



Carson City, A Consolidated Municipality

Application for

**Community Support Services Funding**  
Fiscal Year 2010-2011

Name of Organization: Nevada Tahoe Conservation District

Amount Requested: \$3,000

Contact Person: Mark Thorpe, Administrator

Mailing Address: PO Box 915

City: Zephyr Cove State: NV Zip Code: 89448

Phone Number: 775-586-1610 ext 21 E-mail: mthorpe@ntcd.org

501(c)3 Taxpayer I.D. Number: 33-1044148

Date Submitted: 2-22-10

Please mail completed application and attachments to:  
Carson City Executive Offices  
201 N. Carson Street, Suite 2  
Carson City, NV 89701

Carson City Community Support Services  
**APPLICATION FOR GRANT FUNDS**  
Fiscal Year 2010-2011

**Organization Information**

1. What is the overall purpose or goal of your organization?

The District's mission statement is "to promote the conservation and improvement of the Lake Tahoe Basin's natural resources by providing conservation leadership, education and technical assistance to all Tahoe Basin users". NTCD fulfills its mission through implementation of conservation programs and projects. The District continues to develop and implement a comprehensive funding system to support its mandate of meeting local conservation needs.

2. How long has your organization been in existence? 33 Years \_\_\_ Months

How long has your organization been in Carson City? 33 Years \_\_\_ Months

3. Describe in general the activities or services of your organization:

The Nevada Tahoe Conservation District provides resource management and technical assistance to land occupiers. The District is a non-regulatory and grant funded agency that works closely with its Federal, State, and Local partners to deliver conservation programs to the Nevada Lake Tahoe Community.

4. How many people do you intend to serve during this Fiscal Year 2010-2011?

# of Youth number is indeterminate # of Adults number is indeterminate  
# of Seniors number is indeterminate

5. How many people served this Fiscal Year 2010-2011 will be Carson City residents?

# of Youth number is indeterminate # of Adults number is indeterminate  
# of Seniors number is indeterminate

6. How many paid employees/volunteers does your organization employ?

# of full-time employees 2 # of part-time employees 2

7. Percentage of organizational funds to be utilized for administrative costs (i.e., salaries, travel, training, etc): 30.8%

8. Describe how your organization is managed and governed (i.e., Board of Directors).

The District is a body politic in the State of Nevada having statutory responsibilities for natural resource issues within the boundary of the District. The District has no taxing authority however and relies on grants to operate. The management of the District is made up of five

elected and two appointed Board of Supervisors, one of whom represents the Carson City Board of Supervisors.

9. Please provide information on your Executive Board members or contact person:

<u>Name</u>	<u>Title</u>	<u>Phone</u>
Doug Martin	District Manager	775-586-1610
Glen Smith	Chair	775-588-1550
Barbara Perlman-Whyman	Vice-Chair	775-832-9321
Cary Sarnoff	Secretary/Treasurer	775-588-5165
Dan St. John	Board member	775-328-2040
Lynn Endicott	Board member	775-586-9131
Chris Freeman	Board member	775-883-2148
Nancy McDermid	Board member	775-782-9821

## Program/Proposal Information

10. Amount of funds requested? \$ 3,000
11. Purpose of Program/Proposal: Describe the program/proposal, target population, number to be served, what the grant will specifically fund. Explain your organization's qualifications to deal with the issue.

NTCD is requesting funds to provide, in part, for the District's operating expenses to continue assisting our constituents within the District Boundary and adjacent districts and body politics. Currently the District is working with Carson City Public Works and the Carson River Subconservancy conducting outreach and design services in relation to residential runoff from storms. The projects funds are used in part as match for this project with NDEP federal 319 funds. Expenses covered by this grant request include salary for management and administrative staff; liability and property insurance; office equipment lease and maintenance, utilities, financial and single audit costs. In order to attract and retain qualified, motivated employees the District also provides opportunities to staff for continuing education, which are supported by general fund monies. The target population is anyone who enjoys Lake Tahoe. The number served is indeterminate. NTCD has been a special district of the State of Nevada for 33 years, focused on conservation and natural resource management issues in the Nevada Lake Tahoe Basin. NTCD provides a broad range of technical services and quality conservation programs to the residents, and users, of the Lake Tahoe Basin and surrounding areas.

12. Goals, Objectives & Measurable Outcomes: The events and/or services must assist the City to fulfill its vision statement and accomplish one or more of the City's Goals. Please indicate which goal(s) will be met. Clearly state measurable outcomes of the project. Tell how you propose to achieve the outcomes of the project in terms of specific activities, including a timetable (proposed starting date and duration of the project):

The District is in its final year, of a two year project, supporting the Carson City Stormwater Program. This project has the support of the Public Works Department of Carson City as well as the Carson River Sub-Conservancy. The major elements of the project are designed to engage the community, provide a technology exchange between the City and the District, and a training workshop to benefit contractors, homeowners, public works officials as well as others along the Carson River corridor. The District will measure the success of the grant by tracking EIP capital improvement projects implemented, the number of residential BMP site evaluations completed and implemented, and education and outreach activities. The Carson River Subconservancy will be tracking the progress of the Program described above.

13. Indicate who will benefit from the use of these funds, and how they will benefit. If this is an ongoing event, please state how you intend to fund the program in future years.

Our programs protect and enhance the Lake Tahoe Basin's natural resources along with adjacent land areas. Therefore, any and all citizens of Carson City who visit, recreate, own property in the Lake Tahoe Basin or enjoy knowing that the Lake is here, will benefit from our

programs. In addition with the work being done in Carson City all residents within the City may benefit from the outreach, training and design work pertaining to stormwater management.

**Community Benefits:**

1. Opportunity to be involved in Lake Tahoe restoration efforts and obtain technical conservation assistance through our Backyard Conservation Program.
2. Improved air and water quality through our Water Quality and Erosion Control Program and Environmental Monitoring Program.
3. Improved knowledge of Lake Tahoe conservation issues and efforts through our Nevada Tahoe Partnership and all of our program's outreach and education efforts.
4. Increased protection from Basin wildfires through our Forest Health and Vegetation Management Program.
5. Opportunity to become involved in a Carson City Urban Stormwater retrofit program.
6. Outreach to the community resources providing landscaping and natural resource issues.

14. Are you aware of any other private sector/nonprofit/governmental/agencies in the area providing the same services as your program/proposal? If yes, please explain how your project will compliment other existing programs?

The Nevada Tahoe Conservation District is the only Nevada based non-regulatory conservation agency serving the owners and users of this resource in the Lake Tahoe Basin. This also pertains to the work in the Carson City Urban area, where we have the support and authorization of the Carson Valley Conservation District to perform these tasks.

15. Please include a detailed budget for this program/event, and detailed list of intended expenditures and revenues.

See attached.

16. Has your organization been funded by Carson City previously?  Yes  No  
If yes, please list:

<u>Year</u>	<u>Amount</u>	<u>Program/Event</u>
01/02	\$5,000	Making a Difference through Conservation
02/03	\$5,000	Making a Difference through Conservation
03/04	\$3,953	Making a Difference through Conservation
04/05	\$4,000	Making a Difference through Conservation
05/06	\$2,000	Making a Difference through Conservation
06/07	\$2,000	Making a Difference through Conservation
07/08	\$1,800	Making a Difference through Conservation
08/09	\$1,800	Making a Difference through Conservation
09/10	\$1,800	Making a Difference through Conservation

**Required Attachments:**

- X A copy of your 501(c)3 Designation Letter from the IRS. For branches of a larger organization (i.e., local troop of Boy Scouts of America), please provide the letter for your umbrella organization.
- X A copy of your most recent audited financial statement. For smaller organizations, or branches, a more simple budget showing income and expenses is acceptable. Also include an IRS form 990.
- X **Previous Grantees: If your organization received grant funding in Fiscal Year 2009-2010 you must complete and submit an Annual Report form detailing how those funds were spent. Applications for former grantees will not be considered if an Annual Report has not been included.**
- X Signed Guidelines for Grants (please keep a copy for your files).

