



Carson City, A Consolidated Municipality

Application for

Community Support Services Funding
Fiscal Year 2011-2012

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: Feb 18, 2011

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 2011-2012**

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? 34 Years ___ Months

How long has your organization been in Carson City? 34 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 2011-2012?

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

5. How many people served this Fiscal Year 2011-2012 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 8 # of part-time employees 2

7. Percentage of organizational funds to be utilized for administrative costs (i.e., salaries, travel, training, etc): 23.43%

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
John Breternitz	Board member	775-328-2000

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 34 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
10/11	\$3,000	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).

Annual Report
For Community Support Services Funding
Fiscal Year 2010-2011

Name of Organization: Nevada Tahoe Conservation District

Program/Project: Making a Difference through Conservation

Amount of Funds Received \$ 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 E-mail: mthorpe@ntcd.org

Date Submitted: Feb 18, 2011

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 met and exceeded all proposal objectives identified in our FY 10/11 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 visitors and 2nd 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 completed 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 300:1 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.	December 2010	YTD July 2010-June 2011	Budget	Variance Favorable (Unfavorable)	% of Budget
INCOME	General Fund						
Community Grants-Income							
	Carson City			3,000.00	3,000.00	0.00	100%
	Douglas County			0.00	10,000.00	(10,000.00)	0.00
	NV Division of Conser. District			4,000.00	4,200.00	(200.00)	0.95
	Washoe County Community Grant			0.00	0.00	0.00	0.00
Total Community Grants-Income			0.00	7,000.00	17,200.00	(10,200.00)	0.41
Grants-Income						0.00	
	Administration Fee Income					0.00	
	Personnel Cost Income					0.00	
	Wages Weighted Rate-Grant Income					0.00	
	Grants-Income - Other					0.00	
Total Grants-Income			0.00	0.00		0.00	
Income-Pass Thru Subcontractor						0.00	
Interest						0.00	
Miscellaneous Income			(0.01)	0.23		0.23	
Prior Year Income						0.00	
Services Rendered							
Vehicle Use Income						0.00	
Wage Reimbursements						0.00	
Indirect Cost Income-General (GL Shows In Expense Category)			13,167.85	94,799.00	247,150.00	(152,351.00)	0.38
TOTAL INCOME			13,167.84	101,799.23	264,350.00	(162,550.77)	0.39
EXPENSES							
Advertising-Expense				82.10	500.00	417.90	0.16
Building Expense							
	Building Repairs/Maint-Expense		160.00	960.00	2,100.00	1,140.00	
Total Building Expense			160.00	960.00	2,100.00	1,140.00	
Conference & Training-Expense							
	Food			0.00		0.00	
	Lodging			126.44		(126.44)	
	Parking			0.00		0.00	
	Registration Fees		596.00	806.00		(806.00)	
	Travel/Transportation			0.00	1,000.00	1,000.00	
	Conference & Training-Expense - Other				1,500.00	1,500.00	0.00
Total Conference & Training-Expense			596.00	932.44	2,500.00	1,567.56	0.37
Deposit Security			0.00	0.00		0.00	0.00
Donation-Expense						0.00	0.00
Dues and Subscriptions-Expense							0.00
	Membership/Dues District			750.00		(750.00)	1.00
	Membership/Dues Staff			50.00		(50.00)	1.00
	Dues and Subscriptions-Expense - Other				2,000.00	2,000.00	
Total Dues and Subscriptions-Expense			0.00	800.00	2,000.00	1,200.00	0.40
Equipment-Expense						0.00	
	Cell Phones						
	Computer Hardware & Software			107.86		(107.86)	
	Computer Maintenance & Repair				500.00	500.00	
	Office Equipment & Furniture					0.00	
	Rental/Leasing Fees Equipment		335.00	2,267.43	5,500.00	3,232.57	
	Repairs & Maintenance Equipment					0.00	0.00
	Telephone System					0.00	
	Equipment-Expense - Other				1,250.00	1,250.00	0.00
Total Equipment-Expense			335.00	2,375.29	7,250.00	4,874.71	0.33

