

**INCLINE
VILLAGE
GENERAL
IMPROVEMENT
DISTRICT**

**ADDITIONAL
PUBLIC
COMMENT**

-----Original Message-----

From: s4s@ix.netcom.com <s4s@ix.netcom.com>

Sent: Friday, December 20, 2024 9:48 AM

To: Kelly S. Langley <klangley@tax.state.nv.us>

Cc: jfoli@lyon-county.org; jeffrey.share@clarkcountynv.gov; Crocker Karen <kmc@ivgid.org>; Mick <homan4ivgid@gmail.com>; Michelle <jezycki4ivgid@gmail.com>; Schmitz Sara

<schmitz_trustee@ivgid.org>; Dent Matthew <dent_trustee@ivgid.org>; Tonking Michaela

<tonking_trustee@ivgid.org>; Noble Dave <noble_trustee@ivgid.org>; Tulloch Ray

<tulloch_trustee@ivgid.org>; grackley@humboldtcountynv.gov; Walrack Kent <kjw@ivgid.org>

Subject: Re: IVGID's Continued Inability to Comply With NRS 354.624(1) in a Timely Manner - Its 2024 Audited Financial Statements - #2 of What is Destined to be at Least Three Such Requests

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

Hello Kelly -

Please share this e-mail with all CLGF members and specifically, those on the sub-committee to consider recommending IVGID be placed on fiscal watch. And please remind members I am a resident of Incline Village, and critic of IVGID's financial shenanigans.

So Chairperson Leavitt. I don't know what you're waiting for. Other than some white knight to appear who will allow you to not do what in your heart you know the CLGF should have done months ago.

So let's go down memory lane assuming you've forgotten. Again.

1. IVGID has NEVER completed and presented to the Dep't of Taxation audited 2023 financials in accordance with NRS 354.624(4). NEVER!
2. Although IVGID did present a non-conforming audit of its 2023 financials, it sought and obtained at least three statutory extensions of the time from the Dep't of Taxation required for such filing.
3. And notwithstanding, your Kelly Langley has instructed IVGID that it need not comply with the requirements of NRS 354.624(4). She has told IVGID it need merely come up with a "plan of correction" which addresses the failure to secure the written opinion requirement of NRS 354.624(4) and nothing more.
4. She has refused to insist that IVGID comply with the findings of compliance requirements of NRS 354.624(4) as if this requirement were unnecessary.
5. And it turns out IVGID is not capable of complying with the finding of compliance requirements of NRS 354.624(4) because a major revenue source (its invalid Rec Fees) are not in compliance with the NRS/NAC. Because these "so called" fees represent the product of non-exchange transactions and under GASB 33, they're no "fee." Rather, they are some form of tax; and an invalid one no less. Hopefully you know I have put the CLGF on notice of this fact.

6. And let's not forget IVGID has NEVER adopted a NRS 354.613 central service cost allocation in accordance with NAC 354.865, et seq. Meaning that every day of the week the District is making unlawful [see NRS 354.626(1)] transfers from its enterprise funds.

7. And I have placed the CLGF on notice of these violations asking in part that the violations,

A) Be turned over to the Office of Attorney General for criminal prosecution; and,
B) Be relied upon as an additional basis [see NRS 354.685(2)(b), (d) and (e)] for placing IVGID on fiscal watch.

8. So with the above as a primer, now we go to IVGID's FY 2024.

9. According to NRS 354.624(1) IVGID's audited financials were required to be approved by its BOT no later than November 30, 2024. But of course it couldn't comply. Again.

10. So on November 22, 2024 I provided the CLGF with written notice IVGID had requested a 30 day extension of time (see e-mail below).

11. And as December 30, 2024 approaches, I have been informed (I don't have the document to share with you so I will be making a public records request for the same. Meanwhile I am certain the CLGF can get a copy from Kelly Langley). IVGID has made a second request for an additional 30 day extension of time to approve its 2024 audited financials.

12. And yesterday IVGID's audit committee had a meeting wherein its GM indicated the District will have to make a third extension request next month until February 28, 2025 (no the CLGF hasn't seen this request yet, but take my word it's coming).

13. As the days go by we see more and more evidence IVGID is unable to timely file required financial reports. A grounds under NRS 354.685(2)(a) to place the District under fiscal watch.

14. What more does the CLGF need to see? 5 delays in two consecutive years with a 6th looming less than a month from now? If 6 episodes aren't sufficient, what number is? Or is there a number? As I like to continuously point out to the IVGID BOT from my favorite movie of all time (Ferris Bueller's Day Off), Bueller? Bueller?