# Who We Are



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- Documents
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- Maps of Our Region
- Our Board
- Board Meeting Calendar
- Our Staff
- Job Opportunities



## WHO WE ARE

The Nevada Tahoe Conservation District (NTCD) is one of approximately 3,000 Conservation Districts functioning in all 50 States and U.S. Territories. Conservation Districts are subdivisions of State government and are unique locally led conservation agencies. Districts provide resource management and technical assistance to land occupiers (owners, renters, and producers) as well as work cooperatively with Federal, State, and Local governments in the delivery of conservation programs.

The Nevada Tahoe Conservation District is one of 28 Conservation Districts functioning under the auspices of Nevada Revised Statute, Chapter 548. The District is a Governmental Sub-division of the State of Nevada and a public body corporate created in 1976. Prior to July 1st, 1976 the land area that now makes up the NTCD was part of a larger Conservation District known as the Tahoe Verdi Conservation District.

Local leaders realized the unique natural resource issues of the Lake Tahoe Basin and realigned District boundaries to create the NTCD. They believed the realignment would allow for more effective conservation management of Lake Tahoe's natural resources.

Now the District encompasses all of the land in the Lake Tahoe Basin residing in the State of Nevada including portions of Douglas and Washoe Counties and the Carson City Rural Area.

The Nevada Tahoe Conservation District (NTCD) is now Nevada Lake Tahoe's local conservation agency and source for technical assistance. The District is a non-regulatory and grant funded agency that works closely with its Federal, State, and Local partners to deliver conservation programs to the Nevada Lake Tahoe Community.

The District is guided by a Board of Supervisors made up of elected and appointed community leaders. The Board of Supervisors provides direction to the District's full time staff in carrying out the District's mission statement, vision, and guiding principals.

As described in our mission statement, the District seeks to provide its constituents with superior technical assistance, educational resources, and conservation leadership with the goal of protecting Lake Tahoe's natural resources.

Site images are provided by the Jon Paul Gallery

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**Annual Report**  
**For Community Support Services Funding**  
**Fiscal Year 2009-2010**

Name of Organization: Nevada Tahoe Conservation District

Program/Project: Making a Difference through Conservation

Amount of Funds Received \$ 1,800

Contact Person: Mark Thorpe, Administrator

Mailing Address: PO Box 915

City: Zephyr Cove State: NV Zip Code: 89448

Phone Number: 775-586-1610 E-mail: mthorpe@ntcd.org

Date Submitted: 2-22-10

1. Please attach a final financial income and expense statement that specifically explains how grant funds were used, including a comparison between your budgeted and your actual incomes and expenses.

2. Evaluate your achievement of your program/proposal objectives listed in your application:

The District has meet and exceeded all proposal objectives identified in our FY 09/10 application. We were able to complete an asset inventory and stormwater monitoring plan, assist over 750 homeowners with erosion and sediment issues and concerns, conduct efficiency trials on sediment removal using advanced street sweeper technology and we met all commitments to the Carson City Public Works Department pertaining to residential design of Best Management Practices for sediment and erosion control. In addition, the conservation programs aimed at protecting Lake Tahoe water quality provided a direct benefit to all Carson City residents, as a portion of the Carson City tax base relies on the overflow tourist economy at Lake Tahoe. In addition, the District has prepared and has received funding to assist with over \$1M in new projects this coming fiscal year.

3. Approximately how many people benefitted from your project? How many of those people were Carson City residents? What were some of the individual benefits?

Directly the programs at the District benefit over 50,000 residents of the Lake Tahoe Basin, as well as an indeterminate number of vistors and 2<sup>nd</sup> home owners who also enjoy the benefits of Lake Tahoe. In addition, our joint project with Carson City's Public Works and Engineering Departments is designed to benefit those residents in Carson City (mostly those homes above the valley floor) where soil erosion impacts conveyance and treatment stormwater infrastructure.



4. What specific community benefit did your project provide Carson City?

The stormwater infrastructure of Carson City will benefit through reduced maintenance costs and public awareness that sediment loss and erosion causes to conveyance and treatment systems. Also, tourism and business benefit from the work done within the Tahoe basin that address maintaining and improving the scenic and environmental health of the basin.

5. Will this program/project be reoccurring? How do you anticipate funding the project in the future?

The community assistance grant from Carson City is required to assist with meeting match and administrative expenses that the District uses to obtain grant funding for projects through various sources: Bureau of Reclamation, US Forest Service, Nevada Division of Environmental Protection, Nevada Division of State Lands, and others. The ratio between the assistance between program grants and the Carson City assistance grant was approximately 500:1 last year.

6. Describe any challenges that impacted your program.

Local assistance funds are necessary to operate the District and are needed to fund administrative and overhead expenses including non-grant salaries, utilities, insurance, and other general business expenses. Currently, Douglas County is reviewing a request this year of \$10,000 and Washoe County last year was able to provide in kind support of legal services and \$5,000 cash (total value of \$15,000). The State of Nevada re-directed \$1,000 of their assistance grant to their own internal operational cost.

		INCOME AND EXPENSE REPORT	GENERAL FUND	GENERAL FUND			
		NV TAHOE CONSERVATION DIST.	January 2010	YTD July 2009-June 2010	Budget	Variance Favorable (Unfavorable)	% of Budget
<b>INCOME</b>	<b>General Fund</b>						
<b>Community Grants-Income</b>							
	Carson City			1,800.00	1,800.00	0.00	100%
	Douglas County			0.00	0.00	0.00	0.00
	NV Division of Conser. District			4,200.00	4,200.00	0.00	1.00
	Washoe County Community Grant			0.00	0.00	0.00	0.00
<b>Total Community Grants-Income</b>			0.00	6,000.00	6,000.00	0.00	1.00
<b>Grants-Income</b>						0.00	
	Administration Fee Income					0.00	
	Personnel Cost Income					0.00	
	Wages Weighted Rate-Grant Income					0.00	
	Grants-Income - Other					0.00	
<b>Total Grants-Income</b>			0.00	0.00		0.00	
<b>Income-Pass Thru Subcontractor</b>						0.00	
<b>Interest</b>						0.00	
<b>Miscellaneous Income</b>			0.00	4,999.94		4,999.94	
<b>Prior Year Income</b>						0.00	
<b>Services Rendered</b>							
<b>Vehicle Use Income</b>						0.00	
<b>Wage Reimbursements</b>						0.00	
<b>Indirect Cost Income-General (GL Shows In Expense Category)</b>			19,096.61	133,293.44	263,126.00	(129,832.56)	0.51
<b>TOTAL INCOME</b>			19,096.61	144,293.38	269,126.00	(124,832.62)	0.64
<b>EXPENSES</b>							
<b>Advertising-Expense</b>				0.00	500.00	500.00	0.00
<b>Building Expense</b>							
	Building Repairs/Maint-Expense		187.50	1,087.50	2,000.00	912.50	
<b>Total Building Expense</b>			187.50	1,087.50	2,000.00	912.50	
<b>Conference &amp; Training-Expense</b>							
	Food					0.00	
	Lodging		0.00	1,389.87		(1,389.87)	
	Parking					0.00	
	Registration Fees		485.00	1,045.00		(1,045.00)	
	Travel/Transportation				1,000.00	1,000.00	
	Conference & Training-Expense - Other				1,500.00	1,500.00	0.00
<b>Total Conference &amp; Training-Expense</b>			485.00	2,434.87	2,500.00	66.13	0.97
<b>Deposit Security</b>			0.00	0.00		0.00	0.00
<b>Donation-Expense</b>				(165.00)		165.00	1.00
<b>Dues and Subscriptions-Expense</b>							0.00
	Membership/Dues District		0.00	713.25		(713.25)	1.00
	Membership/Dues Staff					0.00	0.00
	Dues and Subscriptions-Expense - Other				2,000.00	2,000.00	
<b>Total Dues and Subscriptions-Expense</b>			0.00	713.25	2,000.00	1,286.75	0.36
<b>Equipment-Expense</b>						0.00	
	Cell Phones						
	Computer Hardware & Software		0.00	2,778.79		(2,778.79)	
	Computer Maintenance & Repair		349.00	510.45	1,500.00	989.55	
	Office Equipment & Furniture					0.00	
	Rental/Leasing Fees Equipment		611.81	3,480.79	6,000.00	2,519.21	
	Repairs & Maintenance Equipment			46.00		(46.00)	1.00
	Telephone System					0.00	
	Equipment-Expense - Other				4,126.00	4,126.00	0.00
<b>Total Equipment-Expense</b>			960.81	6,816.03	11,626.00	4,809.97	0.59