		INCOME AND EXPENSE REPORT	GENERAL FUND	GENERAL FUND			
		NV TAHOE CONSERVATION DIST.	December 2010	YTD July 2010-June 2011	Budget	Variance Favorable (Unfavorable)	% of Budget
Indirect Cost		(See Excel Income Section)					
	Administrative Cost-Grants					0.00	
	Indirect Cost - Other					0.00	
Total Indirect Cost		See Revenues above	0.00	0.00	0.00	0.00	0.00
Insurance-Expense				4,308.36	4,500.00	191.64	
	E&O/Prop/ Liability Insurance					0.00	0.00
Total Insurance-Expense			0.00	4,308.36	4,500.00	191.64	0.96
Meetings Expense							
	Meals-Expense			260.22	1,000.00	739.78	0.26
Miscellaneous Expense							
Other Expenses					0.00		
Professional Fees-Expense							
	Audit		1,250.00	11,250.00	15,000.00	3,750.00	
	Computer/Software Maintenance						
	Professional Fees-Expense - Other		25.00	153.20	0.00	(153.20)	
Total Professional Fees-Expense			1,275.00	11,403.20	15,000.00	3,596.80	0.76
Rents and Leases							
	Office Space Lease		3,500.00	21,000.00	44,000.00	23,000.00	0.48
	Storage Rents						
	Rents and Leases-Other		(243.62)	(1,461.72)		1,461.72	1.00
Total Rents and Leases			3,256.38	19,538.28	44,000.00	24,461.72	0.44
Service Charges			1.95	51.95		(51.95)	1.00
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	
Total Subcontractor Fees-Expense			0.00	0.00	0.00	0.00	
Supplies-Expense							
	Office Supplies		207.02	516.57			
	Photocopies						
	Postage and Delivery		156.25	573.76			
	Publication/Printing						
	Supplies-Expense - Other			115.56	6,500.00	6,384.44	
Total Supplies-Expense			363.27	1,205.89	6,500.00	5,294.11	0.19
Telecommunications							
	Cell Phone		176.17	981.95		(981.95)	
	Internet Fees					0.00	
	Long Distance		139.28	673.20		(673.20)	
	Phone Services		322.66	1,803.45		(1,803.45)	
	Telephone-Expense - Other				7,000.00	7,000.00	
Total Telecommunications-Expense			638.11	3,458.60	7,000.00	3,541.40	0.49
Utilities							
	Gas					0.00	
	Electric					0.00	

		INCOME AND EXPENSE REPORT	GENERAL FUND	GENERAL FUND			
		NV TAHOE CONSERVATION DIST.	December 2010	YTD July 2010-June 2011	Budget	Variance Favorable (Unfavorable)	% of Budget
	Utilities-Other					0.00	
Total Utilities			0.00	0.00	0.00	0.00	0.00
	Vehicles-Expense					0.00	
	District Vehicle Use		(229.00)	(2,470.45)			
	Fuel-Expense		162.44	1,139.81		(1,139.81)	
	License & Maintenance			55.70		(55.70)	
	Mileage Reimbursement Expense			41.50			
	Vehicle Fuel Reimbursement Expense						
	Vehicle				2,000.00		
Total Vehicles-Expense			(66.56)	(1,233.44)	2,000.00	3,233.44	(0.62)
	Wages						
	Payroll Clearing Account		(1,039.98)	(378.19)			
	Wages-Senior PM-CPG		1,382.88	9,426.35			
	Wages-Senior PM-WRG		1,489.80	8,172.80			
	Wages-Administrator		5,688.84	39,044.65			
	Wages-ES I-CPG						
	Wages-ES II-CPG (1)						
	Wages-ES II-CPG (2)		978.63	4,483.09			
	Wages-District Manager		8,051.46	45,732.20			
	Wages-ES-II-CPG (3)						
	Wages-ES III - WRG		1,571.81	5,868.89			
	Wages-Professional Engineer						
	Wages-ES II-WRG		656.67	3,283.76			
	Wages-Senior Engineer Technician		1,115.61	9,005.76			
	Wages - Other		1.92	9.32			
	Uncompensated Absence-Reimb Exp		(5,383.03)	(34,124.87)			
Total Wages			14,514.21	90,523.76	170,000.00	79,476.24	0.53
	Wages-Overhead/Fringe					0.00	
	Long Term Disability		190.47	1,142.82			
Total Wages-Overhead/Fringe			190.47	1,142.82		(1,142.82)	
	Total Wages/Ovrhead		14,704.68	91,666.58	170,000.00	78,333.42	0.53
	Revolving Account						
	TOTAL EXPENSES (No Indirect Included)		21,263.83	135,809.47	264,350.00	128,540.53	0.51
	NET REVENUE OVER/(UNDER) EXPENSES		(8,095.99)	(34,010.24)			

