

## MEMORANDUM

**TO:** Board of Trustees

**THROUGH:** Indra Winqest  
District General Manager

**FROM:** Paul Navazio  
Director of Finance

**SUBJECT:** Transmittal of District's Annual Comprehensive Financial Report (ACFR) for the Fiscal Year ended June 30, 2022 and Related Audit Report(s) (Director of Finance Paul Navazio and Jennifer Farr, Partner, Davis Farr, LLP).

**DATE:** December 14, 2022

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### **I. BACKGROUND**

This agenda item serves to transmit to the Board of Trustees the District's Annual Comprehensive Financial Report (ACFR) for the Fiscal Year ended June 30, 2022, as well as the required Audit Communications provided by the District's Independent Auditor, Davis Farr, LLP.

The final Annual Comprehensive Financial Report being transmitted via this agenda item incorporates the following reports provided by the District's Independent Auditor, DavisFarr, LLP:

- Audit Opinion – Independent Auditor's Report
- Audit Communications (*Attachment 3*)
  - Required Audit Communications
  - Report on Internal Controls Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.

### **II. DISCUSSION**

This agenda item presents the District's Final ACFR for the Fiscal Year ended June 30, 2022, to include the results of the audit conducted by the District's independent auditor, Davis Farr, LLP, and required Audit Communications.

## AUDIT RESULTS

- The District's Independent Auditor has issued an unmodified opinion that the District's financial statements present fairly, in all material respects, the financial position of the District, its governmental activities, business-type activities, and all major funds, as of June 30, 2022.
- In their *Report on Internal Control Over Financial Reporting and on Compliance and Other Matters*, the District's Independent Auditor did not note any "material weaknesses"; however the auditor has highlighted three areas that have been determined to be reported as "significant deficiencies". These are summarized as follows:

### 2022-001 – Journal Entries Detected During the Audit –

This stems from three journal entries that were processed as a result of the audit work performed, and are reflected in the financial statements. These include:

- a) An entry to remove legal settlement liabilities in the General Fund to reflect this liability in the government-wide financial statement rather than in the fund-type statement (\$596,253).
- b) An entry to remove compensated absences from the General Fund because the long-term liabilities are to be recorded in the government-wide financial statements rather than the fund-type statement (\$145,840).
- c) An entry to increase the Due from Other Governments in the General Fund (\$84,340).

### 2022-002 – Physical Inventory Observation

This stems from the fact that the District did not perform a fiscal year-end physical inventory of assets in the Championship Course Pro Shop. The auditor notes that while the inventory balance is not considered material, they nonetheless highlight the need to perform year-end inventory counts.

### 2022-003 – Timely Preparation of Bank Reconciliations

The auditors note that the District did not complete the year-end bank reconciliation until mid-October, and recommends that bank reconciliations be completed within 30 days of each month-end.

The *Report on Internal Control Over Financial Reporting and on Compliance and Other Matters* includes Management Responses, as required, to findings and recommendations identified by the independent auditor.

### CHANGE IN ACCOUNTING PRACTICES

The District's audited financial statements for the fiscal year ended June 30, 2022 reflect two changes in accounting practices from the prior year:

- 1) *Transition from Governmental Fund to Proprietary Fund accounting for the District's Community Service Fund and Beach Fund.* This change was implemented, per Board of Trustees direction, as of July 1, 2021. As a result, prior period adjustments are required to re-state beginning fund balance/net position for each of these major funds.
- 2) *Implementation of GASB 87 – Leases.* Implementation of GASB Statement 87, effective with the fiscal year ended June 30, 2022, requires the recognition of certain leased assets and liabilities for leases that were previously classified as operating leases. This required change in accounting practice impacts the treatment of the District's golf cart lease (as lessee) and cell tower leases (as lessor).

### FINANCIAL HIGHLIGHTS

Financial highlights based on Government-wide Financial Statements, for the year ended June 30, 2022:

| Incline Village General Improvement District<br>Change in Net Position |                         |                   |                          |                   |                    |                    |
|------------------------------------------------------------------------|-------------------------|-------------------|--------------------------|-------------------|--------------------|--------------------|
|                                                                        | Governmental Activities |                   | Business-Type Activities |                   | Total              |                    |
|                                                                        | 2022                    | 2021              | 2022                     | 2021              | 2022               | 2021               |
| <b>Revenues</b>                                                        |                         |                   |                          |                   |                    |                    |
| Program Revenues:                                                      |                         |                   |                          |                   |                    |                    |
| Charges for services                                                   | \$ 2                    | \$ 17,060,831     | \$ 32,480,390            | \$ 12,831,060     | \$ 32,480,392      | \$ 29,891,891      |
| Operating Grants                                                       | 2,000                   | 18,440            | 39,138                   | 39,857            | 41,138             | 58,297             |
| Capital Grants and contributions                                       | -                       | 88,505            | 47,927                   | -                 | 47,927             | 88,505             |
| General Revenues:                                                      |                         |                   |                          |                   |                    |                    |
| Ad valorem taxes                                                       | 1,893,214               | 1,812,958         | -                        | -                 | 1,893,214          | 1,812,958          |
| Consolidated taxes                                                     | 2,049,551               | 1,888,448         | -                        | -                 | 2,049,551          | 1,888,448          |
| Facility Fees                                                          | -                       | 6,537,641         | 6,090,681                | -                 | 6,090,681          | 6,537,641          |
| Unencumbered Investment income                                         | (17,188)                | 73,594            | (93,733)                 | 33,681            | (110,921)          | 107,275            |
| Other                                                                  | 1,402                   | 127,897           | 435,446                  | -                 | 436,848            | 127,897            |
| <b>Total Revenues</b>                                                  | <u>3,928,981</u>        | <u>27,608,314</u> | <u>38,999,849</u>        | <u>12,904,598</u> | <u>42,928,630</u>  | <u>40,512,912</u>  |
| <b>Expenses</b>                                                        |                         |                   |                          |                   |                    |                    |
| General Government                                                     | 3,497,944               | 2,887,892         | -                        | -                 | 3,497,944          | 2,887,892          |
| Utilities                                                              | -                       | -                 | 12,399,729               | 11,449,802        | 12,399,729         | 11,449,802         |
| Community Services                                                     | -                       | 18,996,222        | 20,779,505               | -                 | 20,779,505         | 18,996,222         |
| Beach                                                                  | -                       | 2,186,645         | 1,784,943                | -                 | 1,784,943          | 2,186,645          |
| <b>Total Expenses</b>                                                  | <u>3,497,944</u>        | <u>24,070,759</u> | <u>34,964,177</u>        | <u>11,449,802</u> | <u>38,462,121</u>  | <u>35,520,561</u>  |
| Excess Revenue (Expenses)                                              | 431,037                 | 3,537,555         | 4,035,672                | 1,454,796         | 4,466,709          | 4,992,351          |
| <b>Changes in Net Position</b>                                         | 431,037                 | 3,537,555         | 4,035,672                | 1,454,796         | 4,466,709          | 4,992,351          |
| Beginning Net Position, as reported                                    | 82,946,057              | 79,265,885        | 76,985,593               | 78,697,763        | 159,931,650        | 157,963,648        |
| Prior Period Adjustment                                                | (75,105,674)            | 142,617           | 75,199,871               | (3,166,966)       | 94,197             | (3,024,349)        |
| Beginning Net Position, as adjusted                                    | 7,840,383               | 79,408,502        | 152,185,464              | 75,530,797        | 160,025,847        | 154,939,299        |
| <b>Ending Net Position</b>                                             | <u>8,271,420</u>        | <u>82,946,057</u> | <u>156,221,136</u>       | <u>76,985,593</u> | <u>164,492,556</u> | <u>159,931,650</u> |

- The District's net position as of June 30, 2022 was \$164.49 million and reflects an increase in net position of \$4.47 million over the prior year. Of

this amount, a total of \$45.44 million (unrestricted net position) is available to meet the District's future obligations, including future planned capital projects.

- The net position of the District's governmental activities increased by \$0.43 million (to \$8.27 million) and the net position of the District's business-type activities increased by \$4.04 million (to \$156.22 million).
- The District's General Fund unassigned fund balance increased to \$5.25 million. This compares favorably to the District's fund balance policy of 15% of annual expenditures (or \$0.52 million).
- The District's Utility Fund ended the fiscal year with a net position of \$77.57 million, which represents an increase of \$0.58 million from the prior year. The Community Services Fund ended the year with a net position of \$64.72 million, reflecting a decrease of \$0.75 million from the prior year; the Beach Fund ended the year with a net position of \$13.93 million, reflecting an increase of \$4.21 million from the prior year.
- As of June 30, 2022 the District had total bond debt outstanding of \$3.43 million including Utility Revenue Bonds outstanding of \$2.99 million and Recreation Bonds outstanding totaling \$0.39 million. The District retired \$0.93 million in bond principal during the fiscal year.

### *Audit Committee Review*

The Audit Committee received a copy the District's initial draft ACFR on November 16, 2022, concurrent with staff's transmittal of same to the Independent Auditor. At their meeting of December 5<sup>th</sup>, the Audit Committee received an updated draft ACFR, a report from Jennifer Farr, Partner, Davis Farr, LLP, on the audit as well as drafts of the Audit Opinion and Audit Communications.

Based on the Audit Committee's review and comments, final revisions have been incorporated into the Final ACFR being presented to the Board via this agenda item. In addition, the Independent Auditor has updated its *Report on Internal Control Over Financial Reporting and on Compliance and Other Matters*, as included the Compliance Section of the ACFR.

Revisions incorporated into the Final ACFR as a result of the Audit Committee's review include:

- *Statement of Net Position* - Reclassification of the amount reflected in the draft ACFR related to Claims Payable from "restricted" to "unrestricted." As

a result of the liability reported for this item, it should not have been included as a restricted amount in the Statement of Net Position.

- *Note 2 – Cash and Cash Equivalents, and Investments.* The dollar amounts shown in the text of the Note were updated to match the figures shown in the table (as of June 30, 2022). The draft document had not been updated from the amounts reported as of June 30, 2021.
- *Supplementary Information:* Utility Fund Statement of Revenue, Expenses and Change in Net Position. This is a new supplementary schedule added in this year's ACFR at the request of the (former) Audit Committee. A formula error as noted in the "variance" column (Net Position), and has been corrected.
- Various, non-substantive edits were made in the Notes to the Financial Statements to clarify certain explanations and acronyms.
- In its review of the Management Representation Letter, the Audit Committee noted a reference to an attachment related to Adjusting Journal Entries that were passed on by Management due to the fact that they did not meet the auditor's threshold for materiality. The auditor has provided this attachment that was included in the executed Management Representation Letter.

### *NEXT STEPS*

Per Nevada Revised Statutes (NRS) requirements (354.624), the District is required complete the audit within five months of the end of the fiscal year (November 30<sup>th</sup>), and present it to the governing Board within 30 days (December 30<sup>th</sup>). Immediately following presentation to the governing board the Annual Comprehensive Financial Report, audit report, and management representation letter are to be filed with the State Department of Taxation.

Pursuant to Policy 15.1.0 the Audit Committee is charged with submitting a report to the Board of Trustees in conjunction with the presentation of the Annual Comprehensive Financial Report.