		INCOME AND EXPENSE REPORT	GENERAL FUND	GENERAL FUND			
		NV TAHOE CONSERVATION DIST.	January 2010	YTD July 2009-June 2010	Budget	Variance Favorable (Unfavorable)	% of Budget
Indirect Cost		(See Excel Income Section)					
	Administrative Cost-Grants					0.00	
	Indirect Cost - Other					0.00	
<b>Total Indirect Cost</b>		See Revenues above	0.00	0.00	0.00	0.00	0.00
Insurance-Expense						0.00	
	E&O/Prop/ Liability Insurance				6,000.00	6,000.00	0.00
<b>Total Insurance-Expense</b>			0.00	0.00	6,000.00	6,000.00	0.00
Meetings Expense							
	Meals-Expense		0.00	607.33	1,500.00	992.67	0.34
Miscellaneous Expense							
Other Expenses					0.00		
Professional Fees-Expense							
	Audit		300.00	13,800.00	14,000.00	200.00	
	Computer/Software Maintenance						
	Professional Fees-Expense - Other		23.10	160.05	0.00	(160.05)	
<b>Total Professional Fees-Expense</b>			323.10	13,960.05	14,000.00	39.95	1.00
Rents and Leases							
	Office Space Lease		3,500.00	23,750.00	41,500.00	17,750.00	0.67
	Storage Rents						
	Rents and Leases-Other		(239.16)	(1,674.05)		1,674.05	1.00
<b>Total Rents and Leases</b>			3,260.85	22,075.95	41,500.00	19,424.05	0.63
Service Charges						0.00	0.00
Subcontractor Fees-Expense						0.00	
	2nd Nature					0.00	
	Biological by Design					0.00	
	High Sierra Water Lab					0.00	
	Hughes Weed Control					0.00	
	Jacobs, Jack P.E.					0.00	
	Nichols Consulting Engineers					0.00	
	Round Hill GID					0.00	
	Other				0.00	0.00	
<b>Total Subcontractor Fees-Expense</b>			0.00	0.00	0.00	0.00	
Supplies-Expense							
	Office Supplies		188.75	804.03			
	Photocopies						
	Postage and Delivery		0.00	565.54			
	Publication/Printing			30.00			
	Supplies-Expense - Other		58.37	847.57	6,500.00	5,652.43	
<b>Total Supplies-Expense</b>			247.12	2,247.14	6,500.00	4,252.86	0.35
Telecommunications							
	Cell Phone		124.05	892.61		(892.61)	
	Internet Fees					0.00	
	Long Distance		57.08	826.47		(826.47)	
	Phone Services		81.45	1,951.40		(1,951.40)	
	Telephone-Expense - Other				7,000.00	7,000.00	
<b>Total Telecommunications-Expense</b>			262.58	3,670.48	7,000.00	3,329.52	0.52
Utilities							
	Gas					0.00	
	Electric					0.00	

		INCOME AND EXPENSE REPORT	GENERAL FUND	GENERAL FUND			
		NV TAHOE CONSERVATION DIST.	January 2010	YTD July 2009-June 2010	Budget	Variance Favorable (Unfavorable)	% of Budget
	Utilities-Other					0.00	
	<b>Total Utilities</b>		0.00	0.00	0.00	0.00	0.00
	<b>Vehicles-Expense</b>					0.00	
	District Vehicle Use		(247.50)	(4,737.71)			
	Fuel-Expense		69.54	1,450.06		(1,450.06)	
	License & Maintenance		20.00	102.23		(102.23)	
	Mileage Reimbursement Expense			287.30			
	Vehicle Fuel Reimbursement Expense			46.39			
	Vehicle				2,000.00		
	<b>Total Vehicles-Expense</b>		(157.96)	(2,871.73)	2,000.00	4,871.73	(1.44)
	<b>Wages</b>						
	Payroll Clearing Account		2,215.51	(1,251.38)			
	Wages-Senior PM-CPG		1,240.01	8,823.92			
	Wages-Senior PM-WRG		3,104.63	18,945.84			
	Wages-Administrator		6,983.60	48,149.12			
	Wages-ES I-CPG		0.00	2,492.44			
	Wages-ES II-CPG (1)		0.00	881.77			
	Wages-ES II-CPG (2)		747.73	747.73			
	Wages-District Manager		7,606.30	81,757.27			
	Wages-ES-II-CPG (3)		0.00	700.99			
	Wages-ES III - WRG		1,286.40	9,823.92			
	Wages-Professional Engineer		3,326.18	21,957.33			
	Wages-ES II-WRG		557.01	5,597.18			
	Wages-Senior Engineer Technician		1,604.11	6,262.62			
	Wages - Other		(0.30)	5.01			
	Uncompensated Absence-Reimb Exp		(2,845.54)	(41,240.21)			
	<b>Total Wages</b>		25,825.62	143,453.55	172,000.00	28,546.45	0.83
	<b>Wages-Overhead/Fringe</b>					0.00	
	Long Term Disability		212.22	1,453.10			
	<b>Total Wages-Overhead/Fringe</b>		212.22	1,453.10		(1,453.10)	
	<b>Total Wages/Ovrhead</b>		26,037.84	144,906.65	172,000.00	27,093.35	0.83
	<b>Revolving Account</b>						
	<b>TOTAL EXPENSES (No Indirect Included)</b>		31,608.84	195,382.52	269,128.00	73,743.48	0.73
	<b>NET REVENUE OVER/(UNDER) EXPENSES</b>		(12,510.03)	(51,089.14)			

## **Guidelines for Grants**

Fiscal Year 2010-2011

### **Vision**

A leader among cities as an inviting, prosperous community where people live, work and play!

### **Mission**

Preserve and enhance the quality of life and heritage of Carson City for present and future generations of residents, workers and visitors.