NEVADA TAHOE CONSERVATION DISTRICT

REPORTING PACKAGE

JUNE 30, 2010

NEVADA TAHOE CONSERVATION DISTRICT
JUNE 30, 2010

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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, 2010, 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 overall 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, 2010, 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 November 17, 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 and budgetary comparison information on page 16 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.

Reno, Nevada
November 17, 2010

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

NEVADA TAHOE CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2010

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, 2010. 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 \$160,582, a decrease of \$90,832, which is a result of a decrease in grants and funding.
- The District had total revenue of \$1,077,146 and program expenses of \$1,167,978. Revenue and expenses both decreased over prior year due to a reduction in work and community assistance funding. Revenue decreased from most sources, including federal, state, and private grants. In addition, there was a significant decrease in subcontractor work.

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, 2010

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 9 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 \$160,582 at the close of the most recent fiscal year.

The District has \$31,770 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

	2010	2009	\$ Change	% Change
Current and other assets	\$ 336,394	\$ 355,359	\$ (18,965)	-5.34%
Capital assets, net	31,770	38,710	(6,940)	-17.93%
Total assets	<u>368,164</u>	<u>394,069</u>	<u>(25,905)</u>	-6.57%
Long-term liabilities	11,158	19,411	(8,253)	-42.52%
Other liabilities	<u>196,424</u>	<u>123,244</u>	<u>73,180</u>	59.38%
Total liabilities	<u>207,582</u>	<u>142,655</u>	<u>64,927</u>	45.51%
Net assets	<u>\$ 160,582</u>	<u>\$ 251,414</u>	<u>\$ (90,832)</u>	-36.13%

During the year, the District's net assets decreased by \$90,832. The District's primary source of revenue is federal grants, and there were decreases in those grants and other grants reduced funding and reduced projects utilizing subcontractors.

Statement of Activities

	2010	2009	\$ Change	% Change
Revenue				
Grants	\$ 1,072,240	\$ 2,043,614	\$ (971,374)	-47.53%
Other revenue	<u>4,906</u>	<u>4,999</u>	<u>(93)</u>	-1.86%
Total revenue	<u>1,077,146</u>	<u>2,048,613</u>	<u>(971,467)</u>	-47.42%
Expenses				
Salaries and employee benefits	820,884	924,469	(103,585)	-11.20%
Services and supplies	331,733	1,006,986	(675,253)	-67.06%
Depreciation	<u>15,361</u>	<u>19,906</u>	<u>(4,545)</u>	-22.83%
Total expenses	<u>1,167,978</u>	<u>1,951,361</u>	<u>(783,383)</u>	-40.15%
Change in net assets	(90,832)	97,252	(188,084)	-193.40%
Net assets, beginning of year	<u>251,414</u>	<u>154,162</u>	<u>97,252</u>	63.08%
Net assets, end of year	<u>\$ 160,582</u>	<u>\$ 251,414</u>	<u>\$ (90,832)</u>	-36.13%

NEVADA TAHOE CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED) (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2010

YEAR END POSITION

There was an increase in cash, however that is offset by an increase in deferred revenue. There was a drop in the grant revenues received in the current year and a reduction of subcontractor expenses. There was some change in employees which reduced costs. Overall, even with the decrease in net assets, the District is still in a good financial position.

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 decrease in grant revenues from various sources, which decreased both fund balance and net assets. The only differences between the government-wide net assets and the general fund balance is fixed assets, deferred revenue and the long-term liability in accrued compensated absences. Due 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, 2010.