Website Link to Policy 15.1.0: [https://www.yourtahoeplace.com/uploads/pdf-ivgid/15\\_1\\_0\\_Audit\\_Committee\\_Charter\\_Eff\\_06-29-2022.pdf](https://www.yourtahoeplace.com/uploads/pdf-ivgid/15_1_0_Audit_Committee_Charter_Eff_06-29-2022.pdf)

Attachments:

1. Annual Comprehensive Financial Report for the Fiscal Year ended June 30, 2022.
2. Audit Opinion (Davis Farr, LLP)
3. Required Audit Communications (Davis Farr, LLP)
4. Management Representation Letter, dated December 5, 2022



# ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2022

PREPARED BY: DEPARTMENT OF FINANCE & ACCOUNTING



## TABLE OF CONTENTS



FISCAL YEAR ENDED JUNE 30, 2022

### INTRODUCTORY SECTION

|                                                        |   |
|--------------------------------------------------------|---|
| Letter of Transmittal.....                             | 1 |
| List of Elected Officials .....                        | 4 |
| Organization Chart .....                               | 4 |
| GFOA Certificate of Achievement FYE June 30, 2020..... | 5 |

### FINANCIAL SECTION

|                                            |    |
|--------------------------------------------|----|
| Independent Auditor’s Report .....         | 7  |
| Management’s Discussion and Analysis ..... | 10 |

### BASIC FINANCIAL STATEMENTS

#### Government-wide Statements:

|                                |    |
|--------------------------------|----|
| Statement of Net Position..... | 18 |
| Statement of Activities.....   | 19 |

#### Fund Financial Statements:

|                                                                                                                                                                          |    |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|
| Governmental Funds Balance Sheet .....                                                                                                                                   | 20 |
| Reconciliation of Balance Sheet for Governmental Funds to the<br>Government-wide Statement of Net Position .....                                                         | 21 |
| Governmental Funds Statement of Revenues, Expenditures<br>and Changes in Fund Balances .....                                                                             | 22 |
| Reconciliation of the Statement of Revenues, Expenditures and<br>Changes in Fund Balances for Governmental Funds to the<br>Government-wide Statement of Activities ..... | 23 |
| Proprietary Funds Statement of Net Position .....                                                                                                                        | 24 |
| Proprietary Funds Statement of Revenues, Expenses and<br>Changes in Net Position .....                                                                                   | 25 |
| Proprietary Funds Statement of Cash Flows .....                                                                                                                          | 26 |
| Notes to Financial Statements.....                                                                                                                                       | 28 |

### REQUIRED SUPPLEMENTARY INFORMATION

|                                                                                                  |    |
|--------------------------------------------------------------------------------------------------|----|
| Schedule of Employer Required Contributions to Defined<br>Contribution Multi-Employer Plans..... | 51 |
| Schedules of Revenues, Expenditures and Changes in Fund<br>Balance – Budget and Actual:          |    |
| General Fund.....                                                                                | 52 |

### SUPPLEMENTARY INFORMATION

|                                                                                         |    |
|-----------------------------------------------------------------------------------------|----|
| Schedules of Revenues, Expenditures and Changes in Fund<br>Balance – Budget and Actual: |    |
| Utilities Fund.....                                                                     | 55 |
| Community Services Fund .....                                                           | 56 |
| Beach Fund.....                                                                         | 57 |
| Internal Services Fund .....                                                            | 58 |



**TABLE OF CONTENTS**



FISCAL YEAR ENDED JUNE 30, 2022

**STATISTICAL SECTION (UNAUDITED)**

District-Wide Net Position..... 61

District-Wide Changes in Net Position..... 62

Fund Balances of Governmental Funds ..... 63

Changes in Fund Balances of Governmental Funds..... 64

Assessed and Estimated Actual Value of  
Taxable Real Property..... 65

Direct and Overlapping Tax Districts ..... 66

Principal Property Taxpayers ..... 67

Tax Levies, Collections and Delinquencies—Washoe  
County as a whole ..... 68

Ratios of Outstanding Debt by Type ..... 69

Outstanding Overlapping General  
Obligation Indebtedness ..... 70

Utility Fund Net Pledged Revenues..... 71

Community Services and Beach Fund  
Net Pledged Revenues..... 72

Ratio of Annual Debt Service Expenditures to Governmental  
and Business Type Expenditures/Expenses..... 73

Statutory Debt Limitation..... 74

Demographic Statistics..... 75

Principal Employers ..... 76

Position and Full Time Equivalent  
Personnel Summary ..... 77

User Statistics..... 78

Budgeted Facility Fees per parcel..... 79

Water and Sewer Single Family Base Rates ..... 80

Water Sold by Customer Type..... 81

**COMPLIANCE SECTION**

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 ..... 83



# INTRODUCTORY SECTION



December 14, 2022

**Board of Trustees for the Incline Village General Improvement District and Citizens of Incline Village and Crystal Bay, Nevada**

The Incline Village General Improvement District (the District) hereby submits the Annual Comprehensive Financial Report (ACFR) for the year ended June 30, 2022. State law (Nevada Revised Statutes 354.624) requires that local governments provide an annual audit by independent certified public accountants in conformance with generally accepted auditing standards.

This ACFR consists of management's representation of the finances of the District and, as such, management assumes full responsibility for the completeness and reliability of the information contained in this ACFR, consistent with a framework of internal controls established for this purpose. To the best of our knowledge the enclosed information is reported, in all material respects, in a manner intended to fairly represent the financial position as well as changes in financial position of the District.

The District's financial statements have been audited by Davis Farr LLP, Certified Public Accountants. The goal of the independent audit is to provide reasonable assurance that the District's financial statements for the fiscal year ended June 30, 2022 are free of material misstatements. The independent audit consisted of examination, on a test basis, of evidence supporting the amounts and disclosures reported, assessing the accounting principles applied by management, and evaluating the overall financial statement presentation.

The independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion that the Incline Village General Improvement District's financial statements for the year ended June 30, 2022 are fairly presented in conformity with generally-accepted accounting principles (GAAP). The Independent Auditor's Report is presented as the first component of the financial section of this ACFR, while the Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on and Audit of Financial Statements Performed in Accordance with Government Auditing Standards are included in the Compliance Section of the document (pages 83-85).

Management's Discussion and Analysis (MD&A), as required supplementary information, follows the Independent Auditor's Report and provides a narrative summary and analysis to assist the reader in interpreting the financial statements. This letter of transmittal is designed to complement MD&A and should be read in conjunction with that overview.

**Profile of the District**

The District was formed in 1961 in accordance with the State of Nevada's Revised Statutes, Chapter 318, pertaining to General Improvement District Law as a "body corporate and politic and a quasi-municipal corporation" in the State of Nevada. The District is located on the northeast corner of Lake Tahoe, in the Sierra Nevada Mountains, and occupies a land area of approximately 15.36 square miles and serves a base population of approximately 9,400 residents.

The District is governed by a five-member Board of Trustees elected by residents of Incline Village and Crystal Bay to serve staggered four-year terms. In accordance with the enabling legislation, the District provides water, waste water, and solid waste services within its boundaries, as well as various recreational amenities including downhill skiing/riding, two golf courses, a multi-use recreation center, tennis facilities, meeting facilities, parks, beaches, playgrounds and other recreation-related programming. The District serves approximately 4,200 water/sewer customers, accommodates over 95,000 skiers visits, 35,000 rounds of golf, and 215,000 beach visits, and oversees a variety of other activities including over 120,000 visits to the Recreation Center annually.

The District adheres to the Local Government Budget Act incorporated within Nevada Revised Statutes, which includes prescribed procedures to establish the budgetary data reflected in these financial statements. Budgets are adopted on a basis consistent with GAAP for all funds. Budgets are adopted for all governmental and proprietary fund types. The District may amend or augment the budget after following procedures prescribed in State statutes.

**Local Economic Condition and Outlook**

Located on the northeast shore of Lake Tahoe, Nevada, near the California border in Washoe County, the District's economy is largely dependent on tourism, centered on summer and winter recreational activities. Due to its location, the region's economy is closely tied to the California/San Francisco Bay Area economy. The Reno-Sparks Convention & Visitors Authority report from June 2022 indicates a regional room

occupancy rate of 70.2%, representing a decrease of 3.7% from the prior year, and a decrease of 1.0% from 2019 (pre-pandemic) levels.

Development within the District is challenged by the availability of parcels for development; however there are a number of significant projects at various stages of development within the Incline Village / Crystal Bay communities. These include the continued build-out of the EKN (formerly Boulder Bay) project in Crystal Bay, and the development of a 40-unit condominium project on Tahoe Boulevard.

The 2020 census population of 9,462 reflects a 4% decrease since 2010. The median housing value at June 30, 2022 for single family residence and condo sales for Incline Village and Crystal Bay were \$2,587,500 and \$1,077,500, respectfully, representing a 27.8% increase on residence and a 35.2% increase on condos over last year. For the entire Washoe County the values were \$607,000 and \$390,070 respectively. Values in Incline Village and Crystal Bay tend to be higher than Washoe County average and can fluctuate due to both seasonality as well as variability in the “second home” market.

The Reno-Sparks June 2022 unemployment rate of 3.30% is well under the State rate at 4.7%, and is below the national level at 3.6%. These unemployment rates reflect a decrease over unemployment rates reported in 2022 largely due to the recovery from the economic impacts of the COVID-19 pandemic.

Lake Tahoe is known as one of the most beautiful regions in the world and as the largest alpine lake in North America, it offers an alpine environment untouchable anywhere else. The pristine beauty of Lake Tahoe draws over three and one-half million visitors annually from around the world. From snow skiing to golfing to boating to gaming, Lake Tahoe is one of the premier resort destinations, offering visitors countless activities. Additionally, Incline Village/Crystal Bay offers a spectacular and serene mountain neighborhood for property owners.

The 2004 Legislature passed Assembly Bill 489 to provide property tax relief which provides a partial abatement of taxes by applying a 3% cap on the tax bill of the owner’s primary residence and a higher cap on the tax bill of other properties beginning with the 2005/2006 tax roll in Washoe County. For the fiscal year 2022 the abatement was \$19,732 based on State of Nevada Department of Taxation formulas.

Beginning in 2010, the District has had a portion of its property tax settlements offset to settle a court ordered tax refund by Washoe County. The District was able to meet this General Fund obligation and maintain service levels while the refund was completed. A settlement agreement was reached between Washoe County and the Incline Village/Crystal Bay taxpayers in the previous fiscal year for the alleged overpayment of taxes and accrued interest. As part of the settlement, the County was responsible for refunding an estimated \$1,359,757. As of June 30, 2022 the remaining balance of \$763,479 in reimbursements are reflected as restricted within the District’s General Fund.

### **Financial Initiatives**

The Board of Trustees establishes policy and direction, within the framework of the District Strategic Plan and its Long Range Principles. The updated Strategic Plan, covering 2021-2023, was adopted September 30, 2021. Areas of emphasis within the Strategic Plan include: continued focus on delivery of exceptional services to residents, review and update of Board Policies, strengthening internal controls, improved contract management, and enhancing transparency and accountability.

Review of District’s Fund Accounting Beginning with fiscal year 2016, the District transitioned from Proprietary, Enterprise fund accounting to Governmental, Special Revenue fund accounting for its Community Services and Beach activities. In approving the District’s 2021 budget, the Board of Trustees took action to direct the District to transition back to Proprietary, Enterprise fund accounting beginning in fiscal year 2022. As a result, the District’s financial statements for the fiscal year ended June 30, 2022 are presented reflecting this transition back to proprietary fund accounting. This change is expected to better support the District’s objective of establishing pricing policies aimed at recovering the full cost of operating District recreational venues, including the costs of capital assets and debt.

Utility Rates to Support Infrastructure The District has identified approximately 6 miles of effluent pipeline for replacement over a series of years. This project is expected to cost in the range of \$45 - \$65 million. Currently, the District is collecting \$2.0 million per year from utility rate charges for this project. The District is currently pursuing a low-interest State Revolving Fund loan (to be secured by a Utility Revenue Bond) to support this project. In April 2022, the Board approved an updated Utility Rate Study which establishes the level of utility rate increases over the next five years required to support the District’s utility divisions, including operating, capital and debt. While no rate increases were implemented in 2021, in May of 2022, the Board approved utility rate increases averaging 16.0% and 13.5% for water and wastewater, respectively.

Policy Direction related to District’s Recreation and Beach Facility Fees For fiscal year 2022, the District Board set the combined fee charged to the majority of parcel owners within the District at \$780 per dwelling unit equivalent (DUE). This represents a reduction from the \$830 per DUE that had been charged over the preceding 11 years. The fees collected are allocated by the Board to support operations, capital

expenditures and debt service, and continue to be set on the basis of needs identified in the District's Community Services and Beach Master Plans as well as the five-year capital improvement plan adopted each year.

**Awards**

As of the preparation of this report, the Government Finance Officers Association of the United States and Canada (GFOA) has not yet completed its review of the District's application for consideration of award under the Certificate of Achievement for Excellence in Financial Reporting, for the District's Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. The District expects to be granted this award for the prior annual report, which would be the twenty-first year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both GAAP and applicable legal requirements.