### **City's Goals**

A Safe and Secure Community

A Healthy Community

An Active and Engaged Community

A Clean and Healthy Environment

A Vibrant, Diverse and Sustainable Economy

A Community Rich in History, Culture and the Arts

A Community Dedicated to Excellence in Education

A Physically and Socially Connected Community

A Community Where Information is Available to All

1. The competitive grant review process seeks to identify and fund those projects and programs with the greatest potential for furthering the City's goals while benefitting the community.
2. Funding is provided on a year to year basis only. Funding is strictly limited by the availability of funds.
3. Upon approval by the Board of Supervisors of the request, the grant money will be included in the next succeeding year's budget and will be dispensed by the City Manager's Office without further hearing. However, the Board shall continue to retain the prerogative and authority to deny any payment, if in the opinion of the Board, the applicant is not making a "good faith" effort in meeting the obligations and commitments outlined by said applicant within the application process. All grants approved shall be subject to funding availability.
4. The Board of Supervisors may in any event decide by majority vote to conduct a subsequent hearing concerning the application and, if so, the applicant will be notified as to the date of the subsequent hearing.
5. The applicant will utilize the grant monies solely for the general benefit of Carson City and the purpose set forth in the grant application.
6. These guidelines shall not prevent the City from entering into a contract to provide grant money for a term of years.
7. These guidelines shall not control any grants of money provided by any other public or private entity.

8. Approval of each request for funds and/or other forms of consideration shall have a condition that the applicant must complete an Annual Report form detailing all funds utilized, measurable outcomes and benefit to the citizens of Carson City. The completed Annual Report must be submitted to the City Manager's Office no later than March 1, 2011.
9. Any and all individuals and/or entities desiring a grant from the City must complete and execute an "Application for Grant Funds" form and include the required attachments as listed in the application.
10. The **original and nine (9) copies** of the application packet must be submitted to the City Manager's Office no later than **5:00 p.m. on February 25, 2010**. An electronic pdf version may also be emailed to [cceo@ci.carson-city.nv.us](mailto:cceo@ci.carson-city.nv.us).

*I have read and understand the Guidelines for Grants. The information that is included within this application and its attachments are true to my knowledge.*

Nevada Tahoe Conservation District  
Name of Program

Douglas Martin  
Project Director Signature

2-22-10  
Date

Carson City Executive Offices  
201 N. Carson Street, Suite 2  
Carson City, NV 89701  
775-887-2100  
775-887-2286 (fax)  
[cceo@ci.carson-city.nv.us](mailto:cceo@ci.carson-city.nv.us)  
[www.carson-city.nv.us](http://www.carson-city.nv.us)

**NEVADA TAHOE CONSERVATION DISTRICT**

**REPORTING PACKAGE**

**JUNE 30, 2009**

NEVADA TAHOE CONSERVATION DISTRICT  
JUNE 30, 2009

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## INDEPENDENT AUDITORS' REPORT

To the Board of Supervisors  
Nevada Tahoe Conservation District

We have audited the accompanying basic financial statements of the governmental activities and major fund of the Nevada Tahoe Conservation District (District) as of and for the year ended June 30, 2009, as listed in the table of contents. These basic financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and major fund of the District as of June 30, 2009, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 12, 2010, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 5 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Districts*, and is not a required part of the basic financial statements of the Nevada Tahoe Conservation District. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink that reads 'Kohn Colodny'.

Reno, Nevada  
January 12, 2010

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

NEVADA TAHOE CONSERVATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2009

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As management of the Nevada Tahoe Conservation District (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2009. We encourage readers to consider the information presented here in conjunction with the District's basic financial statements, which begin on page 7.

#### FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$251,414, an increase of \$97,252, which is a result of an increase in cash and due from other governments and a decrease in unearned revenue.
- The District had total revenue of \$2,043,614 and program expenses of \$1,935,187. Revenue and expenses were both increased over prior year due to additional work on the Rosewood Creek Project. Revenue increased from most sources, including federal and state grants and private grants. In addition, the project resulted in significant increases in subcontractor work as well and internal salaries and employee benefit costs.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS: The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenue and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements report on the function of the District that is principally supported by intergovernmental revenue.

FUND FINANCIAL STATEMENTS: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District only has one fund which is a governmental fund as described below.

Governmental Funds - The District's general fund accounts for all financial resources of the District. The general fund is used to account for essentially the same function reported as government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented in the governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental funds balance sheet and the governmental funds statement of revenue, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between the governmental funds and governmental activities.

NEVADA TAHOE CONSERVATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED) (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2009

**NOTES TO THE BASIC FINANCIAL STATEMENTS:** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 10 through 14.

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$251,414 at the close of the most recent fiscal year.

The District has \$38,710 invested in capital assets. Any investment in capital assets restricts the use of assets for future spending. The unrestricted net assets of the District are available for future use to provide program services.

#### Statement of Net Assets

	2009	2008	\$ Change	% Change
Current and other assets	\$ 355,359	\$ 266,642	\$ 88,717	33.27%
Capital assets, net	38,710	57,002	(18,292)	-32.09%
Total assets	<u>394,069</u>	<u>323,644</u>	<u>70,425</u>	<u>21.76%</u>
Long-term liabilities	19,411	21,529	(2,118)	-9.84%
Other liabilities	123,244	147,953	(24,709)	-16.70%
Total liabilities	<u>142,655</u>	<u>169,482</u>	<u>(26,827)</u>	<u>-15.83%</u>
Net assets	<u>\$ 251,414</u>	<u>\$ 154,162</u>	<u>\$ 97,252</u>	<u>63.08%</u>

During the year, the District's net assets increased by \$97,252. The District's primary source of revenue is federal grants, and there were increases in those grants and other grants as a result of the Rosewood Creek project, which also resulted in increases in subcontractor expenses.

#### Statement of Activities

	2009	2008	\$ Change	% Change
Revenue				
Grants	\$ 2,043,614	\$ 1,215,028	\$ 828,586	68.19%
Other revenue	4,999	51	4,948	9701.96%
Total revenue	<u>2,048,613</u>	<u>1,215,079</u>	<u>833,534</u>	<u>68.60%</u>
Expenses				
Salaries and employee benefits	924,469	828,863	95,606	11.53%
Services and supplies	1,006,986	425,863	581,123	136.46%
Depreciation	19,906	18,125	1,781	9.83%
Total expenses	<u>1,951,361</u>	<u>1,272,851</u>	<u>678,510</u>	<u>53.31%</u>
Change in net assets	97,252	(57,772)	155,024	-268.34%
Net assets, beginning of year	154,162	211,934	(57,772)	-27.26%
Net assets, end of year	<u>\$ 251,414</u>	<u>\$ 154,162</u>	<u>\$ 97,252</u>	<u>63.08%</u>

NEVADA TAHOE CONSERVATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED) (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2009

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#### **YEAR END POSITION**

The overall financial position of the District at year-end is good with an increase in net assets. In addition to the increase in cash we have seen a decrease in the unearned revenue, showing that we are managing the cash flow appropriately. There were additions of new personnel and an increase of expenses as the Rosewood Creek project began the construction phase.

#### **CHANGES IN FUND BALANCE AND NET ASSETS**

As discussed above, the most significant change in the fund balance, as well as net assets, was the increase in grant revenue from various sources for the Rosewood Creek project, which increased both fund balance and net assets. The only differences between the government-wide net assets and the general fund fund balance is fixed assets and the long-term liability in accrued compensated absences. The District also sold a vehicle, and in addition to current year depreciation expense, there has been a reduction of the investment in capital assets, increasing the unrestricted portion of net assets.