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 next phase of the Rosewood Creek project has started. In addition, the BMP program is still ongoing and the District continues to assist homeowners. New projects include: Community Watershed Planning, Asset Inventory, and Tahoe Yellow Cress.

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, 2010

	General Fund	Adjustments (Note 9)	Statement of Net Assets
ASSETS			
Cash and investments	\$ 185,454	\$ -	\$ 185,454
Prepaid expenses	3,500	-	3,500
Accounts receivable	4,239	-	4,239
Due from other governments	143,201	-	143,201
Capital assets, net of accumulated depreciation	-	31,770	31,770
Total assets	\$ 336,394	31,770	\$ 368,164
LIABILITIES			
Accounts payable	\$ 41,014	-	41,014
Accrued liabilities	12,706	19,545	32,251
Deferred revenue	142,704	(8,387)	134,317
Total liabilities	196,424	11,158	207,582
FUND BALANCE / NET ASSETS			
Fund balance			
Reserved for prepaid expenses	3,500	(3,500)	-
Undesignated	136,470	(136,470)	-
Total fund balance	139,970	(139,970)	-
Total liabilities and fund balance	\$ 336,394		
Net assets			
Invested in capital assets		31,770	31,770
Unrestricted		128,812	128,812
Total net assets		\$ 160,582	\$ 160,582

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, 2010

	<u>General Fund</u>	<u>Adjustments (Note 9)</u>	<u>Statement of Activities</u>
EXPENDITURES/EXPENSES			
Salaries and employee benefits	\$ 820,750	\$ 134	\$ 820,884
Services and supplies	340,154	(8,421)	331,733
Depreciation expense	-	15,361	15,361
Total expenditures/expenses	<u>1,160,904</u>	<u>7,074</u>	<u>1,167,978</u>
GENERAL REVENUE			
Intergovernmental			
Local	69,819	-	69,819
State	111,780	-	111,780
Federal	844,636	8,387	853,023
Total intergovernmental	<u>1,026,235</u>	<u>8,387</u>	<u>1,034,622</u>
Other	4,906	-	4,906
Private grants	37,618	-	37,618
Total general revenue	<u>1,068,759</u>	<u>8,387</u>	<u>1,077,146</u>
Excess (deficiency) of revenue over (under) expenditures	(92,145)	92,145	-
Change in net assets	-	(90,832)	(90,832)
FUND BALANCE / NET ASSETS			
Beginning of year	<u>232,115</u>	<u>19,299</u>	<u>251,414</u>
End of year	<u>\$ 139,970</u>	<u>\$ 20,612</u>	<u>\$ 160,582</u>

See accompanying notes

NOTES TO FINANCIAL STATEMENTS

NEVADA TAHOE CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

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, 2010

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, 2010

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, 2010

NOTE 4 - CAPITAL ASSETS

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

	<u>2009</u>	<u>Increases</u>	<u>Decreases</u>	<u>2010</u>
<u>Capital assets,</u>				
<u>being depreciated</u>				
Furniture and fixtures	\$ 91,000	\$ 8,421	\$ -	\$ 99,421
Equipment	<u>57,716</u>	<u>-</u>	<u>-</u>	<u>57,716</u>
Total capital assets, being depreciated	148,716	8,421	-	157,137
<u>Less accumulated</u>				
<u>depreciation</u>				
Furniture and fixtures	(66,063)	(6,019)	-	(72,082)
Equipment	<u>(43,943)</u>	<u>(9,342)</u>	<u>-</u>	<u>(53,285)</u>
Total accumulated depreciation	<u>(110,006)</u>	<u>(15,361)</u>	<u>-</u>	<u>(125,367)</u>
Net capital assets	<u>\$ 38,710</u>	<u>\$ (6,940)</u>	<u>\$ -</u>	<u>\$ 31,770</u>

NOTE 5 - LEASE TRANSACTIONS

The District has an agreement to lease office space in Zephyr Cove, Nevada through November 30, 2010. Payments are currently \$3,500 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	21,520
2011	4,020
2012	1,675

Rent expense included in the financial statements for these leases and other month to month leases was \$48,285 for the year ended June 30, 2010.