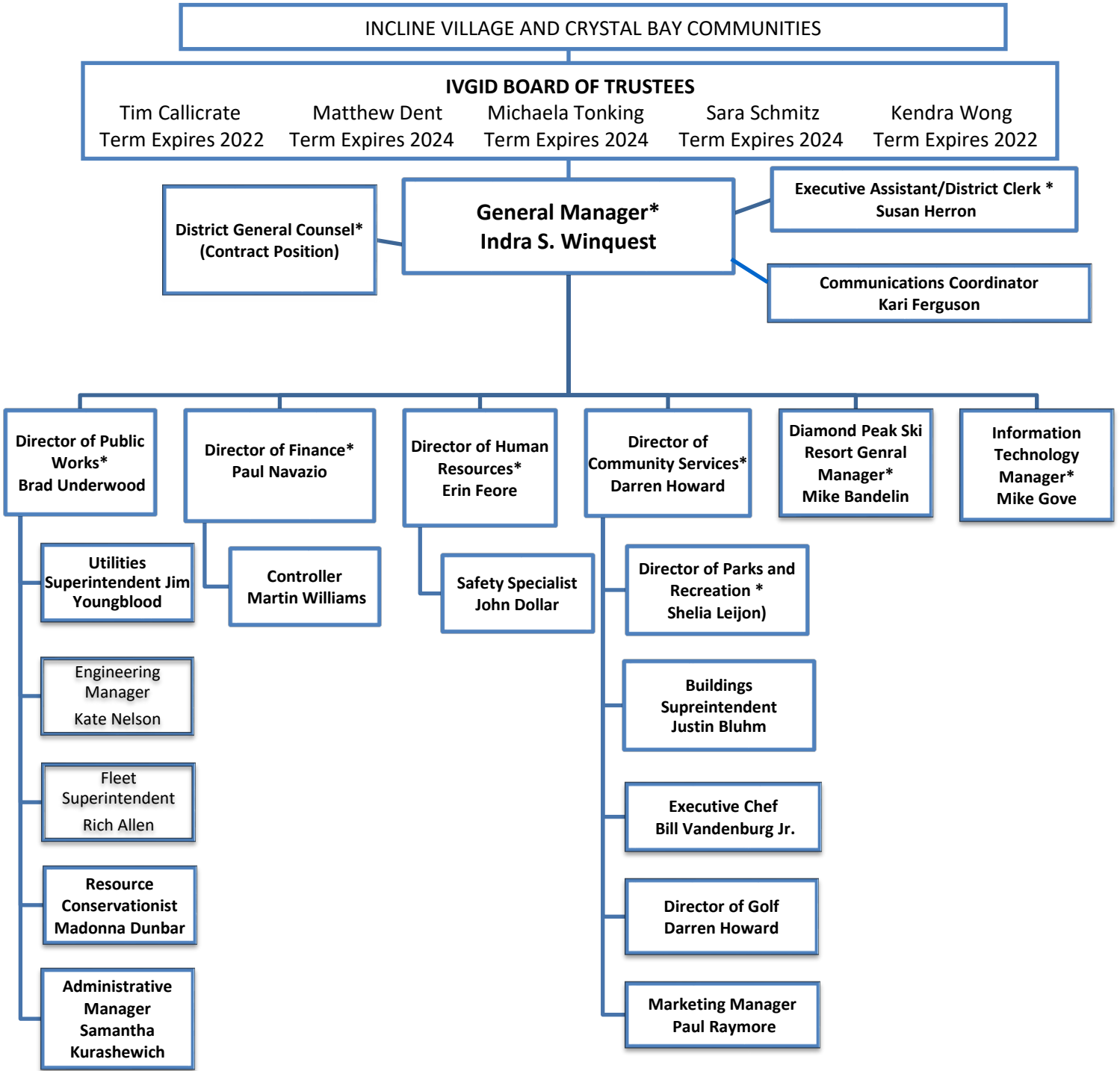
A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Financial Comprehensive Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

**Acknowledgments**

The preparation of this ACFR would not have been possible without the efforts of the entire accounting staff, as well as the District's management team. Credit also must be given to the Board of Trustees, the Audit Committee, and the active engagement of community members for their contributions to this effort.

Indra S. Winqest  
General Manager  
Incline Village General Improvement District

Paul Navazio  
Director of Finance  
Incline Village General Improvement District



\* Members of the Senior Team



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Incline Village General Improvement District  
Nevada**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morill*

Executive Director/CEO

**INCLINE VILLAGE**  
GENERAL IMPROVEMENT DISTRICT

**FINANCIAL SECTION**



## **Independent Auditor's Report**

Board of Trustees  
Incline Village General Improvement District  
Incline Village, Nevada

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Incline Village General Improvement District (District), as of and for the year June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Emphasis of Matters***

During the year ended June 30, 2022, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 87. The financial statements for the year ended June 30, 2022 reflect certain prior period adjustments as described further in Note 20 to the financial statements. Our opinion is not modified with respect to these matters.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

The District's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year after the date that the financial statements are issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design 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. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis, schedule of employer required contributions to defined contribution multi-employer plans and budgetary comparison information* be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of

preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The *budgetary comparison schedules* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

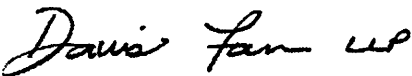
The *budgetary comparison schedules* are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the *budgetary comparison schedules* are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Information**

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the *introductory section* and *statistical section* but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Irvine, California  
December 5, 2022

**Incline Village General Improvement District  
Management's Discussion and Analysis  
For the Fiscal Year ended June 30, 2022**

This section of the Incline Village General Improvement District's (District's) Annual Comprehensive Financial Report (ACFR) presents a narrative overview and analysis of the District's financial activities for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with the transmittal letter, financial statements, and notes to gain a more complete picture of the information presented therein.

**FINANCIAL HIGHLIGHTS**

Financial highlights based on Government-wide Financial Statements, for the year ended June 30, 2022:

- The District's net position as of June 30, 2022 was \$164.49 million and reflects an increase in net position of \$4.47 million over the prior year. Of this amount, a total of \$45.44 million (unrestricted net position) is available to meet the District's future obligations, including future planned capital projects.
- The net position of the District's governmental activities increased by \$0.43 million (to \$8.27 million) and the net position of the District's business-type activities increased by \$4.04 million (to \$156.22 million).
- The District's Utility Fund ended the fiscal year with a net position of \$77.57 million, which represents an increase of \$0.58 million from the prior year. The Community Services Fund ended the year with a net position of \$64.72 million, reflecting a decrease of \$0.75 million from the prior year; the Beach Fund ended the year with a net position of \$13.93 million, reflecting an increase of \$4.21 million from the prior year.
- As of June 30, 2022 the District had total bond debt outstanding of \$3.43 million including Utility Revenue Bonds outstanding of \$2.99 million, Recreation Bonds outstanding totaling \$0.39 million, and lease debt of \$0.04 million. The District retired \$0.93 million in bond principal during the fiscal year.

**OVERVIEW OF THE BASIC FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements which consists of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

This report also contains other Supplementary Information in addition 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 finances in a manner similar to a private-sector business.

The ***Statement of Net Position*** presents information on all of the District's assets and liabilities and deferred inflows/outflows of resources, with the difference reported as *net position*. Over time, increases or decreases, in net position, 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 position changed during the fiscal year. All changes in net position are reported as soon as the underlying event occurs regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements (*Statement of Net Position* and *Statement of Activities*) distinguish functions of the District as either governmental activities or business-type activities. The governmental

**Incline Village General Improvement District  
Management's Discussion and Analysis  
For the Fiscal Year ended June 30, 2022  
(Continued)**

activities of the District include administration and are supported by general tax revenues. The business-type activities of the District include utility (water, sewer and solid waste), recreational activities, and internal service activities that reflect enterprise operations where a fee for service typically covers all or most of the costs of operations including depreciation and debt service.

**Fund Financial Statements**

A fund is a grouping of related accounts used to maintain control over fiscal resources that have been segregated for specific activities. The District uses fund accounting to ensure and demonstrate compliance with financial-related legal requirements; as such, the principal role of a fund is to demonstrate fiscal accountability. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds.

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statement, the governmental fund financial statement focuses on near-term inflow and outflow of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. This information is useful in evaluating a government's near-term financing requirements.

The District maintains a single governmental fund. Information is presented in the governmental fund financial statements for the General Fund.

Because the focus of the governmental funds financial statements is narrower than that of the government-wide financial statement, it is useful to compare the information presented for governmental funds with similar information presented for government activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District adopts an annual budget for each of its governmental funds. A budgetary comparison is provided in order to demonstrate compliance with the approved budget. The budgetary comparison for the District's General Fund is provided as part of the basic financial statements.

Proprietary funds. The District operates two types of proprietary funds. *Enterprise funds* are used to report the same functions presented in business-type activities in the government-wide statements. The District uses enterprise funds to account for its Utility Fund, Community Services Fund, and Beach Fund. The financial statements for the fiscal year ended June 30, 2022 reflect a change in the basis of accounting for the District's Community Services and Beach Funds from Governmental Funds to Proprietary Funds, effective July 1, 2021.

*Internal Service funds* are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses an internal service fund to account for its maintenance of its fleet of vehicles, buildings maintenance, and engineering functions. The Internal Service Fund is classified as proprietary activities in the government-wide statement since the most substantial users of these services are activities supported through the District's proprietary funds.

**Notes to the Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning the District. As a required supplementary schedule the District has prepared a schedule for its Multi-Employer Retirement Plans. Additional supplementary information is provided related to individual funds, providing more detailed budget-to-actual comparisons. These schedules indicate compliance with budgetary constraints and management directives to enhance accountability at the fund and function level. The supplementary information provides schedules to report revenue and expenditure results according to the format required by the State of Nevada Department of Taxation, Local Government Division. In addition, selected statistical information is provided on a five or ten-year basis, as available, for

**Incline Village General Improvement District  
Management's Discussion and Analysis  
For the Fiscal Year ended June 30, 2022  
(Continued)**

trend and historical analysis. This information addresses a number of the major revenue sources of the District including the Recreation and Beach Facility Fee.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The District's assets exceeded liabilities and deferred inflows of resources by \$164.49 million at June 30, 2022. The largest portion of net position (72.1%) reflects net investment in capital assets (e.g., land, buildings, equipment, construction in progress less accumulated depreciation and bonds that are still outstanding). The District uses these capital assets to provide services to citizens; therefore, they are not available for future spending. Although the investment in capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since capital assets cannot be used to liquidate these liabilities.

| <b>Incline Village General Improvement District<br/>Net Position</b> |                                |                      |                                 |                      |                       |                       |
|----------------------------------------------------------------------|--------------------------------|----------------------|---------------------------------|----------------------|-----------------------|-----------------------|
|                                                                      | <b>Governmental Activities</b> |                      | <b>Business-Type Activities</b> |                      | <b>Total</b>          |                       |
|                                                                      | 2022                           | 2021                 | 2022                            | 2021                 | 2022                  | 2021                  |
| <b>Assets</b>                                                        |                                |                      |                                 |                      |                       |                       |
| Current and Other Assets                                             | \$ 6,672,121                   | \$ 31,152,565        | \$ 47,646,537                   | \$ 17,362,324        | \$ 54,318,658         | \$ 48,514,889         |
| Long Term Assets                                                     | -                              | 142,727              | 468,044                         | 324,306              | 468,044               | 467,033               |
| Net Capital Assets                                                   | 3,359,612                      | 58,782,233           | 118,609,082                     | 63,685,660           | 121,968,694           | 122,467,893           |
| Total assets                                                         | <u>10,031,733</u>              | <u>90,077,525</u>    | <u>166,723,663</u>              | <u>81,372,290</u>    | <u>176,755,396</u>    | <u>171,449,815</u>    |
| <b>Liabilities</b>                                                   |                                |                      |                                 |                      |                       |                       |
| Current Liabilities                                                  | 1,543,689                      | 6,742,425            | 5,925,224                       | 1,414,356            | 7,468,913             | 8,156,781             |
| Long Term Liabilities                                                | 216,624                        | 389,043              | 2,881,600                       | 2,972,341            | 3,098,224             | 3,361,384             |
| Total liabilities                                                    | <u>1,760,313</u>               | <u>7,131,468</u>     | <u>8,806,824</u>                | <u>4,386,697</u>     | <u>10,567,137</u>     | <u>11,518,165</u>     |
| <b>Deferred Inflows of Resources</b>                                 |                                |                      |                                 |                      |                       |                       |
| Deferred Inflow                                                      | -                              | -                    | 1,695,703                       | -                    | 1,695,703             | -                     |
| <b>Net Position</b>                                                  |                                |                      |                                 |                      |                       |                       |
| Net investment in capital assets                                     | 3,359,612                      | 58,015,190           | 115,225,972                     | 60,139,428           | 118,585,584           | 118,154,618           |
| Restricted                                                           | -                              | 142,727              | 468,044                         | 324,306              | 468,044               | 467,033               |
| Unrestricted                                                         | 4,911,808                      | 24,788,140           | 40,527,120                      | 16,521,859           | 45,438,928            | 41,309,999            |
| Total net position                                                   | <u>\$ 8,271,420</u>            | <u>\$ 82,946,057</u> | <u>\$ 156,221,136</u>           | <u>\$ 76,985,593</u> | <u>\$ 164,492,556</u> | <u>\$ 159,931,650</u> |