#### **CAPITAL ASSETS AND LONG-TERM DEBT**

There were no significant capital asset transactions, and no long-term debt during the year ended June 30, 2009.

#### **BUDGETARY REQUIREMENTS**

The District is not required to comply with budgetary requirements, as stated in Nevada Revised Statutes (NRS) 353, therefore no budgetary information is provided.

#### **ECONOMIC FACTORS AND POTENTIAL FINANCIAL CHANGES IN THE FUTURE**

Although there are concerns with the decrease in community assistance funds from local counties, the District continues to develop new programs and funding sources as the economic and environmental changes affect the needs of the homeowners and of the Lake. The District is planning on budget changes due to increases in health insurance costs.

Although one phase of the Rosewood Creek project was completed, the next phase is in the process of being approved. In addition, the BMP program is still ongoing and the District continues to assist homeowners.

#### **REQUESTS FOR INFORMATION**

This financial report is designed to provide the Board, our taxpayers, customers, investors and creditors with a general overview of the District's accountability for the assets it receives and manages. If you have any questions about this report, or need additional financial information, please contact the District Administrator at the following address – P.O. Box 915, Zephyr Cove, Nevada 89448.

## BASIC FINANCIAL STATEMENTS

NEVADA TAHOE CONSERVATION DISTRICT  
STATEMENT OF NET ASSETS AND GOVERNMENTAL FUND BALANCE SHEET  
JUNE 30, 2009

ASSETS	General Fund	Adjustments (Note 9)	Statement of Net Assets
Cash and investments	\$ 74,819	\$ -	\$ 74,819
Prepaid expenses	3,350	-	3,350
Accounts receivable	6,280	-	6,280
Due from other governments	270,910	-	270,910
Capital assets, net of accumulated depreciation	-	38,710	38,710
<b>Total assets</b>	<b>\$ 355,359</b>	<b>38,710</b>	<b>394,069</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 97,144	-	97,144
Accrued liabilities	14,011	19,411	33,422
Deferred revenue	12,089	-	12,089
<b>Total liabilities</b>	<b>123,244</b>	<b>19,411</b>	<b>142,655</b>
<b>FUND BALANCE / NET ASSETS</b>			
Fund balance			
Reserved for prepaid expenses	3,350	(3,350)	-
Undesignated	228,765	(228,765)	-
<b>Total fund balance</b>	<b>232,115</b>	<b>(232,115)</b>	<b>-</b>
<b>Total liabilities and fund balance</b>	<b>\$ 355,359</b>		
<b>Net assets</b>			
Invested in capital assets		38,710	38,710
Unrestricted		212,704	212,704
<b>Total net assets</b>		<b>\$ 251,414</b>	<b>\$ 251,414</b>

See accompanying notes

NEVADA TAHOE CONSERVATION DISTRICT  
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUE,  
EXPENDITURES, AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2009

	<u>General Fund</u>	<u>Adjustments (Note 9)</u>	<u>Statement of Activities</u>
<b>EXPENDITURES/EXPENSES</b>			
Salaries and employee benefits	\$ 911,520	\$ (2,118)	\$ 909,402
Services and supplies	1,023,667	(1,614)	1,022,053
Depreciation expense	-	19,906	19,906
Total expenditures/expenses	<u>1,935,187</u>	<u>16,174</u>	<u>1,951,361</u>
<b>GENERAL REVENUE</b>			
Intergovernmental			
Local	128,943	-	128,943
State	231,538	-	231,538
Federal	1,554,187	-	1,554,187
Total intergovernmental	<u>1,914,668</u>	<u>-</u>	<u>1,914,668</u>
Other	1,409	-	1,409
Private grants	127,537	-	127,537
Total general revenue	<u>2,043,614</u>	<u>-</u>	<u>2,043,614</u>
Net general revenue (expenditures/expenses)	108,427	(16,174)	92,253
<b>OTHER REVENUE</b>			
Gain on sale of assets	<u>4,999</u>	<u>-</u>	<u>4,999</u>
Excess (deficiency) of revenue over (under) expenditures	113,426	(113,426)	-
Change in net assets	-	97,252	97,252
<b>FUND BALANCE / NET ASSETS</b>			
Beginning of year	<u>118,689</u>	<u>35,473</u>	<u>154,162</u>
End of year	<u>\$ 232,115</u>	<u>\$ 19,299</u>	<u>\$ 251,414</u>

See accompanying notes



## NOTES TO FINANCIAL STATEMENTS

NEVADA TAHOE CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Nevada Tahoe Conservation District (District) financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

Reporting Entity

The District was formed pursuant to Nevada Revised Statutes Section 548 to develop comprehensive plans for the conservation of natural resources and administer renewable, natural resource conservation projects located within District boundaries.

Basic Financial Statements – Government-Wide Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Basic Financial Statements - Fund Accounting

The financial transactions of the District are reported in the general fund. The operations of the general fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenue and expenditures. The District's general fund is a governmental fund type. Governmental funds are accounted for on a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on the balance sheets. The recorded fund balance (net current assets) is considered a measure of "available spendable resources". Operating statements for governmental funds present increases (revenue and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period of time.

Available is defined as being due and collected within the current period or within 60 days after fiscal year end. When revenue is due, but will not be collected within 60 days, the receivable is recorded and an offsetting deferred revenue account is established.

Basis of Accounting

The District is defined as a single-program special-purpose entity under GASB Statement No. 14, paragraph 131 as amended by GASB Statement No. 39. This classification allows for the preparation of GASB 34 financial statements under an optional reporting method which combines the fund and government-wide statements into a single presentation. Under standard GASB 34 methodology, the government-wide statement of net assets and statement of activities are presented independently from the respective fund balance sheet and statement of revenue, expenditures, and fund balance. A reconciliation of adjustments provided on the modified financial statements demonstrates the changes from the fund financial statements to the government-wide financial statements in order to assist the reader in evaluating these statements. The District has utilized this optional method of presentation.

NEVADA TAHOE CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2009

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash

Cash is maintained in one commercial bank in Zephyr Cove, Nevada. The District does not currently have a deposit policy related to custodial credit risk.

Due from Other Governments

Contract and grant funds which have been expended, but not yet received, are reported as "due from other governments."

Accounts Receivable and Deferred Revenue

The District uses the allowance method to determine uncollectible accounts receivables. The allowance is based on prior years' experience and management's analysis of specific receivables. Management has a policy to analyze and adjust all uncollectible accounts on a monthly basis. Management believes its receivables are fully collectible and, accordingly, no allowance for doubtful accounts is required.

The District reports deferred revenue in its financial statements. Deferred revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenue also arises when the District receives resources before it has a legal claim to them, as when grant monies are received prior to the expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability of deferred revenue is removed from the financial statements and revenue is recognized.

Capital Assets

Capital assets, which include vehicles, office furniture and equipment, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$1,000 and an estimated useful life of at least one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Capital assets are depreciated using the straight-line method over the estimated useful lives of 3-7 years.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in income for the period.

Accrued Compensated Absences

All regular, permanent employees are granted vacation and sick benefits in varying amounts to specified maximum amounts depending on tenure with the District. The current liability for vacation and sick benefits paid within the first 60 days after the end of the fiscal year is reflected in the fund financial statements. The total estimated liability of vested vacation and sick benefits is reflected in the government-wide financial statements.

NEVADA TAHOE CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2009

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity Classifications

In the government-wide financial statements, equity is classified as net assets and displayed in two components:

- Invested in capital assets – consists of capital assets, net of accumulated depreciation.
- Unrestricted net assets – All other net assets that do not meet the definition of "invested in capital assets" or "restricted."