NOTE 6 - ACCRUED COMPENSATED ABSENCES

The following schedule summarizes the changes in accrued compensated absences:

Beginning of year balances	\$ 28,697
Additions	63,636
Uses	<u>(65,075)</u>
End of year balance	\$ <u>27,258</u>
Due within one year	\$ <u>7,713</u>

NEVADA TAHOE CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

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, 2010, 2009 and 2008 was 11.25%, 10.5% and 10.5%, respectively. Under the employer paid plan, the District pays all contributions. The District's contribution rate for the years ended June 30, 2010, 2009 and 2008 was 21.5%, 20.5% and 20.5% per year, respectively. The District contributed \$104,436, \$98,381 and \$90,946 for the years ended June 30, 2010, 2009 and 2008, respectively.

NOTE 8 - COMMITMENTS, CONTINGENCIES AND RISK MANAGEMENT

There were no claims pending or unresolved disputes involving the District at June 30, 2010.

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.

The District has entered into agreements for contract and engineering work to be completed totaling approximately \$250,000. The District has received grant funding to cover the costs, and all contracts state that the contractor will not be paid until the District receives reimbursement.

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 \$157,137 including \$8,421 in current year additions, accumulated depreciation of \$125,367, depreciation expense of \$15,361, compensated absences payable of \$19,545, a change in compensated absences payable of \$134 and deferred revenue of \$8,387.

REQUIRED SUPPLEMENTARY INFORMATION

NEVADA TAHOE CONSERVATION DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010

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(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009)

REVENUE	2010			2009
	BUDGETED AMOUNTS	ACTUAL	VARIANCE	ACTUAL (MEMORANDUM ONLY)
Community grants				
State	\$ 4,000	\$ 4,200	\$ 200	\$ 5,000
County	19,000	10,000	(9,000)	35,000
City	2,000	1,800	(200)	1,800
Grants				
Federal	1,089,037	844,636	(244,401)	1,554,187
County	72,000	59,819	(12,181)	92,143
State	152,064	107,580	(44,484)	226,538
Other sources of income	25,000	40,724	15,724	128,946
Total revenue	1,363,101	1,068,759	(294,342)	2,043,614
EXPENDITURES				
Employee salary	704,583	757,114	52,531	828,553
Fringe benefit expense	73,763	63,636	(10,127)	82,967
Travel	1,000	2,781	1,781	3,848
Building rent	41,500	44,700	3,200	46,465
Telephone	6,400	6,964	564	6,589
Insurance	6,000	-	(6,000)	4,217
Postage	1,500	1,078	(422)	2,221
Copying expense	6,000	59	(5,941)	831
Office supplies	7,000	1,580	(5,420)	3,266
Education and information expenses	1,500	4,908	3,408	4,720
Equipment purchase	1,500	5,799	4,299	571
Equipment expenses	6,126	9,544	3,418	18,353
Dues - Nevada Association of Conservation Districts	600	600	-	600
Dues - National Association of Conservation Districts	800	600	(200)	775
Dues - Other	600	575	(25)	979
Mileage	2,000	765	(1,235)	3,622
Internet	600	-	(600)	470
Project costs	487,629	243,799	(243,830)	905,864
Audit fees	14,000	15,000	1,000	14,000
Misc	-	1,402	1,402	1,277
Total expenditures	1,363,101	1,160,904	(202,197)	1,930,188
Excess (deficiency) of revenue over (under) expenditures	\$ -	(92,145)	\$ (92,145)	113,426
FUND BALANCE, July 1		232,115		118,689
FUND BALANCE, June 30		\$ 139,970		\$ 232,115