| <b>Incline Village General Improvement District<br/>Change in Net Position</b> |                                |                   |                                 |                   |                    |                    |
|--------------------------------------------------------------------------------|--------------------------------|-------------------|---------------------------------|-------------------|--------------------|--------------------|
|                                                                                | <b>Governmental Activities</b> |                   | <b>Business-Type Activities</b> |                   | <b>Total</b>       |                    |
|                                                                                | 2022                           | 2021              | 2022                            | 2021              | 2022               | 2021               |
| <b>Revenues</b>                                                                |                                |                   |                                 |                   |                    |                    |
| Program Revenues:                                                              |                                |                   |                                 |                   |                    |                    |
| Changes for services                                                           | \$ 2                           | \$ 17,060,831     | \$ 32,480,390                   | \$ 12,831,060     | \$ 32,480,392      | \$ 29,891,891      |
| Operating Grants                                                               | 2,000                          | 18,440            | 39,138                          | 39,857            | 41,138             | 58,297             |
| Capital Grants and contributions                                               | -                              | 88,505            | 47,927                          | -                 | 47,927             | 88,505             |
| General Revenues:                                                              |                                |                   |                                 |                   |                    |                    |
| Ad valorem taxes                                                               | 1,893,214                      | 1,812,958         | -                               | -                 | 1,893,214          | 1,812,958          |
| Consolidated taxes                                                             | 2,049,551                      | 1,888,448         | -                               | -                 | 2,049,551          | 1,888,448          |
| Facility Fees                                                                  | -                              | 6,537,641         | 6,090,681                       | -                 | 6,090,681          | 6,537,641          |
| Unrestricted Investment income                                                 | (17,188)                       | 73,594            | (93,733)                        | 33,681            | (110,921)          | 107,275            |
| Other                                                                          | 1,402                          | 127,897           | 435,446                         | -                 | 436,848            | 127,897            |
| <b>Total Revenues</b>                                                          | <u>3,928,981</u>               | <u>27,608,314</u> | <u>38,999,849</u>               | <u>12,904,598</u> | <u>42,928,830</u>  | <u>40,512,912</u>  |
| <b>Expenses</b>                                                                |                                |                   |                                 |                   |                    |                    |
| General Government                                                             | 3,497,944                      | 2,887,892         | -                               | -                 | 3,497,944          | 2,887,892          |
| Utilities                                                                      | -                              | -                 | 12,399,729                      | 11,449,802        | 12,399,729         | 11,449,802         |
| Community Services                                                             | -                              | 18,996,222        | 20,779,505                      | -                 | 20,779,505         | 18,996,222         |
| Beach                                                                          | -                              | 2,186,645         | 1,784,943                       | -                 | 1,784,943          | 2,186,645          |
| <b>Total Expenses</b>                                                          | <u>3,497,944</u>               | <u>24,070,759</u> | <u>34,964,177</u>               | <u>11,449,802</u> | <u>38,462,121</u>  | <u>35,520,561</u>  |
| Excess Revenue (Expenses)                                                      | 431,037                        | 3,537,555         | 4,035,672                       | 1,454,796         | 4,466,709          | 4,992,351          |
| <b>Changes in Net Position</b>                                                 | 431,037                        | 3,537,555         | 4,035,672                       | 1,454,796         | 4,466,709          | 4,992,351          |
| Beginning Net Position, as reported                                            | 82,946,057                     | 79,265,885        | 76,985,593                      | 78,697,763        | 159,931,650        | 157,963,648        |
| Prior Period Adjustment                                                        | (75,105,674)                   | 142,617           | 75,199,871                      | (3,166,966)       | 94,197             | (3,024,349)        |
| Beginning Net Position, as adjusted                                            | 7,840,383                      | 79,408,502        | 152,185,464                     | 75,530,797        | 160,025,847        | 154,939,299        |
| <b>Ending Net Position</b>                                                     | <u>8,271,420</u>               | <u>82,946,057</u> | <u>156,221,136</u>              | <u>76,985,593</u> | <u>164,492,556</u> | <u>159,931,650</u> |

Governmental activities increase the district's net position by \$0.43 million for fiscal year 2022, while Business-Type activities contributed \$4.04 million toward overall increase in net position. This increase was primarily due to the allocation of \$5.26 million in facility fee revenue to the Beach fund to support priority capital projects. This resulted in a net increase of \$4.21 million for the Beach fund for the year.

Revenues through June 30, 2022 across all governmental activities exceeded budget by approximately \$0.01 million. While, expenditures were below budget by approximately \$0.54 million, primarily from personnel

**Incline Village General Improvement District  
Management's Discussion and Analysis  
For the Fiscal Year ended June 30, 2022  
(Continued)**

costs and supplies and services reductions from limited services provided during COVID-19 pandemic recovery.

Total governmental activity revenue overall decreased approximately \$23.7 million year-to-year due to the Community Services Fund and Beach Fund converting from Governmental to Proprietary.

**Incline Village General Improvement District Governmental Activities Revenues**

|                                          | 2022                |             | 2021                 |             |
|------------------------------------------|---------------------|-------------|----------------------|-------------|
| Property taxes                           | \$ 1,893,214        | 48%         | \$ 1,812,958         | 7%          |
| Combined taxes                           | 2,049,551           | 52%         | 1,888,448            | 7%          |
| Charges for Services -Community Services | -                   | 0%          | 16,221,278           | 59%         |
| Charges for Services - Beach             | -                   | 0%          | 839,405              | 3%          |
| Facility Fees - Community Services       | -                   | 0%          | 2,684,931            | 10%         |
| Facility Fees- Beach                     | -                   | 0%          | 3,852,710            | 14%         |
| Operating Grants                         | 2,000               | 0%          | 18,440               | 0%          |
| Capital Grants                           | -                   | 0%          | 88,505               | 1%          |
| Unrestricted investment earnings (loss)  | (17,188)            | 0%          | 73,594               | 0%          |
| Other revenues/sources                   | 1,404               | 0%          | 128,059              | 0%          |
| <b>Total general revenues</b>            | <b>\$ 3,928,981</b> | <b>100%</b> | <b>\$ 27,608,328</b> | <b>101%</b> |

The facility fee assessed on parcel owners is the most stable of the revenue streams for the District. The facility fee is assessed by the District for recreation and beach privileges and is collected by Washoe County Assessor's office through the real property quarterly billing process. For 2021-22 the District assessed \$830,977 in Community Services facility fees and \$5,259,704 in Beach facility fees.

**IVGID Facility Fees**

| Fiscal<br>Year | Per Eligible Parcel |                       | Total Assessment Roll |                       | District<br>Assessed        |
|----------------|---------------------|-----------------------|-----------------------|-----------------------|-----------------------------|
|                | Beach               | Community<br>Services | Beach                 | Community<br>Services | Recreation<br>Facility Fees |
| 2021-22        | \$ 680              | \$ 100                | \$ 5,259,704          | \$ 830,977            | \$ 6,090,681                |
| 2020-21        | 500                 | 330                   | 3,852,710             | 2,684,931             | 6,537,641                   |
| 2019-20        | 125                 | 705                   | 968,500               | 5,783,115             | 6,751,615                   |
| 2018-19        | 125                 | 705                   | 969,500               | 5,788,050             | 6,757,550                   |
| 2017-18        | 125                 | 705                   | 969,500               | 5,776,770             | 6,746,270                   |

Expenditures in the General Fund increased slightly the previous year due primarily to increased personnel costs. These increases are primarily due to positions not filled in FY2021 per reduced services provided during in response to the COVID-19 pandemic.

**Business-type activities:** Business-type activities increased their net position by \$4.04 million over the past fiscal year.

The Utility Fund historically has little fluctuation in its activity from year-to-year, and as an essential service (water, sewer and solid waste) has experienced limited impact related to the COVID-19 pandemic. The Utility Fund's increase in net position results primarily from saving in personnel costs and services and supplies. Capital expenditures for the year were \$715,805, while depreciation expense was \$3,285,127. Principal reduction on bonds was \$553,842.

Community Services activity resulted in a reduction in net position for the year of \$0.75 million, due in part to the reduction in Facility Fee revenue allocated to the Community Services fund, and planned draw-down of available fund balance. Recreation expenditures reflect an increase of 14.9% due primarily to restoration of

**Incline Village General Improvement District  
Management's Discussion and Analysis  
For the Fiscal Year ended June 30, 2022  
(Continued)**

programs and service levels as the District emerged from the COVID-19 pandemic. increased activity relative to the capital project expenditures reduction from prior year of \$2,151,778. The Beach Fund contributed significantly to the increase in net position (\$4.21 million), again, due primarily to Facility Fee revenues being collected to support planned capital projects. Otherwise, charges for services and operating expenditures saw a reduction from prior year, in part due to the incidence of wildfires in the region that impacted air quality (and curtailing outdoor activity) during the 2021 beach season.

For the District's government-wide financial statements for fiscal year 2022, revenues and expenditures within its Internal Services fund are displayed net of services charged to other funds, as these costs are included in the other business-type functions supported by the Internal Services functions.

#### **FINANCIAL ANALYSIS OF DISTRICT FUNDS**

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds:** The focus of the District's governmental funds statements is to provide information on current inflows, outflows, and balances of resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance of \$6,010,867 in the General Fund may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the fiscal year, the District's General Fund fund balance increased to \$6,013,261, with \$2,394 non-spendable. This results in an unassigned fund balance as of June 30, 2022 of \$6,010,867. This compares favorably to the minimum fund balance policy of 4% of annual expenditures (or a minimum reserve level of \$149,646).

**Proprietary Funds:** The District's recreational programming is conducted under two activities; they are Community Services and Beach. As a result of a deed restriction, a distinct constituency is served by the Beach fund and thus its inflows and outflows are measured separately to demonstrate compliance. The Community Services fund net position decreased to \$64,718,058. The Beach fund net position increased to \$13,934,794. These funds ended the fiscal year with unrestricted net positions of \$15,897,245 and \$5,510,557, respectively, exceeding the target of 25% of operating expenditures established by Board policy (or \$5.23 million and \$0.45 million, respectively). The net positions reflect funding being collected by the District in anticipation of significant priority capital projects included in the Board-approved multi-year capital plan.

Budgets are adopted for all governmental funds on a modified accrual basis. The focus of this basis is to capture transactions based on current financial resources. Increases and decreases in financial resources are recognized only to the extent that they reflect near-term inflows or outflows of cash.

#### **General Fund Budgetary Highlights**

General Fund revenues exceed expenditures by \$0.19 million for the fiscal year ended June 30, 2022.

Selected highlights within the District's General Fund includes:

- Revenues exceeding budget by \$11,412, with the single largest contributor being consolidated tax which ended the year \$102,551 above budget.
- General Fund expenditures for the year ended June 30, 2022 were \$3,741,148 or \$543,426 below budget (net of Central Services Overhead cost recovery). Year-end expenditures were below budget for all General Fund-supported administrative functions, with the largest favorable budget variances in Information Services, Human Resources, and Accounting.
- Capital Outlay expenditures within the General Fund were below budget by \$130,535.



**Incline Village General Improvement District  
Management's Discussion and Analysis  
For the Fiscal Year ended June 30, 2022  
(Continued)**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets:** The Incline Village General Improvement District's investment in capital assets for its governmental and business-type activities, as of June 30, 2022 amounts to \$121,968,694 (net of accumulated depreciation). Investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, and recreation facilities. Readers desiring more information, with respect to capital asset activity, should see Note 5 to the financial statements.