In the fund financial statements, governmental funds report reservations of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

Use of Estimates

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

Subsequent Events

Subsequent events have been evaluated through the report date, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.

NOTE 2 - COMPLIANCE WITH NEVADA REVISED STATUTES (NRS) AND THE NEVADA ADMINISTRATIVE CODE

The District conformed to all significant statutory constraints on its financial administration.

NOTE 3 - CASH

By provision of statutes, the District is authorized to deposit all money in banks or savings and loan associations located in the State of Nevada and must be subject to withdrawal on demand.

The District maintains its checking and savings accounts in one commercial bank. The accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000.

NEVADA TAHOE CONSERVATION DISTRICT  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2009

NOTE 4 - CAPITAL ASSETS

Capital asset activity consists of the following for the year ended June 30:

	2008	Increases	Decreases	2009
<u>Capital assets,</u>				
<u>being depreciated</u>				
Furniture and fixtures	\$ 89,386	\$ 1,614	\$ -	\$ 91,000
Equipment	72,950	-	15,234	57,716
Total capital assets, being depreciated	162,336	1,614	15,234	148,716
<u>Less accumulated</u>				
<u>depreciation</u>				
Furniture and fixtures	(57,611)	(8,452)	-	(66,063)
Equipment	(47,723)	(11,454)	15,234	(43,943)
Total accumulated depreciation	(105,334)	(19,906)	15,234	(110,006)
Net capital assets	\$ 57,002	\$ (18,292)	\$ -	\$ 38,710

NOTE 5 - LEASE TRANSACTIONS

The District has an agreement to lease office space in Zephyr Cove, Nevada through November 30, 2010. Payments are currently \$3,350 per month with annual scheduled increases. In addition, the District has an agreement to lease office equipment through December 2012 with monthly payments of \$335.

Minimum future rental payments under the non-cancelable operating lease for the remaining terms of the lease are as follows:

2010	\$ 45,270
2011	21,520
2012	4,020
2013	1,675

Rent expense included in the financial statements for these leases and other month to month leases was \$49,423 for the year ended June 30, 2009.

NOTE 6 - ACCRUED COMPENSATED ABSENCES

The following schedule summarizes the changes in accrued compensated absences:

Beginning of year balances	\$ 21,529
Additions	90,866
Uses	(83,698)
End of year balance	\$ <u>28,697</u>
Due within one year	\$ <u>9,286</u>

NEVADA TAHOE CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2009

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NOTE 7 - DEFINED BENEFIT PENSION PLAN

Plan Description. The District contributes to the Public Employees' Retirement System of the State of Nevada (PERS), a cost sharing, multiple employer, defined benefit plan administered by the Public Employees' Retirement System of the State of Nevada. PERS provides retirement benefits, disability benefits, and death benefits, including annual cost of living adjustments, to plan members and their beneficiaries. Chapter 286 of the Nevada Revised Statutes establishes the benefit provisions provided to the participants of PERS. These benefit provisions may only be amended through legislation. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Public Employees' Retirement System of the State of Nevada, 693 West Nye Lane, Carson City, Nevada 89703-1599 or by calling (775) 687-4200.

Funding Policy. Plan members' benefits are funded under both the employee/employer paid contribution plan and the employer paid contribution plan. Under the employee/employer plan, the District and its employees are required to share equally, all amounts due under the plan. The District's contribution rate for each of the years ended June 30, 2009, 2008 and 2007 was 10.5%. Under the employer paid plan, the District pays all contributions. The District's contribution rate for the years ended June 30, 2009, 2008 and 2007 was 20.5%, 20.5% and 19.75% per year, respectively. The District's contributed \$98,381, \$90,946 and \$72,036 for the years ended June 30, 2009, 2008, and 2007, respectively.

NOTE 8 - RISK MANAGEMENT

There were no claims pending or unresolved disputes involving the District at June 30, 2009.

The District is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has joined together with similar public agencies (cities, counties, and special districts) throughout the State of Nevada to create a pool under the Nevada Interlocal Cooperation Act. The Nevada Public Agency Insurance Pool (the "Pool") is a public entity risk pool currently operating as a common risk management and insurance program for its members. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District.

NOTE 9 - CONVERSION TO GOVERNMENT-WIDE FINANCIAL STATEMENTS

Adjustments on the face of the financial statements were made to the fund balance sheet and statement of revenue, expenditures, and changes in fund balance in order to reconcile the fund financial statements to the government-wide statements of net assets and activities. These adjustments detail the effect of the capitalization of fixed assets of \$148,717 including \$1,614 in current year additions, accumulated depreciation of \$110,007, depreciation expense of \$19,906, compensated absences payable of \$19,411, and a change in compensated absences payable of \$2,118.

REQUIRED SUPPLEMENTARY INFORMATION

NEVADA TAHOE CONSERVATION DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2009

Federal Grantor/ Pass-Through Grantor/ Program Title	Pass-Through Identifying Number	Grant Period	Federal CFDA Number	Federal Expenditures
United States (U.S.)				
Department of Agriculture				
Forest Service				
Lake Tahoe Erosion				
Control Grant Program				
	08-DG-11051900-053	9/16/08-3/31/10	10.690	\$ 50,742
	06-DG-11051900-028	9/16/06-9/18/11	10.690	57,707
	07-DG-11051900-011	4/19/07-9/30/10	10.690	<u>47,460</u>
Subtotal - CFDA No. 10.690				155,909
Natural Resources				
Conservation Service				
Soil and Water				
Conservation				
	65-9104-9-700	3/23/09-3/22/10	10.902	62,205
	65-9104-8-524	2/1/08-12/31/08	10.902	<u>248,289</u>
Subtotal - CFDA No. 10.902*				310,494
Subtotal U.S. Department of Agriculture				466,403
U.S. Department of the Interior				
Bureau of Reclamation				
Fish and Wildlife				
Coordination Act				
	05FG202038	10/1/07-9/3/08	15.517	4,154
	06FG202071	10/1/06-11/30/09	15.517	545,043
	08FG200130	9/22/08-6/30/10	15.517	<u>196,200</u>
Subtotal - U.S. Department of the Interior				
Bureau of Reclamation and Subtotal - CFDA No. 15.517*				745,397
U.S. Environmental Protection				
Agency Office of Water				
Passed through Nevada				
Department of Environmental				
Protection				
Nonpoint Source				
Implementation Grants				
	DEP 08-029	4/1/08-3/31/10	66.460	151,481
	DEP07-042-2	7/1/07-12/31/09	66.460	91,338
	DEP 09-002	9/8/08-12/31/11	66.460	<u>70,159</u>
Subtotal - Nevada Department of Environmental Protection				312,978
Passed through Carson				
Water Subconservancy District				
Nonpoint Source				
Implementation Grants				
	2009-1	4/15/09-12/31/11	66.460	<u>1,096</u>
Subtotal - U.S. Environmental Protection Agency				
Office of Water and Subtotal - CFDA No. 66.460 *				<u>314,074</u>
Total federal expenditures				<u>\$ 1,525,874</u>

\* denotes major program

See accompanying note to this schedule



NEVADA TAHOE CONSERVATION DISTRICT  
NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2009

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NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Nevada Tahoe Conservation District (the "District") and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some of the amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

REPORTS ON INTERNAL CONTROL AND COMPLIANCE

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Supervisors of  
Nevada Tahoe Conservation District

