021 Legislative Session

Jeffrey Mitchell, with the Department, gave the history on this regulation, explaining why the Department did the change, and the process taken to get to this point. He went over the language changes.

Chairman Leavitt asked for any Public Comment on this regulation. There was no public comment.

Mr. Mitchell noted if the Committee approves the regulation, the department will work to move it forward. He thanked the subcommittee for their hard work on this.

Member Marty Johnson motioned to approve, Member Cronk seconded the motion.

ITEM 5. BRIEFING TO AND FROM THE COMMITTEE ON LOCAL GOVERNMENT FINANCE AND LOCAL GOVERNMENT FINANCE STAFF

(a) Discussion on Indebtedness report as of June 30, 2022

Ms. Langley reviewed the indebtedness report. Member Cronk thanked Ms. Langley and her staff for putting it together.

Chairman Leavitt noted debt has to be less than it was when he started.

Ms. Langley noted additionally the last five years have been unprecedented due to covid, they are seeing debt go down, which calls to fiscal responsibility by the local government. He agreed it is good.

ITEM 6. REVIEW AND APPROVAL OF MINUTES

(a) For Possible Action: CLGF Committee Meeting – August 18, 2022

(b) For Possible Action: CLGF Subcommittee Meeting – September 7, 2022

Member Walker moved to approve the minutes, Member Rackley seconded. Ms. Langley confirmed the motion was for both minutes presented.

ITEM 7. FOR POSSIBLE ACTION: SCHEDULE DATE AND REVIEW AGENDA TOPICS FOR THE NEXT MEETING

Chairman Leavitt wants to have Esmeralda and Elko return.

Ms. Langley noted staff will have legislative report.

Chairman Leavitt stated they probably don't need Nye County again unless there is a problem with the audit. He also suggested the next meeting be in the end of March or the 1st of April.

Ms. Langley added the preliminary revenue projections and they will be close to having the final revenue projections.

Chairman Leavitt noted if there are anticipated problems with audits they may call a meeting before that, but he doubts that would be the case.

ITEM 8. PUBLIC COMMENT

There were no public comments.

ITEM 9. FOR POSSIBLE ACTION: ADJOURNMENT

Meeting adjourned at 10:50 a.m.