**Incline Village General Improvement District Capital Assets, Net**

|                                                      | Governmental Activities |                        | Business-Type Activities |                       | Total                 |                       |
|------------------------------------------------------|-------------------------|------------------------|--------------------------|-----------------------|-----------------------|-----------------------|
|                                                      | 2022                    | 2021                   | 2022                     | 2021                  | 2022                  | 2021                  |
| Land - Governmental Activities                       | \$ 2,669,904            | \$ 17,290,327          | \$ -                     | \$ -                  | \$ 2,669,904          | \$ 17,290,327         |
| Construction in progress - Governmental Activities   | 335,903                 | 1,939,563              | -                        | -                     | 335,903               | 1,939,563             |
| Land - Utility Activities                            | -                       | -                      | 6,715,544                | 6,715,544             | 6,715,544             | 6,715,544             |
| Construction in progress - Utility Activities        | -                       | -                      | 1,498,869                | 1,035,834             | 1,498,869             | 1,035,834             |
| Buildings and improvements - Governmental Activities | 828,251                 | 828,251                | -                        | -                     | 828,251               | 828,251               |
| Equipment and vehicles - Governmental Activities     | 1,817,860               | 1,762,263              | -                        | -                     | 1,817,860             | 1,762,263             |
| Internal Services equipment furniture and fixtures   | 240,596                 | 240,596                | -                        | -                     | 240,596               | 240,596               |
| Utility service infrastructure                       | -                       | -                      | 113,353,076              | 113,100,306           | 113,353,076           | 113,100,306           |
| Utility buildings and improvements                   | -                       | -                      | 15,959,753               | 15,959,753            | 15,959,753            | 15,959,753            |
| Utility equipment, furniture and fixtures            | -                       | -                      | 3,797,362                | 3,797,362             | 3,797,362             | 3,797,362             |
| Community Services land                              | -                       | -                      | 12,315,573               | 12,315,573            | 12,315,573            | 12,315,573            |
| Community Services construction in progress          | -                       | -                      | 537,741                  | 262,750               | 537,741               | 262,750               |
| Community Services buildings and improvements        | -                       | -                      | 33,627,523               | 33,457,451            | 33,627,523            | 33,457,451            |
| Community Services facilities improvements           | -                       | -                      | 35,896,434               | 35,404,502            | 35,896,434            | 35,404,502            |
| Community services equipment, furniture and fixtures | -                       | -                      | 12,614,948               | 12,159,382            | 12,614,948            | 12,159,382            |
| Beach land                                           | -                       | -                      | 2,304,850                | 2,304,850             | 2,304,850             | 2,304,850             |
| Beach construction in progress                       | -                       | -                      | -                        | 1,383,864             | -                     | 1,383,864             |
| Beach buildings and improvements                     | -                       | -                      | 7,234,499                | 2,641,340             | 7,234,499             | 2,641,340             |
| Beach facilities improvements                        | -                       | -                      | 2,038,694                | 2,038,694             | 2,038,694             | 2,038,694             |
| Beach equipment, furniture and fixtures              | -                       | -                      | 529,560                  | 529,560               | 529,560               | 529,560               |
| Total Cost                                           | 5,892,514               | 22,061,000             | 245,856,172              | 243,106,765           | 254,316,940           | 265,167,765           |
| Accumulated Depreciation                             | (2,532,902)             | (49,509,696)           | (129,815,344)            | (76,923,139)          | (132,348,246)         | (126,432,835)         |
| <b>Capital Assets, Net</b>                           | <b>\$ 3,359,612</b>     | <b>\$ (27,448,696)</b> | <b>\$ 116,040,828</b>    | <b>\$ 166,183,626</b> | <b>\$ 121,968,694</b> | <b>\$ 138,734,930</b> |

**Long-term debt:** At the end of the current fiscal year, the District had total bonded debt outstanding of \$3.43 million, including \$2.99 million in outstanding Utility Revenue Bonds and \$0.39 million in outstanding Recreation Bonds. Of the total amount of long-term debt outstanding, \$2.88 million comprise debt backed by the full faith and credit of the District, with the source for repayment being revenues from charges for services (including assessed facility fees). The remainder of the District debt, \$0.50 million, represents bonds secured solely by specified utility rate revenue sources.

Long-term liability activity for the year ended June 30, 2022 was as follows:

|                               | Beginning<br>Balance | New<br>Issues | Principal<br>Paid | Ending<br>Balance |
|-------------------------------|----------------------|---------------|-------------------|-------------------|
| Governmental Type Activities: |                      |               |                   |                   |
| Bonds Payable;                |                      |               |                   |                   |
| Recreation Revenue Supported  | \$ 767,043           | \$ -          | \$ 376,321        | \$ 390,722        |
| Business Type Activities:     |                      |               |                   |                   |
| Bonds Payable;                |                      |               |                   |                   |
| Utility Revenue Supported     | 3,546,232            | -             | 553,844           | 2,992,388         |
| Total                         | \$ 4,313,275         | \$ -          | \$ 930,165        | \$ 3,383,110      |

Readers desiring more information, with respect to the District's debt, should see Note 9 to the financial statements.

The District may borrow money and incur or assume indebtedness as provided in Nevada Revised Statutes, Chapter 318, Section 277, so long as the total of all such indebtedness (but excluding revenue bonds and special assessment bonds) does not exceed an amount equal to 50 percent of the total of the last assessed valuation of taxable property.

**Incline Village General Improvement District  
Management's Discussion and Analysis  
For the Fiscal Year ended June 30, 2022  
(Continued)**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

- The past fiscal year saw activity across the District increase relative to the significant curtailment of programs and services experienced during the height of the COVID-19 pandemic. The District's budget for FY2022/23 anticipates continuation of this trend. However, a factor that has the potential to continue to impact financial results for the District's recreation-focused activities is the current labor market, and in particular the challenge in filling seasonal, part-time positions. Shortage of available job applicants and increasing hourly wage rates, combined with the high-cost and shortage of housing opportunities are expected to continue to contribute to staffing shortages across the District. This represents a significant challenge in the District's efforts to restore "post-pandemic" service levels.
- The District's primary revenue sources continue to be service charges from users, comprised of fees charged by venues at the point of service delivery and a standby charge paid by parcel owners via property tax bills to support availability of facility and services. The standby charge, known as the Facility Fee, is set annually by the Board of Trustees and provides critical, yet relatively stable funding in support of venue operations, capital improvements and debt. The Board continues to review and set the Facility Fee based on a multi-year capital improvement plan and informed by the District's Strategic Plan. At the same time, a significant portion of District-wide charges for services revenues are generated by the Diamond Peak Ski Resort, and is thus somewhat dependent on the level and duration of snow throughout the winter season.
- Among the priority capital improvement projects is the replacement of several miles of the Effluent Export Pipeline transporting treated wastewater from the District's Water Resource Recovery Facility out of the basin. A comprehensive Utility Rate Study was completed identifying the need for substantial utility rate increases over the next several years. While these increases are required to support operations, capital and planned debt for the District's critical water and wastewater operations, as well as provide for adequate reserve levels, consistent with updated Board policies, the rate study also indicated that the District's utility rates can be expected to remain within the range of rates charged by comparable utilities in the region. To help minimize the impact of required rate increases, the District is pursuing low-interest financing through the State Revolving Fund loan program and is also aggressively pursuing potential federal grant opportunities that have the potential to reduce the burden on rate-payers.
- The Board of Trustees also continues to update its priority capital projects to support goals of the District's Community Services Master Plan, Beach Master Plan and Diamond Peak Master Plan. These discussions necessarily also include an analysis of financial capacity, and possible financing options. Among these is consideration of issuing debt versus pay-as-you-go financing, particularly in relation to priority capital projects that are expected to have useful lives over 30-40 years. This effort includes an overall assessment of the District's financial position, bonding capacity and credit worthiness.

**REQUEST OF INFORMATION**

This financial report is designed to provide a general overview of the District's finances for all interested parties. Questions concerning the information provided in this report or request for additional financial information should be addressed to the Director of Finance, 893 Southwood Boulevard, Incline Village, Nevada, 89451. This report will also be available on the District's website at [www.yourtahoeplace.org](http://www.yourtahoeplace.org).

INCLINE VILLAGE  
GENERAL IMPROVEMENT DISTRICT

**BASIC FINANCIAL  
STATEMENTS**

# INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

## STATEMENT OF NET POSITION JUNE 30, 2022

|                                                 | Primary Government         |                             |                |
|-------------------------------------------------|----------------------------|-----------------------------|----------------|
|                                                 | Governmental<br>Activities | Business-Type<br>Activities | Total          |
| <b>ASSETS</b>                                   |                            |                             |                |
| Cash, cash equivalents, and investments         | \$ 6,044,259               | \$ 43,450,727               | \$ 49,494,986  |
| Receivables:                                    |                            |                             |                |
| Accounts receivable, net                        | 349                        | 1,535,411                   | 1,535,760      |
| Lease receivables                               | -                          | 1,749,412                   | 1,749,412      |
| Interest on investments                         | 11,440                     | -                           | 11,440         |
| Grants receivable                               | -                          | 12,881                      | 12,881         |
| Due from other governments                      | 297,791                    | 142,466                     | 440,257        |
| Inventories                                     | 123,601                    | 754,878                     | 878,479        |
| Prepaid items                                   | 2,394                      | 762                         | 3,156          |
| Restricted assets:                              |                            |                             |                |
| Restricted deposits                             | -                          | 468,044                     | 468,044        |
| Capital assets:                                 |                            |                             |                |
| Land                                            | 2,669,904                  | 21,335,967                  | 24,005,871     |
| Construction in progress                        | 335,903                    | 2,036,610                   | 2,372,513      |
| Capital assets, net of accumulated depreciation | 353,805                    | 95,236,505                  | 95,590,310     |
| Total assets                                    | 9,839,446                  | 166,723,663                 | 176,563,109    |
| <b>LIABILITIES</b>                              |                            |                             |                |
| Accounts payable                                | 322,561                    | 1,384,701                   | 1,707,262      |
| Accrued personnel costs                         | 265,323                    | 813,882                     | 1,079,205      |
| Accrued interest payable                        | -                          | 43,236                      | 43,236         |
| Due to other governments                        | -                          | 11,939                      | 11,939         |
| Unearned revenue                                | 39                         | 2,047,430                   | 2,047,469      |
| Refundable deposits                             | -                          | 440,102                     | 440,102        |
| Noncurrent liabilities:                         |                            |                             |                |
| Bonds due within one year                       | -                          | 960,406                     | 960,406        |
| Compensated absences due within one year        | 187,761                    | 193,406                     | 381,167        |
| Lease payable due within one year               | -                          | 30,401                      | 30,401         |
| Claims payable within one year                  | 763,479                    | -                           | 763,479        |
| Bonds due in more than one year                 | -                          | 2,422,704                   | 2,422,704      |
| Compensated absences due in more than one year  | 28,863                     | 446,252                     | 475,115        |
| Lease payable due in more than one year         | -                          | 12,365                      | 12,365         |
| Total liabilities                               | 1,568,026                  | 8,806,824                   | 10,374,850     |
| <b>DEFERRED INFLOW OF RESOURCES</b>             |                            |                             |                |
| Deferred Inflow related to leases               | -                          | 1,695,703                   | 1,695,703      |
| <b>NET POSITION</b>                             |                            |                             |                |
| Net investment in capital assets                | 3,359,612                  | 115,225,972                 | 118,585,584    |
| Restricted                                      | -                          | 468,044                     | 468,044        |
| Unrestricted                                    | 4,911,808                  | 40,527,120                  | 45,438,928     |
| Total net position                              | \$ 8,271,420               | \$ 156,221,136              | \$ 164,492,556 |

The notes to the financial statements are an integral part of this statement.