We have audited the accompanying financial statements of the governmental activities of the Nevada Tahoe Conservation District as of and for the year ended June 30, 2009, and have issued our report thereon dated January 12, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Nevada Tahoe Conservation District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Nevada Tahoe Conservation District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Nevada Tahoe Conservation District's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily disclose all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be a material weakness.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Nevada Tahoe Conservation District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Nevada Tahoe Conservation District's financial statements that is more than inconsequential will not be prevented or detected by the Nevada Tahoe Conservation District's internal control. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2009-1 to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Nevada Tahoe Conservation District's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, of the significant deficiency described above, we consider the significant deficiency identified above as item 2009-1 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Nevada Tahoe Conservation District's financial statements are free of 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 determination of 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 that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, Board of Supervisors, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Kolbe Colodziej

Reno, Nevada  
January 12, 2010



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Superiors  
Nevada Tahoe Conservation District  
Zephyr Cove, Nevada

Compliance

We have audited the compliance of Nevada Tahoe Conservation District with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to its major federal programs for the year ended June, 30 2009. Nevada Tahoe Conservation District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Nevada Tahoe Conservation District's management. Our responsibility is to express an opinion on the Nevada Tahoe Conservation District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Nevada Tahoe Conservation District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Nevada Tahoe Conservation District's compliance with those requirements.

As described in items 2009-3, 2009-4, 2009-5 and 2009-6 in the accompanying schedule of findings and questioned costs, Nevada Tahoe Conservation District, did not comply with requirements regarding allowable costs specifically related to the indirect cost rate, cash management, suspension and debarment, and reporting which are applicable to its major programs. Compliance with such requirements is necessary, in our opinion, for Nevada Tahoe Conservation District, to comply with the requirements applicable to those programs.

In our opinion, except for the noncompliance described in the preceding paragraph, Nevada Tahoe Conservation District complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of Nevada Tahoe Conservation District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Nevada Tahoe Conservation District's internal control over compliance with the requirements that could have a direct and

material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly we do not express an opinion on the effectiveness of Nevada Tahoe Conservation District's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies and others that we consider to be material weaknesses.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2009-2, 2009-3, 2009-4, 2009-5 and 2009-6 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs, we consider items 2009-2, 2009-3, 2009-4 and 2009-5 to be material weaknesses.

Nevada Tahoe Conservation District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Nevada Tahoe Conservation District's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, Board of Supervisors, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Kowal Colodny*

Reno, Nevada  
January 12, 2010



**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

NEVADA TAHOE CONSERVATION DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2009

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SECTION I - SUMMARY OF AUDITORS' RESULTS

*Financial Statements*

Type of auditors' report issued:

Unqualified

Internal control over financial reporting:

- Material weakness(es) identified?                      X   yes         no
- Significant deficiency(ies) identified  
that are not considered to be  
material weaknesses?                                         yes      X   no

Noncompliance material to financial  
statements noted?

     yes      X   no

*Federal Awards*

Internal control over major programs:

- Material weakness(es) identified?                      X   yes         no
- Significant deficiency(ies) identified  
that are not considered to be  
material weaknesses?                                      X   yes         no

Type of auditors' report issued on  
compliance for major programs:

Qualified

Any audit findings disclosed that are  
required to be reported in accordance  
with section 510(a) of Circular A-133

  X   yes         no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.902	Soil and Water Conservation
15.517	Fish and Wildlife Coordination Act
66.460	Nonpoint Source Implementation Grants

Dollar threshold used to distinguish  
between type A and type B programs:

  300,000  

Auditee Qualified As Low-Risk Auditee

     yes      X   no



NEVADA TAHOE CONSERVATION DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2009

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SECTION II – FINANCIAL STATEMENT FINDINGS

**Finding 2009-1**

*Federal Programs:*

All federal programs.

*Criteria:*

All allocations and expenses must be properly supported and calculated.

*Condition:*

The vehicle mileage calculations to allocate vehicle expense to the various programs did not include a reconciliation of the total miles driven to the total miles expensed. However, the difference noted resulted in the individual grants being undercharged. Therefore no questioned costs were noted as a result of this finding. In addition, when allocating costs to the federal programs, indirect costs were overstated since the offset was reflected as a liability as opposed to a reduction in the indirect cost category.

*Questioned Costs:*

None.

*Effect:*

Actual grant costs were under billed due to the lack of a final reconciliation and indirect costs were overstated.

*Cause:*

The final reconciliation process was incomplete and staff lacked the understanding of how the journal entry should be recorded.

*Recommendation:*

We recommend that the District reconcile the total miles driven to the total miles expensed to the grants and that the reconciliation be reviewed by appropriate personnel each month. In addition, the liability account should be eliminated and all offset amounts should reduce indirect costs.

*Management Response:*

The recommendation was implemented December 1, 2009. The mileage reconciliations are reviewed and/or completed by the Program Manager. The liability account was eliminated and offset amounts are posted to the corresponding expense account.

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

**Finding 2009-2**

See Finding 2009-1 in Section II – Financial Statement Findings.

NEVADA TAHOE CONSERVATION DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2009

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SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS (Continued)

**Finding 2009-3**

*Federal Programs:*

All programs.

*Criteria:*

OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, requires that recipients prepare an indirect cost proposal within six months of the close of the governmental unit's fiscal year.

*Condition:*

The calculation for the indirect cost rate was prepared by including certain employee benefits as direct costs, not offsetting allocations of accrued absences in indirect costs, and not including the impact of prior audit adjustments in the calculation. However, the net result did not impact the amount billed for indirect costs as a lower rate was utilized. In addition, the indirect cost rate proposal for the year ended June 30, 2008 was not completed until after the required time.

*Questioned Costs:*

None.

*Effect:*

The District was not complying with the requirements of OMB Circular A-87.

*Cause:*

The District was not aware of the deadline requirement. In addition, the calculation was prepared following the prior accountant's information.

*Recommendation:*

We recommend that the District review the indirect cost rate calculation to ensure that the calculation is prepared properly.

*Management Response:*

The FY 2010 Indirect Cost Rate proposal was recently submitted, and approved, using the above recommendations. And in the future, will be submitted on a timely basis.

**Finding 2009-4**

*Federal Programs:*

CFDA No. 15.517 – Fish and Wildlife Coordination Act

NEVADA TAHOE CONSERVATION DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2009

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SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS (Continued)

**Finding 2009-4 (Continued)**

*Criteria:*

OMB Circular A-102, *Grants and Cooperative Agreements With State and Local Governments*, requires that recipients follow procedures to minimize the time between receipt and disbursement of the funds.

*Condition:*

During a portion of the year, the District requested funds based on estimated use as opposed to actual expenses incurred. As a result, there were several months during the period that cash was on hand that exceeded the actual costs incurred and many more months in which expenses paid were more than the amount requested for reimbursement.

*Questioned Costs:*

None.

*Effect:*

The District was not complying with the requirements of OMB Circular A-102.

*Cause:*

The District was requesting an advance each month based on anticipated expenses which was less than the amounts they actually expended in most months and more than the funds necessary for certain short term periods.

*Recommendation:*

We recommend that the District review more closely the amounts being advanced from the pass-through agency and minimize the time elapsing between the transfer of funds and the disbursement of checks.

*Management Response:*

The District no longer uses the advance payment method for federal awards.

**Finding 2009-5**

*Federal Programs:*

66.460 – Nonpoint Source Implementation Grants

*Criteria:*

OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, requires that recipients verify the all subcontractors have not been suspended or disbarred.