15. Moreover, the CLGF continues to ignore my many requests it recommend to the Executive Director she notify the Washoe County Board of Supervisors pursuant to NRS 318.515(1) that IVGID is unable to properly manage the District nor comply with the NRS (see my last such request below).

16. How many such episodes is it going to take? If 5 delays in two consecutive years with a 6th looming less than a month from now aren't sufficient, what number is? Or is there a number? Or do we just ignore NRS 318.515(1) the way Kelly Langley and the Dep't of Taxation are apparently ignoring NRS 354.624(1). Or NRS 354.685(2)(a)? Or NRS 354.675(1)?

Please call a special meeting of the CLGF to recommend to the Executive Director that:

A) IVGID be placed on fiscal watch; and,
B) The Washoe County Board of Supervisors be notified in accordance with NRS 318.515(1).

Thank you for your cooperation. Aaron Katz

P.S.

Didn't I ask Kelly (see below) to examine the Dep't written response to IVGID's first request for an extension to comply with requirements of NRS 354.624(1) insofar as its FY 2024 audited financials are concerned? Where is it?

And now I ask for the Dep't's written response to IVGID's second request for extension.

-----Original Message-----

From: <s4s@ix.netcom.com>

Sent: Nov 22, 2024 3:47 PM

To: Kelly S. Langley <klangley@tax.state.nv.us>

Cc: <rackley@humboldtcountynv.gov>, <jfoli@lyon-county.org>, <jeffrey.share@clarkcountynv.gov>, Crocker Karen <kmc@ivgid.org>, Mick <homan4ivgid@gmail.com>, Michelle <jezycki4ivgid@gmail.com>, Schmitz Sara <schmitz_trustee@ivgid.org>, Dent Matthew <dent_trustee@ivgid.org>, Tonking Michaela <tonking_trustee@ivgid.org>, Noble Dave <noble_trustee@ivgid.org>, Tulloch Ray <tulloch_trustee@ivgid.org>

Subject: IVGID's Continued Inability to Comply With NRS 354.624(1) in a Timely Manner - Its 2024 Audited Financial Statements

Hello Kelly -

Aaron Katz here. Concerned Incline Village resident.

As you know, IVGID has never submitted 2023 audited financials in accordance with NRS 354.624(4) [see Kellie Grahmann's letter of September 18, 2024 - "your audit did not meet the provisions required in NRS 354.624(4)"].

Rather than "caus(ing)...the audit to be made (by the Department) at the expense of" IVGID as NRS 354.624(1) instructs, the CLGF created a sub-committee to recommend whether IVGID should be placed on fiscal watch pursuant to NRS 354.675.

From what I've seen from Chairman Leavitt, the CLGF has been concerned with IVGID submitting its 2024 audited financials in a timely manner. The reason being, I believe, NRS 354.685(a) - IVGID's inability to file required financial reports in a timely manner. One of the 27 statutory reasons for being placed on fiscal watch. And since August, every time the question has been put to IVGID insofar as whether staff expected to complete its audit in a timely manner, the answer has been yes. When a number of us knew all along that IVGID staff weren't speaking the truth.

For these reasons I have been warning the CLGF that these answers have been false. And now it turns out, the chickens have finally come home to roost.

As you know IVGID's fiscal year ends on June 30. And since NRS 354.624(1) instructs that IVGID's 2024 "annual audit must be concluded and the report of the audit submitted to (its) governing body...not later than 5 months after the close of the fiscal year for which the audit is conducted," the query: Will IVGID

be able to comply with these requirements given this matter has neither been submitted to the IVGID Board nor even agendized for this purpose? And today I received the answer. Which I am sharing with you and the CLGF.

Given NRS 354.624(1) instructs that "an extension of this time may be granted by the Department (if)...an application for an extension" is submitted, I have made a public records request to IVGID for evidence of such a request. And today I received the evidence. And it is attached for all to see. IVGID's request for what is really a 69 day extension request. You can see from the letter that staff doesn't contemplate being able to present its 2024 audit to the IVGID Board until January 29, 2025.

So my questions to you are twofold. First, since IVGID has submitted a written request to the Department for an extension to comply with requirements of NRS 354.624(1), can you please provide me with a copy of the Department's response?

And can you please provide this letter and enclosure to the CLGF as well as the sub-committee created to recommend whether IVGID should be placed on fiscal watch? I want them to see that not only did IVGID make at least four such applications with respect to its 2023 financials, but now we're looking at the same inability to comply with the NRS/NAC for 2024. In other words, the inability to properly manage the district.

And second, is the CLGF here to assist a local government in circumventing the protections of the LGBFA? Or is it here to protect the public? If the latter, when does it start?