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2022**

| Functions/Programs                               | Expenses             | Program Revenues        |                                          |                                        | Net (Expense) Revenue and<br>Changes in Net Position |                             |                       |
|--------------------------------------------------|----------------------|-------------------------|------------------------------------------|----------------------------------------|------------------------------------------------------|-----------------------------|-----------------------|
|                                                  |                      | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Primary Government                                   |                             | Total                 |
|                                                  |                      |                         |                                          |                                        | Governmental<br>Activities                           | Business-type<br>Activities |                       |
| <b>Primary government:</b>                       |                      |                         |                                          |                                        |                                                      |                             |                       |
| Governmental activities:                         |                      |                         |                                          |                                        |                                                      |                             |                       |
| General government                               | \$ 3,497,944         | \$ 2                    | \$ 2,000                                 | \$ -                                   | \$ (3,495,942)                                       | \$ -                        | \$ (3,495,942)        |
| Total governmental-type activities               | <u>3,497,944</u>     | <u>2</u>                | <u>2,000</u>                             | <u>-</u>                               | <u>(3,495,942)</u>                                   | <u>-</u>                    | <u>(3,495,942)</u>    |
| Business-type activities:                        |                      |                         |                                          |                                        |                                                      |                             |                       |
| Utilities                                        | 12,399,729           | 13,007,972              | 22,138                                   | -                                      | -                                                    | 630,381                     | 630,381               |
| Community services                               | 20,779,505           | 18,722,295              | 17,000                                   | 47,927                                 | -                                                    | (1,992,283)                 | (1,992,283)           |
| Beach                                            | 1,784,943            | 750,123                 | -                                        | -                                      | -                                                    | (1,034,820)                 | (1,034,820)           |
| Total business-type activities                   | <u>34,964,177</u>    | <u>32,480,390</u>       | <u>39,138</u>                            | <u>47,927</u>                          | <u>-</u>                                             | <u>(2,396,722)</u>          | <u>(2,396,722)</u>    |
| Total primary government                         | <u>\$ 38,462,121</u> | <u>\$ 32,480,392</u>    | <u>\$ 41,138</u>                         | <u>\$ 47,927</u>                       | <u>\$ (3,495,942)</u>                                | <u>\$ (2,396,722)</u>       | <u>\$ (5,892,664)</u> |
| General revenues:                                |                      |                         |                                          |                                        |                                                      |                             |                       |
| Property taxes                                   |                      |                         |                                          |                                        | 1,893,214                                            | -                           | 1,893,214             |
| Combined taxes                                   |                      |                         |                                          |                                        | 2,049,551                                            | -                           | 2,049,551             |
| Facility Fees (Assessed)                         |                      |                         |                                          |                                        | -                                                    | 6,090,681                   | 6,090,681             |
| Unrestricted investment earnings (loss)          |                      |                         |                                          |                                        | (17,188)                                             | (93,733)                    | (110,921)             |
| Insurance Proceeds                               |                      |                         |                                          |                                        | -                                                    | 97,894                      | 97,894                |
| Miscellaneous revenues                           |                      |                         |                                          |                                        | 1,402                                                | 337,552                     | 338,954               |
| Total general revenues                           |                      |                         |                                          |                                        | <u>3,926,979</u>                                     | <u>6,432,394</u>            | <u>10,359,373</u>     |
| Changes in net position                          |                      |                         |                                          |                                        | <u>431,037</u>                                       | <u>4,035,672</u>            | <u>4,466,709</u>      |
| Net position - beginning, as previously reported |                      |                         |                                          |                                        | 82,946,057                                           | 76,985,593                  | 159,931,650           |
| Prior Period Adjustment                          |                      |                         |                                          |                                        | <u>(75,105,674)</u>                                  | <u>75,199,871</u>           | <u>94,197</u>         |
| Net positions, beginning                         |                      |                         |                                          |                                        | <u>7,840,383</u>                                     | <u>152,185,464</u>          | <u>160,025,847</u>    |
| Net position - ending                            |                      |                         |                                          |                                        | <u>\$ 8,271,420</u>                                  | <u>\$ 156,221,136</u>       | <u>\$ 164,492,556</u> |

The notes to the financial statements are an integral part of this statement.

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2022**

|                                        | <b>GENERAL</b> |
|----------------------------------------|----------------|
| <b>ASSETS</b>                          |                |
| Cash, cash equivalents and investments | \$ 5,943,999   |
| Accounts receivable, net               | 349            |
| Interest receivable on investments     | 11,440         |
| Due from other funds                   | 192,287        |
| Due from other governments             | 297,791        |
| Prepaid items                          | 2,394          |
| Total assets                           | \$ 6,448,260   |
| <b>LIABILITIES AND FUND BALANCES</b>   |                |
| Liabilities                            |                |
| Accounts payable                       | \$ 270,363     |
| Accrued personnel costs                | 164,597        |
| Unearned revenue                       | 39             |
| Total liabilities                      | 434,999        |
| Fund balance                           |                |
| Non-spendable                          | 2,394          |
| Unassigned                             | 6,010,867      |
| Total fund balance                     | 6,013,261      |
| Total liabilities and fund balance     | \$ 6,448,260   |

The notes to the financial statements are an integral part of this statement.

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
RECONCILIATION OF BALANCE SHEET FOR GOVERNMENTAL FUNDS  
TO THE GOVERNMENT WIDE STATEMENT OF NET POSITION  
JUNE 30, 2022**

Amounts reported for governmental activities in the Statement of Net Position that are not included in the Governmental Funds Balance Sheet (because):

|                                                                                                                                  |                            |
|----------------------------------------------------------------------------------------------------------------------------------|----------------------------|
| Total Fund Balance for Governmental Activities                                                                                   | \$ 6,013,261               |
| Capital Assets, net of accumulated depreciation, are not financial resources, and therefore are not reported in the General Fund | 3,318,368                  |
| Long Term Liability for Compensated Absences                                                                                     | (145,840)                  |
| Long Term Liability for Washoe County Property Tax Litigation                                                                    | (763,479)                  |
| Total Balance from Internal Services Fund                                                                                        | <u>\$ (150,890)</u>        |
| Net Position of Governmental Activities                                                                                          | <u><u>\$ 8,271,420</u></u> |

The notes to the financial statements are an integral part of this statement.

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2022**

|                                                  | <b>GENERAL</b> |
|--------------------------------------------------|----------------|
| <b>REVENUES</b>                                  |                |
| Ad valorem taxes                                 | \$ 1,873,949   |
| Personal Property Tax                            | 19,265         |
| Intergovernmental:                               |                |
| Consolidated taxes                               | 1,743,081      |
| Local Government Tax Act                         | 306,470        |
| Services                                         | 2,000          |
| Investment income (loss)                         | (16,517)       |
| Miscellaneous                                    | 1,404          |
| Total revenues                                   | 3,929,652      |
| <br><b>EXPENDITURES</b>                          |                |
| <b>GENERAL GOVERNMENT</b>                        |                |
| General Manager                                  | 416,380        |
| Trustees                                         | 176,915        |
| Accounting                                       | 228,180        |
| Information Services                             | 1,141,343      |
| Human Resources                                  | 209,968        |
| Health & Wellness                                | 7,433          |
| Community & Employee Relations                   | 150,307        |
| Administration                                   | 715,815        |
| Settlement Expense                               | 596,257        |
| Capital Outlay                                   | 98,550         |
| Total expenditures                               | 3,741,148      |
| <br>Net change in fund balance                   | <br>188,504    |
| <br>Fund Balance, July 1, as previously reported | <br>5,730,560  |
| Prior period adjustment                          | 94,197         |
| Fund balance, July 1, as restated                | 5,824,757      |
| Fund balance, June 30                            | \$ 6,013,261   |

The notes to the financial statements are an integral part of this statement.



**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES FOR THE GOVERNMENTAL FUNDS  
TO THE GOVERNMENT WIDE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2022**

Amounts reported for governmental activities are different because the Governmental Funds account for a flow of resources while the Statement of Activities is on a full accrual basis of accounting:

|                                                         |                          |
|---------------------------------------------------------|--------------------------|
| Total Net Change in Fund Balance for Governmental Funds | \$ 188,504               |
| Payroll expense associated with compensated absences    | (145,840)                |
| Settlement Expense                                      | 596,257                  |
| Capital Assets acquired during the year and capitalized | 98,550                   |
| Depreciation expense for the fiscal year                | (128,330)                |
| Internal Services change in Net Position                | <u>(178,104)</u>         |
| Change in Net Position of Governmental Activities       | <u><u>\$ 431,037</u></u> |

The notes to the financial statements are an integral part of this statement.

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 JUNE 30, 2022**

|                                             | <u>Utility<br/>Fund</u> | <u>Community<br/>Services Fund</u> | <u>Beach<br/>Fund</u> | <u>Internal<br/>Services Fund</u> | <u>Total</u>          |
|---------------------------------------------|-------------------------|------------------------------------|-----------------------|-----------------------------------|-----------------------|
| <b>ASSETS</b>                               |                         |                                    |                       |                                   |                       |
| Current assets:                             |                         |                                    |                       |                                   |                       |
| Cash and cash equivalents                   | \$ 18,710,558           | \$ 18,715,561                      | \$ 6,024,608          | \$ 100,260                        | \$ 43,550,987         |
| Accounts receivable                         | 1,508,619               | 26,792                             | -                     | -                                 | 1,535,411             |
| Lease receivable                            | -                       | 1,749,412                          | -                     | -                                 | 1,749,412             |
| Grants receivable                           | 12,881                  | -                                  | -                     | -                                 | 12,881                |
| Due from other governments                  | -                       | 24,032                             | 118,434               | -                                 | 142,466               |
| Inventories                                 | 165,127                 | 589,751                            | -                     | 123,601                           | 878,479               |
| Prepaid expenses                            | -                       | -                                  | 762                   | -                                 | 762                   |
| Total current assets                        | <u>20,397,185</u>       | <u>21,105,548</u>                  | <u>6,143,804</u>      | <u>223,861</u>                    | <u>47,870,398</u>     |
| Noncurrent assets:                          |                         |                                    |                       |                                   |                       |
| Contractual deposits                        | 100                     | 6,075                              | -                     | -                                 | 6,175                 |
| Restricted deposit for debt service reserve | 230,729                 | -                                  | -                     | -                                 | 230,729               |
| Restricted for TRPA Deposits                | 94,189                  | 135,951                            | 1,000                 | -                                 | 231,140               |
| Total noncurrent assets                     | <u>325,018</u>          | <u>142,026</u>                     | <u>1,000</u>          | <u>-</u>                          | <u>468,044</u>        |
| Capital Assets:                             |                         |                                    |                       |                                   |                       |
| Land                                        | 6,715,544               | 12,315,573                         | 2,304,850             | -                                 | 21,335,967            |
| Construction in progress                    | 1,498,869               | 537,741                            | -                     | -                                 | 2,036,610             |
| Buildings and structures                    | 15,959,753              | 33,627,523                         | 7,234,499             | -                                 | 56,821,775            |
| Improvements and Infrastructure             | 113,353,076             | 35,896,434                         | 2,038,694             | -                                 | 151,288,204           |
| Right-to-use assets                         | -                       | 78,537                             | -                     | -                                 | 78,537                |
| Equipment and vehicles                      | 3,797,362               | 12,536,411                         | 529,560               | 240,596                           | 17,103,929            |
| Total capital assets                        | 141,324,604             | 94,992,219                         | 12,107,603            | 240,596                           | 248,665,022           |
| Less: accumulated depreciation              | (80,208,266)            | (45,929,003)                       | (3,678,075)           | (199,352)                         | (130,014,696)         |
| Total capital assets (net)                  | <u>61,116,338</u>       | <u>49,063,216</u>                  | <u>8,429,528</u>      | <u>41,244</u>                     | <u>118,650,326</u>    |
| Total noncurrent assets                     | <u>61,441,356</u>       | <u>49,205,242</u>                  | <u>8,430,528</u>      | <u>41,244</u>                     | <u>119,118,370</u>    |
| Total assets                                | <u>81,838,541</u>       | <u>70,310,790</u>                  | <u>14,574,332</u>     | <u>265,105</u>                    | <u>166,988,768</u>    |
| <b>LIABILITIES</b>                          |                         |                                    |                       |                                   |                       |
| Current liabilities:                        |                         |                                    |                       |                                   |                       |
| Accounts payable                            | 582,227                 | 360,569                            | 441,905               | 52,198                            | 1,436,899             |
| Accrued personnel costs                     | 172,357                 | 529,059                            | 112,466               | 100,726                           | 914,608               |
| Accrued interest payable                    | 38,837                  | 4,328                              | 71                    | -                                 | 43,236                |
| Due to other funds                          | -                       | -                                  | -                     | 192,287                           | 192,287               |
| Due to other governments                    | -                       | -                                  | 11,939                | -                                 | 11,939                |
| Unearned revenue                            | 183,519                 | 1,824,668                          | 39,243                | -                                 | 2,047,430             |
| Deposits payable                            | -                       | 440,102                            | -                     | -                                 | 440,102               |
| Current portion of compensated absences     | 82,417                  | 101,232                            | 9,757                 | 24,774                            | 218,180               |
| Current maturities of long-term debt        | 569,407                 | 384,429                            | 6,291                 | -                                 | 960,127               |
| Lease payable due within one year           | -                       | 30,401                             | -                     | -                                 | 30,401                |
| Total current liabilities                   | <u>1,628,764</u>        | <u>3,674,788</u>                   | <u>621,672</u>        | <u>369,985</u>                    | <u>6,295,209</u>      |
| Non-current liabilities:                    |                         |                                    |                       |                                   |                       |
| Compensated absences                        | 218,510                 | 209,876                            | 17,866                | 46,010                            | 492,262               |
| Non-current long term debt                  | 2,422,983               | -                                  | -                     | -                                 | 2,422,983             |
| Lease payable due in more than one year     | -                       | 12,365                             | -                     | -                                 | 12,365                |
| Total non-current liabilities               | <u>2,641,493</u>        | <u>222,241</u>                     | <u>17,866</u>         | <u>46,010</u>                     | <u>2,927,610</u>      |
| Deferred lease inflows                      | -                       | 1,695,703                          | -                     | -                                 | 1,695,703             |
| Total liabilities and deferred inflows      | <u>4,270,257</u>        | <u>5,592,732</u>                   | <u>639,538</u>        | <u>415,995</u>                    | <u>10,918,522</u>     |
| <b>NET POSITION</b>                         |                         |                                    |                       |                                   |                       |
| Net investment in capital assets            | 58,123,948              | 48,678,787                         | 8,423,237             | 41,244                            | 115,267,216           |
| Restricted                                  | 325,018                 | 142,026                            | 1,000                 | -                                 | 468,044               |
| Unrestricted                                | 19,119,318              | 15,897,245                         | 5,510,557             | (192,134)                         | 40,334,986            |
| Total net position                          | <u>\$ 77,568,284</u>    | <u>\$ 64,718,058</u>               | <u>\$ 13,934,794</u>  | <u>\$ (150,890)</u>               | <u>\$ 156,070,246</u> |

The notes to the financial statements are an integral part of this statement.