See accompanying notes

NEVADA TAHOE CONSERVATION DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

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	9/16/08-12/31/10	10.690	\$ 91,188
	06-DG-11051900-028	9/16/06-9/18/11	10.690	23,653
	07-DG-11051900-011	4/19/07-9/30/10	10.690	18,599
	10-DG-11051900-015	3/23/10-3/31/13	10.690	26,738
	10-DG-11051900-016	3/23/10-12/31/11	10.690	32,359
Subtotal - CFDA No. 10.690*				<u>192,537</u>
Natural Resources				
Conservation Service				
Soil and Water				
Conservation	65-9104-9-700	3/23/09-4/30/10	10.902	276,019
	65-9104-0-784	5/11/10-12/31/10	10.902	57,929
Subtotal - CFDA No. 10.902*				<u>333,948</u>
Subtotal U.S. Department of Agriculture				526,485
U.S. Department of the Interior				
Bureau of Reclamation				
Fish and Wildlife				
Coordination Act	06FG202071	10/1/06-11/30/09	15.517	5,690
	08FG200130	9/22/08-12/31/10	15.517	165,828
Subtotal - U.S. Department of the Interior				<u>171,518</u>
Bureau of Reclamation and Subtotal - CFDA No. 15.517				171,518
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	67,875
	DEP07-042-2	7/1/07-12/31/09	66.460	15,393
	DEP 09-002	9/8/08-12/31/11	66.460	59,184
Subtotal - Nevada Department of Environmental Protection				<u>142,452</u>
Passed through Carson				
Water Subconservancy District				
Nonpoint Source				
Implementation Grants	2009-1	4/15/09-12/31/11	66.460	12,568
Subtotal - U.S. Environmental Protection Agency				<u>155,020</u>
Office of Water and Subtotal - CFDA No. 66.460				155,020
Total federal expenditures				<u>\$ 853,023</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, 2010

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, 2010, and have issued our report thereon dated November 17, 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.

A *deficiency* in internal control 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 and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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.

Reno, Nevada
November 17, 2010

A handwritten signature in black ink, appearing to read 'Kohn Colodny'.

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 Supervisors
Nevada Tahoe Conservation District

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 2010. 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.

In our opinion, 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, 2010.

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.

A deficiency in 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 and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance

with a type of compliance requirement of a federal program will not be prevent, or detected and corrected, on a timely basis.

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. We did not identify deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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.

Karen Lowry

Reno, Nevada
November 17, 2010



SCHEDULE OF FINDINGS AND QUESTIONED COSTS

NEVADA TAHOE CONSERVATION DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2010

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:

Unqualified

Internal control over financial reporting:

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

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

Unqualified

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

___yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.902	Soil and Water Conservation
10.690	Lake Tahoe Erosion Control Grant Program

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

\$300,000

Auditee Qualified As Low-Risk Auditee

___yes X no

SECTION II – FINANCIAL STATEMENT FINDINGS

No findings reported.

SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

No findings reported.

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, 2010

Prior Audit Findings

Finding 2009-1

Federal Programs:

All federal programs

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.

Recommendation:

We recommended 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.

Current Status:

The District has a project manager approve and document a reconciliation of all miles driven monthly. In addition, they are no longer utilizing the liability account.

Finding 2009-2

See Finding 2009-1

Finding 2009-3

Federal Programs:

All federal programs.

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.

Recommendation:

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

Current Status:

The staff has worked diligently to prepare the calculation correctly, the cost rate proposal for June 30, 2010 was appropriately calculated and timely filed.

NEVADA TAHOE CONSERVATION DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND CORRECTIVE ACTION PLAN (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2010

Prior Audit Findings (Continued)

Finding 2009-4

Federal Programs:

CFDA No. 15.517 Fish and Wildlife Coordination Act

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.

Recommendation:

We recommended 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.

Current Status:

The District no longer receives any advances on federal grants. All requests for reimbursements are based upon actual costs.

Finding 2009-5

Federal Programs:

66.460 – Nonpoint Source Implementation Grants

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.

Recommendation:

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

Current Status:

There were no subcontractors during the year ended June 30, 2010 which were not properly reviewed for suspension and debarment.

Finding 2009-6

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, 2010

Prior Audit Findings (Continued)

Finding 2009-6 (Continued)

Condition:

The reports were not timely filed.

Recommendation:

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

Current Status

All reports have been timely filed for the year ended June 30, 2010.

Corrective Action Plan

A Corrective Action Plan is not applicable, as there are no findings in the current period.

Guidelines for Grants

Fiscal Year 2011-2012

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 23, 2011**. An electronic pdf version may also be e-mailed to cceo@carson.org.

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

Joseph Martin
Project Director Signature

2/18/11
Date

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