Ms. Griffith's excuses for non-timely completion of IVGID's 2024 audit are really nothing more than "the same old, same old." It has been unable to hire a Finance Director for well over a year. The interim director is not qualified. The only reason she's "interim" is because no one else is employed in the department. And let's talk about staff's temporary help. I previously put the CLGF on notice the District had asked the county for help pursuant to NRS 318.098. And how did the county respond? NO! Can't you people figure out how to hire temporary help? And in response they've hired this temporary help. But it too is not competent to address the severe financial problems the District faces.

And let me give the CLGF another prediction. The District is never going to be able to obtain an opinion letter from DavisFarr which satisfies the requirements of NRS 354.624(1). And why is that? Because it will be unable to make findings that IVGID's financials are in compliance with the NRS/NAC. And why is that? Because IVGID is a house of cards ready to tumble. It's intentional overspending is covered by a non-exchange transaction revenue source not in compliance with the NRS. And this is on top of the fact that the District has never passed a NRS 354.613 central services allocated cost plan in compliance with the NAC. Doesn't the CLGF recall I brought to its attention the complete failure of the District to provide a code compliant attestation by its chief financial officer? Even today. No attestation. Which means no compliant central services allocated cost plan. Which means over \$3M of transfers from three of the District's enterprise funds into its General Fund. An unlawful act. And what's the CLGF doing about it?

Which brings me back again to the CLGF's repeated ignorance of my request it recommend to the Department its notification to the Washoe County Board of Commissioners pursuant to NRS 318.515 given the District is not capable of properly managing itself. And here the CLGF has more evidence of the same. Exactly what more does it take?

Thank you for your cooperation. Aaron Katz

From: [Kelly S. Langley](#)
To: [R Myles Riner](#)
Cc: [Chali Spurlock](#); [Kellie Grahmann](#); [Renee Morris](#)
Subject: RE: to the Chairman of the Committee on Local Government Finance
Date: Tuesday, January 7, 2025 12:01:19 PM

I will check into your question below as I thought it was included. Thank you.

*Kelly S Langley,
Nevada Department of Taxation
Local Government Finance and Boards & Commissions
3850 Arrowhead Drive, 2nd Floor
Carson City, NV 89706
klangley@tax.state.nv.us
775.684.2073 Office
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***Notice:** Starting October 24, 2024, the Department will no longer accept cash payments. All payments must be submitted via Online, Credit Card, Check (personal, business or Cashiers) or Money Order.

From: R Myles Riner <mriner@comcast.net>
Sent: Tuesday, January 7, 2025 11:11 AM
To: Kelly S. Langley <klangley@tax.state.nv.us>
Subject: Re: to the Chairman of the Committee on Local Government Finance

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

Ms. Langley, is there a reason why my letter below to Chairman Leavitt was not included in the packet for the IVGID subcommittee meeting on Jan 9?

Thanks

Myles Riner

On Dec 6, 2024, at 10:15 AM, R Myles Riner <mriner@comcast.net> wrote:

Ms. Langley, please forward this email to the Chairman of the CLGF.
Thanks

To the Chairman of the Committee on Local Government Finance
Nevada Department of Taxation

Dear Chairman Leavitt,

At the last meeting of the Committee on Local Government Finance, you advised

IVGID's Trustee Tulloch, in no uncertain terms, that the IVGID Board must, before approving any contract that involves the potential over-expenditure of budget allocations, resolve any such over-expenditure through appropriate re-allocation of funds prior to, and not subsequent to, approval of the contract, as this would violate NRS 354.626.

Towards the end of the 10/23/2024 IVGID Board meeting, the proposed contract for a new IVGID General Manager was amended to increase the severance payout from \$125,000 to \$250,000. Although there appears to have been sufficient savings in the General Fund to account for this additional \$125,000 in liability for this severance provision, the funds allocated for the GM contract in the budget were some \$40,000 short of the amount needed to cover this liability. This amount would need to be reallocated from funds dedicated to the Audit and Finance Department in the General Fund to cover this additional severance payout liability. There was no discussion at the meeting of the need to reallocate these funds, other than to note that the additional funding was available in the General Fund; and the amended contract was approved without first reallocating these funds. As far as I know, this reallocation has yet to be effected.

Thus, your stern warning appears to have been ignored, and there should be consequences for this action by Trustees Tulloch, Dent, and Schmitz, who approved this contract. I would ask that you declare that this contract violated NRS 354.626 and thus is null and void.

Sincerely,

R. Myles Riner, MD
mriner@comcast.net
415-272-4414