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
 FOR THE YEAR ENDED JUNE 30, 2022**

|                                                    | Utility<br>Fund      | Community<br>Services Fund | Beach<br>Fund        | Internal<br>Services Fund | Total                 |
|----------------------------------------------------|----------------------|----------------------------|----------------------|---------------------------|-----------------------|
| <b>OPERATING REVENUES</b>                          |                      |                            |                      |                           |                       |
| Sales and fees                                     | \$ 12,885,588        | \$ 18,590,272              | \$ 750,123           | \$ -                      | \$ 32,225,983         |
| Recreation fee                                     | -                    | 830,977                    | 5,259,704            | -                         | 6,090,681             |
| Operating grants                                   | 22,138               | 17,000                     | -                    | -                         | 39,138                |
| Interfund services                                 | 122,384              | 149,813                    | -                    | 2,594,923                 | 2,867,120             |
| Total operating revenues                           | <u>13,030,110</u>    | <u>19,588,062</u>          | <u>6,009,827</u>     | <u>2,594,923</u>          | <u>41,222,922</u>     |
| <b>OPERATING EXPENSES</b>                          |                      |                            |                      |                           |                       |
| Wages and benefits                                 | 4,210,437            | 9,037,152                  | 1,002,834            | 1,788,304                 | 16,038,727            |
| Cost of goods sold                                 | 10,212               | 1,305,464                  | 1,652                | -                         | 1,317,328             |
| Services and supplies                              | 2,971,167            | 4,941,072                  | 350,475              | 947,279                   | 9,209,993             |
| Defensible space                                   | 77,969               | 77,970                     | -                    | -                         | 155,939               |
| Central services cost                              | 445,092              | 999,759                    | 93,956               | -                         | 1,538,807             |
| Insurance                                          | 211,382              | 442,932                    | 39,371               | 15,829                    | 709,514               |
| Utilities                                          | 931,759              | 1,125,484                  | 103,507              | 9,878                     | 2,170,628             |
| Professional fees                                  | 175,021              | 26,690                     | 4,293                | 525                       | 206,529               |
| Depreciation                                       | 3,285,127            | 2,960,293                  | 188,686              | 10,541                    | 6,444,647             |
| Total operating expenses                           | <u>12,318,166</u>    | <u>20,916,816</u>          | <u>1,784,774</u>     | <u>2,772,356</u>          | <u>37,792,112</u>     |
| Operating income (loss)                            | <u>711,944</u>       | <u>(1,328,754)</u>         | <u>4,225,053</u>     | <u>(177,433)</u>          | <u>3,430,810</u>      |
| <b>NONOPERATING REVENUES (EXPENSES)</b>            |                      |                            |                      |                           |                       |
| Investment earnings (loss)                         | (57,286)             | (17,441)                   | (19,005)             | (671)                     | (94,403)              |
| Insurance proceeds                                 | -                    | 97,894                     | -                    | -                         | 97,894                |
| Gain on sales of assets                            | 9,096                | -                          | -                    | -                         | 9,096                 |
| Lease revenue                                      | 500                  | 131,523                    | -                    | -                         | 132,023               |
| Miscellaneous revenue                              | -                    | 328,456                    | -                    | -                         | 328,456               |
| Interest on bond debt                              | (81,563)             | (12,501)                   | (169)                | -                         | (94,233)              |
| Total nonoperating revenues (expenses)             | <u>(129,253)</u>     | <u>527,931</u>             | <u>(19,174)</u>      | <u>(671)</u>              | <u>378,833</u>        |
| Income before transfers and contributions          | <u>582,691</u>       | <u>(800,823)</u>           | <u>4,205,879</u>     | <u>(178,104)</u>          | <u>3,809,643</u>      |
| <b>CAPITAL CONTRIBUTIONS AND TRANSFERS</b>         |                      |                            |                      |                           |                       |
| Capital Grants                                     | -                    | 47,927                     | -                    | -                         | 47,927                |
| Change in net position                             | <u>582,691</u>       | <u>(752,896)</u>           | <u>4,205,879</u>     | <u>(178,104)</u>          | <u>3,857,570</u>      |
| Total net position, July 1, as previously reported | 76,985,593           | -                          | -                    | 27,214                    | 77,012,807            |
| Prior Period Adjustment                            | -                    | 65,470,954                 | 9,728,915            | -                         | 75,199,869            |
| Total net position, July 1, as adjusted            | <u>76,985,593</u>    | <u>65,470,954</u>          | <u>9,728,915</u>     | <u>27,214</u>             | <u>152,212,676</u>    |
| Total net position, June 30                        | <u>\$ 77,568,284</u> | <u>\$ 64,718,058</u>       | <u>\$ 13,934,794</u> | <u>\$ (150,890)</u>       | <u>\$ 156,070,246</u> |

The notes to the financial statements are an integral part of this statement.

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2022**

|                                                                      | Utility<br>Fund      | Community<br>Services Fund | Beach<br>Fund       | Internal<br>Services Fund | Total                |
|----------------------------------------------------------------------|----------------------|----------------------------|---------------------|---------------------------|----------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                          |                      |                            |                     |                           |                      |
| Receipts from customers and users                                    | \$ 12,766,774        | \$ 20,371,990              | \$ 5,974,106        | \$ -                      | \$ 39,112,870        |
| Receipts from interfund services provided                            | 122,384              | 149,813                    | -                   | 2,594,923                 | 2,867,120            |
| Payments to suppliers                                                | (4,532,707)          | (8,917,646)                | (949,796)           | (812,612)                 | (15,212,761)         |
| Payments to employees                                                | (4,070,858)          | (8,296,220)                | (870,745)           | (1,678,828)               | (14,916,651)         |
| Net cash provided (used) by operating activities                     | <u>4,285,593</u>     | <u>3,307,937</u>           | <u>4,153,565</u>    | <u>103,483</u>            | <u>11,850,578</u>    |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>      |                      |                            |                     |                           |                      |
| Acquisition of capital assets                                        | (715,805)            | (2,430,733)                | (3,209,295)         | (2,552)                   | (6,358,385)          |
| Proceeds from sale of assets                                         | 9,096                | -                          | -                   | -                         | 9,096                |
| Insurance proceeds                                                   | -                    | 97,894                     | -                   | -                         | 97,894               |
| Lease proceeds                                                       | 500                  | 176,871                    | -                   | -                         | 177,371              |
| Proceeds from capital grants                                         | -                    | 47,927                     | -                   | -                         | 47,927               |
| Payments on capital debt                                             | (553,842)            | (370,264)                  | (6,059)             | -                         | (930,165)            |
| Interest paid on long term debt                                      | (89,292)             | (13,500)                   | (237)               | -                         | (103,029)            |
| Net cash provided (used) by capital and related financing activities | <u>(1,349,343)</u>   | <u>(2,491,805)</u>         | <u>(3,215,591)</u>  | <u>(2,552)</u>            | <u>(7,059,291)</u>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                          |                      |                            |                     |                           |                      |
| Long-term investments matured                                        | 1,507,905            | 760,122                    | -                   | -                         | 2,268,027            |
| Investment earnings (losses)                                         | (53,496)             | 271,192                    | (19,005)            | (671)                     | 198,020              |
| Net cash provided (used) by investing activities                     | <u>1,454,409</u>     | <u>1,031,314</u>           | <u>(19,005)</u>     | <u>(671)</u>              | <u>2,466,047</u>     |
| Net change in cash and cash equivalents                              | 4,390,659            | 1,847,446                  | 918,969             | 100,260                   | 7,257,334            |
| Cash and cash equivalents, July 1                                    | <u>14,644,917</u>    | <u>17,010,141</u>          | <u>5,106,639</u>    | <u>-</u>                  | <u>36,761,697</u>    |
| Cash, cash equivalents and investments, June 30                      | <u>\$ 19,035,576</u> | <u>\$ 18,857,587</u>       | <u>\$ 6,025,608</u> | <u>\$ 100,260</u>         | <u>\$ 44,019,031</u> |

(Continued)

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2022**

|                                                                                                               | Utility<br>Fund     | Community<br>Services Fund | Beach<br>Fund       | Internal<br>Services Fund | Total                |
|---------------------------------------------------------------------------------------------------------------|---------------------|----------------------------|---------------------|---------------------------|----------------------|
| <b>Reconciliation of operating income (loss)<br/>to net cash provided (used) by operating<br/>activities:</b> |                     |                            |                     |                           |                      |
| Operating income (loss)                                                                                       | \$ 711,944          | \$ (1,328,754)             | \$ 4,225,053        | \$ (177,433)              | \$ 3,430,810         |
| Non-cash adjustments -                                                                                        |                     |                            |                     |                           |                      |
| Depreciation                                                                                                  | 3,285,127           | 2,960,293                  | 188,686             | 10,541                    | 6,444,647            |
| Increase (decrease) in cash from changes in:                                                                  |                     |                            |                     |                           |                      |
| Accounts receivable                                                                                           | (152,550)           | 38,173                     | 13,056              | -                         | (101,321)            |
| Grants receivable                                                                                             | -                   | 373,912                    | -                   | -                         | 373,912              |
| Due from other governments                                                                                    | -                   | 38,836                     | (34,709)            | -                         | 4,127                |
| Inventories                                                                                                   | (4,059)             | (170,195)                  | -                   | (47,806)                  | (222,060)            |
| Prepaid expenses                                                                                              | -                   | 197,520                    | (762)               | -                         | 196,758              |
| Accounts payable                                                                                              | 293,954             | (25,600)                   | (352,593)           | 16,418                    | (67,821)             |
| Accrued personnel costs                                                                                       | (161,348)           | 429,824                    | 104,466             | 38,692                    | 411,634              |
| Compensated absences                                                                                          | 300,927             | 311,108                    | 27,623              | 70,784                    | 710,442              |
| Due to other funds                                                                                            | -                   | -                          | -                   | 192,287                   | 192,287              |
| Due to other governments                                                                                      | -                   | -                          | (3,187)             | -                         | (3,187)              |
| Misc. Liabilities                                                                                             | -                   | (8,334)                    | -                   | -                         | (8,334)              |
| Deposits payable                                                                                              | -                   | (57,133)                   | -                   | -                         | (57,133)             |
| Unearned revenue                                                                                              | 11,598              | 548,287                    | (14,068)            | -                         | 545,817              |
| Total adjustments                                                                                             | 3,573,649           | 4,636,691                  | (71,488)            | 280,916                   | 8,419,768            |
| Net cash provided (used) by operating activities                                                              | <u>\$ 4,285,593</u> | <u>\$ 3,307,937</u>        | <u>\$ 4,153,565</u> | <u>\$ 103,483</u>         | <u>\$ 11,850,578</u> |