NEVADA TAHOE CONSERVATION DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2009

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SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS (Continued)

**Finding 2009-5 (Continued)**

*Condition:*

One of the subcontractors was not properly reviewed for suspension and debarment. However, it is important to note that the subcontractor was not on the suspension and debarment list.

*Questioned Costs:*

None.

*Effect:*

The District was not complying with the requirements of OMB Circular A-87.

*Cause:*

Although the District is aware of the requirement, staff overlooked this requirement on one of the subcontractors.

*Recommendation:*

We recommend that the District have an acceptance worksheet which could be utilized to document if the verification had been performed.

*Management Response:*

Checking for debarment status is in the District's Procedure for Subcontractor Selection Policy. The subcontractor went through a very extensive selection/interview process in conjunction with the Nevada Division of Environmental Protection. During this process debarment status was overlooked.

**Finding 2009-6**

*Federal Programs:*

CFDA No. 15.517 – Fish and Wildlife Coordination Act

*Criteria:*

The grant documents require that quarterly and final reports be timely filed.

*Condition:*

The reports were not timely filed.

*Questioned Costs:*

None.

NEVADA TAHOE CONSERVATION DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2009

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SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS (Continued)

**Finding 2009-6 (Continued)**

*Effect:*

The District was not complying with the requirements of the grant.

*Cause:*

Although the District was aware of the reporting requirements they were not able to gather the appropriate information from the various parties in order to report on time.

*Recommendation:*

We recommend that the District verify all reporting requirements are met in a timely manner.

*Management Response:*

The District agrees with the recommendation; and in the future, will be more diligent regarding reporting requirements.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND CORRECTIVE ACTION PLAN

NEVADA TAHOE CONSERVATION DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED JUNE 30, 2009

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**Prior Audit Findings**

**Finding 08-FS-1**

*Federal Programs:*

All federal programs

*Condition:*

During the audit, it was noted that the capital asset spreadsheet maintained in previous years had not been updated to reflect the current year capital asset balances. At the auditor's recommendation, the spreadsheet was updated with current year numbers.

*Recommendation:*

The prior auditor recommended that the District review accounts related to capital assets and update its capital assets spreadsheet at least annually to ensure that activity is captured and reported on the financial statements.

*Current Status:*

The District has properly maintained the capital asset balances during the current fiscal year.

**Finding 08-SA-1**

*Federal Programs:*

CFDA No. 10.902 Soil and Water Conservation

*Condition:*

During the general testing of internal controls, the auditors noted 7 of the 29 monthly timesheets examined did not include the signature of the employee, although they were otherwise compliant with the requirements of OMB Circular A-87 described above.

*Recommendation:*

The prior auditor recommend that the District ensure monthly time reports are signed by holding time reports until employees return if they are temporarily absent or asking employees to sign a final time report if they are leaving the District's employment permanently.

*Current Status:*

During the current year it was noted that all reviewed timesheets had the appropriate supervisor and employee signatures.

**Finding 08-SA-2**

*Federal Programs:*

CFDA No. 15.517 Fish and Wildlife Coordination Act

NEVADA TAHOE CONSERVATION DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND CORRECTIVE ACTION PLAN (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2009

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**Prior Audit Findings (Continued)**

**Finding 08-SA-2 (Continued)**

*Condition:*

It appears the District does not maintain a formal, written procurement policy that includes the content specified above.

*Recommendation:*

The prior auditor recommended the District review the requirements of 43 CFR § 12.76 with regard to the solicitation of bids and develop a written procurement policy in accordance with Federal requirements.

*Current Status:*

A procedure for subcontractor selection including the appropriate language has been approved during the current fiscal year.

**Finding 08-SA-3**

*Federal Programs:*

CFDA No. 15.517 Fish and Wildlife Coordination Act

*Condition:*

Through the auditor's inquiries and testing, they determined that the District uses a simple indirect cost rate that it has negotiated with the Department of the Interior, its oversight agency. We noted that subcontractor payments under the grant were properly excluded from the allocation base in determining the indirect cost rate, but that the indirect cost rate was applied to these payments when determining indirect cost charges to grants.

*Recommendation:*

The prior auditor recommended that the District deduct major subrecipient or subcontractor expenses when determining the amount of indirect costs to be allocated to a particular grant.

*Current Status:*

Currently the District estimates which grants allow the indirect cost rate to be applied to subcontractor payments and adjusts the rate calculation accordingly. Any modification based on actual results is adjusted through the current year indirect cost rate as allowed by federal requirements.

**Finding 08-SA-4**

*Federal Programs:*

CFDA No. 15.517 Fish and Wildlife Coordination Act



NEVADA TAHOE CONSERVATION DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND CORRECTIVE ACTION PLAN (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2009

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**Prior Audit Findings (Continued)**

**Finding 08-SA-4 (Continued)**

*Condition:*

The auditor's inquired about the District's procedures regarding suspension and debarment. While the District personnel were knowledgeable about debarment requirements, documentation had not been retained showing that the District had verified one of its vendors had not been debarred.

*Recommendation:*

The prior auditor recommended that the District retain documentation that debarment status was checked for any federally-funded transaction which equals or exceeds 25,000 or for any amount with a subrecipient. A searchable database of suspended and debarred parties is available online from the Excluded Parties List System at <<http://www.epls.gov>>.

*Current Status:*

There was an additional vendor during the current fiscal year in which the requirement was not documented, see current year finding 2009-5.

**Finding 08-SA-5**

*Federal Programs:*

CFDA No. 15.517 Fish and Wildlife Coordination Act

*Condition:*

The auditors requested a copy of the annual performance report filed for fiscal year 2007-2008, but were informed that the report had not been prepared within 90 days of the end of the fiscal year.

*Recommendation:*

The prior auditor recommended that the District reach an understanding with the grantor agency concerning the expected timeline for submission of the annual report, if different from what is specified in the grant agreement, and submit the report if appropriate. In the future, we recommend that reporting implications be discussed with grantor agencies whenever grants are extended or if a grant has become temporarily dormant.

*Current Status*

The final report for one of the grants and two quarterly reports for another grant was not submitted to the grantor in a timely manner, see current year finding 2009-6.

**Finding 08-SA-6**

*Federal Programs:*

CFDA No. 15.517 Fish and Wildlife Coordination Act

NEVADA TAHOE CONSERVATION DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND CORRECTIVE ACTION PLAN (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2009

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**Prior Audit Findings (Continued)**

**Finding 08-SA-6 (Continued)**

*Condition:*

The auditors inquired about the basis of the pricing for the expansion of scope of an existing contract. As the work covered under this expansion of scope could have been bid separately, the decision amounted to a decision to sole-source the work. Management was readily able to justify the procurement method, but had not documented its rationale at the time the decision was made.

*Recommendation:*

The prior auditor recommended that rationale be briefly documented whenever the District selects a vendor, elects to sole-source a contract, or modifies an existing contract by a significant amount when federal funds are used. This could be done with a more detailed explanation in the minutes or a memo to the file by the project manager.

*Current Status*

All decisions to retain a vendor were appropriately documented in the grant files.

**Corrective Action Plan**

*Oversight Agency:* Department of the Interior, Bureau of Reclamation

Nevada Tahoe Conservation District respectfully submits the following corrective action plan for the year ended June 30, 2009:

Name and address of independent public accounting firm:

Kohn Colodny LLP  
5310 Kietzke Lane, Suite 101  
Reno, Nevada 89511

Audit period: Year ended June 30, 2009

We are implementing corrective action as noted in the management responses included with the audit findings.