There were no noncash capital, financing, and investing activities

## INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

### NOTES TO FINANCIAL STATEMENTS – INDEX

|        |                                                         |
|--------|---------------------------------------------------------|
| Note 1 | Summary of Significant Accounting Policies              |
| A      | Reporting Entity                                        |
| B      | Basic Financial Statements - Government-wide Statements |
| C      | Basic Financial Statements – Fund Financial Statements  |
| D      | Measurement Focus/Basis of Accounting                   |
| E      | Budgets and Budgetary Accounting                        |
| F      | Cash, Cash Equivalents and Investments                  |
| G      | Receivables                                             |
| H      | Inventory and Prepaid Items                             |
| I      | Restricted Assets                                       |
| J      | Capital Assets                                          |
| K      | Amortization of Bond Discounts and Premiums             |
| L      | Compensated Absences and Accrued Personnel Costs        |
| M      | Deferred Outflows/Inflows of Resources                  |
| N      | Unearned Revenue and Refundable Deposits                |
| O      | Long-Term Debt                                          |
| P      | Fund Balance                                            |
| Q      | Net Position                                            |
| R      | Estimates                                               |
| S      | Central Services Cost Allocation                        |
| T      | Punch Cards Utilized                                    |

#### Assets:

|        |                                        |
|--------|----------------------------------------|
| Note 2 | Cash, Cash Equivalents and Investments |
| Note 3 | Restricted Deposits                    |
| Note 4 | Leases Receivable                      |
| Note 5 | Capital Assets                         |

#### Liabilities and Fund Equity:

|        |                                  |
|--------|----------------------------------|
| Note 6 | Compensated Absences             |
| Note 7 | Unearned Revenue                 |
| Note 8 | Interfund Accounts and Transfers |
| Note 9 | Long-Term Debt                   |

#### Other:

|         |                                                            |
|---------|------------------------------------------------------------|
| Note 10 | District Retirement Benefit Plans                          |
| Note 11 | Schedule of Insurance Coverage and Risk Management         |
| Note 12 | Pledged Revenue and Coverage                               |
| Note 13 | Claims Payable                                             |
| Note 14 | Unrestricted Funds                                         |
| Note 15 | Lease Obligations                                          |
| Note 16 | Due to Other Governments                                   |
| Note 17 | Community Services and Beach Funds                         |
| Note 18 | Commitments Affecting Future Periods                       |
| Note 19 | State of Nevada Tax Abatements Affecting District Revenues |
| Note 20 | Prior Period Adjustments                                   |

# INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

## NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2022

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Reporting Entity

The Incline Village General Improvement District (the “District”) operates under provisions of the Nevada Revised Statutes (NRS), Chapter 318. Under the law, the District has been granted authority by Washoe County to provide water, sewer and solid waste services, and recreational facilities and programs for the benefit of individuals owning property or residing within its geographical boundaries. The unincorporated rural areas of Incline Village and Crystal Bay, Washoe County, Nevada are within these boundaries.

The District is governed by a board of five publicly elected trustees. The District is not included in any other governmental reporting entity. The District is a legally separate government and it is fiscally independent of any other governmental entity. The District is not financially accountable for any other entity.

#### B. Basic Financial Statements - Government-wide financial statements

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the activities of the District.

In the government-wide Statement of Net Position, the governmental activities column is presented on a consolidated basis, and is reflected on a full accrual, economic resource basis that recognizes all long-term assets and receivables as well as long-term debt and obligations. The District’s net position is reported in three parts –net investment in capital assets, restricted; and unrestricted.

The government-wide Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges to customers who receive a direct benefit from goods or services. Grants and contributions are restricted to meeting the operational or capital requirements of a function. General revenues reflect items that are not included as either program revenue or grants and contributions. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues and grants.

#### C. Basic Financial Statements - Fund financial statements

The financial transactions of the District are reported in individual purpose-based fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflows and outflows, fund equity, revenues and expenditures/expenses. Separate financial statements are provided for governmental funds and proprietary funds. The District has no fiduciary funds. Major funds for each fund type are presented as separate columns in the fund financial statements.

#### D. Measurement Focus/Basis of Accounting – Fund financial statements

The *measurement focus* describes the types of transactions and events that are reported in a fund’s operating statement. The *basis of accounting* refers to the timing of revenues and how expenditures/expenses are recognized in the accounts, and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

## INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

### NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2022

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days under the accrual basis of accounting.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses include the cost of sales and services, administration and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met. The Proprietary funds utilize the accrual basis of accounting.

The District's internal services are presented in the proprietary fund's financial statements. The principal users of Internal Services (Fleet, Engineering and Buildings) are the District's utility and recreation program activities. All Internal Services are considered a governmental - type activity for the Government-wide financial statements. The majority of utilization of internal services is by the Utility Fund, Community Services and the Beach funds. The effect of inter-fund activity has not been eliminated from the Government-wide financial statements.

The District uses the following funds:

#### ***Governmental Funds -***

**General Fund** - is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund's primary function is to provide general administration for all other functions.

#### ***Proprietary Funds -***

District's Proprietary (Enterprise) Funds are used to account for operations of the District's Utilities as well as District's recreational Community Services and Beach operations.

**Utility Fund** – providing water, sewer, solid waste and recycling services to approximately 4,100 customers.

**Community Services** – providing recreation venues, programs and services to approximately 8,200 parcel owners, their guests and visitors. The Community Services Fund includes operations, capital and debt related to golf courses, event facilities, downhill skiing, recreation and fitness programs, parks, tennis, and pickle ball.

**Beach** – providing beaches, picnic areas, boat launching and aquatics programs to approximately 7,700 parcel owners and their guests.

*(Note: from 7/1/15 through 6/30/21, the District's Community Services and Beach activities were reported under Governmental Funds (Special Revenue, Capital and Debt). As of 7/1/22, the financial reporting of these activities was transitioned back Proprietary (Enterprise) funds, and are reflected as such in the District's financial statements).*



## INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

### NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2022

**Internal Service Funds** – The Internal Service Fund accounts for the financing of goods or services provided by one department to other departments of the District. The District's Internal Service Funds provides Fleet, Engineering, and Buildings Maintenance, which includes repair and maintenance of the District's vehicles and equipment, engineering services, and buildings maintenance. The Fleet, Engineering and Buildings Maintenance Departments also collectively provide planning, inspection, construction and maintenance for the District's structures and equipment.

#### **E. Budgets and Budgetary Accounting**

The District adheres to the Local Government Budget Act incorporated within Chapter 354 of the Nevada Revised Statutes, which includes the following major procedures to establish the budgetary data reflected in these financial statements.

1. On or before April 15, 2021, the Board of Trustees filed a tentative budget with the Nevada Department of Taxation. Public hearings on the tentative budget were held after the third Monday in May. On May 26, 2021, at a public hearing, the Board adopted a final budget. On or before June 1, 2021 the final budget was filed with the Nevada Department of Taxation.

2. Budgets are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP) for all funds. Formal budgetary integration in the financial records is employed to enhance management control during the year for all funds requiring budgets. Budgets are adopted for all governmental and proprietary fund types. The governmental fund type budgets are adopted on a modified accrual basis and the proprietary funds types budgets are adopted on an accrual basis. The District can amend or augment the budget after following State Statutes and, if necessary, public hearing procedures. For fiscal year 2021-22, the Board of Trustees approved budget augmentations totaling \$802,841. The single largest augmentation (\$236,382) was related to the Burnt Cedar Pool Reconstruction Project.

3. The legal level of budgetary control authority is at the fund level, with appropriations reflected at the function level. Management has no budget augmentation authority without approval by the District's Board of Trustees. The General Manager may authorize a budget adjustment, provided that the budget adjustment does not increase the level of Board-approved appropriation, by fund, and is otherwise consistent with Board policies. , Generally, the expenses in the proprietary funds also may not exceed appropriations. While management -pursuant to provisions of the Nevada Revised Statutes - has flexibility to change the operating budgets of the proprietary funds, in practice this occurs only rarely. Statutes do not require that enterprise fund capital outlay, debt service payments and other non-operating cash transactions, normally reflected in the balance sheet of the proprietary funds, to be limited by the budget.

4. The District also presents select cash flow information in order to reflect all resources being used to provide for capital outlay, debt service payments and other transactions particularly in proprietary funds. This supplemental disclosure allows the District to identify the extent of current year items that are being paid from previously funded resources. The presentation includes items according to character and object. It also provides the Nevada Department of Taxation with requested information that compares to amounts reported on their budget forms.

#### **F. Cash, Cash Equivalents and Investments**

The District's cash and cash equivalents are considered to be cash-on-hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition that are held for routine expenditures.

## INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

### NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2022

District Funds share bank accounts for operations, payroll and reimbursements. Activity between funds occurs in the regular activities of the District. The General Fund issues accounts payable and payroll and related benefits for all funds. To the extent payment has not occurred, but the cost was realized by the benefited fund, internal balances for Due from or to Other Funds are established. These are cleared monthly through pooled cash. The combined pooled balances are monitored to assure no fund makes temporary loans to another, within the context of Nevada Revised Statute 354.6118.

Short-term investments reflect items held with maturities within one year. These are predominantly certificates of deposit and agency issues. These provide funds for capital projects.

Long-term investments reflect items held with maturities beyond one year. These include certificates of deposit and instruments issued by the Federal Government or its agencies.

Nevada Revised Statutes authorize the District to invest in obligations of the U.S. Government or U.S. Treasury, providing maturities are 10 years or less from the date of purchase; the local government investment pool (LGIP) (operated by the Nevada State Treasurer); negotiable certificates of deposit issued by commercial banks or insured savings and loans; short-term negotiable notes or bonds issued by local governments; and bankers' acceptances eligible by law for rediscount with the Federal Reserve Banks not to exceed 180 days.

Funds on deposit with LGIP are considered cash and cash equivalents. Even though the weighted average maturity of the underlying investments in the LGIP are greater than 90 days, the District can liquidate its deposits within a few days. The District has reported these deposits at cost plus accrued interest, which approximates fair value.

The District's investments are stated at fair value as of the reporting date. These are categorized using fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 are significant unobservable inputs.

#### **G. Receivables**

Receivables reflected in the District's basic financial statements include monies due from other governments, grants receivable as well as other accounts receivable.

*Due From Other Governments.* Property taxes are levied no later than July 10 of each year on property values assessed for the same year. The taxes may be paid in four installments as follows: the first installment is due on or before the third Monday in August, the second installment is due on or before the first Monday in October, the third installment is due on or before the first Monday in January, and the fourth installment is due on or before the first Monday in March. If payment of the taxes is not made within ten days following the day the installments become due, penalties are assessed in accordance with NRS 361.483. Once the installments become delinquent, interest is added at the rate of 10 percent per annum. Taxes levied become a perpetual lien against the property assessed until the tax and any penalty charges and interest which may accrue thereon are paid. Washoe County assesses the property tax, bills, collects, and distributes the property tax revenue.

The District also receives certain tax revenues in the General Fund which are collected by the State of Nevada. These settlements arrive within 60 days of the month close when they are generated. The amounts are listed as Due from Other Governments. The District also has an operating grant from Washoe County, received monthly in arrears. The uncollected balance of this grant is carried in Due from Other Governments.

## INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

### NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2022

*Grants Receivable.* The District has been awarded grants to finance the construction of various infrastructure projects (ex. utilities, creek zone restoration, and upgrade a ballfield). Such grant funds are considered earned when requisite construction costs are incurred. The District has recognized funds earned but not collected by a Grants Receivable, in the government wide financial statements.

*Other Receivables.* Accounts receivable reflects service charges to customers and resident for deposits or fees that are earned, but not collected. The District may file a tax lien for uncollected utility service fees.

#### **H. Inventory and Prepaid Items**

There are no inventories in the General Fund. Inventories of items for resale for Utility, Community Services, and Beach Proprietary Funds are stated at the lower of cost (first-in, first-out) or market.

Certain payments are made to vendors for costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. They are recognized under the consumption method when used.

#### **I. Restricted Assets**

The District has restricted several deposits for the benefit of other agencies in connection with performance under a retail operation, construction projects, and debt service. These agencies establish the restriction by regulation or agreement.

#### **J. Capital Assets**

Capital assets include land, buildings, machinery and equipment, or water rights which are reported in the applicable governmental or business-type activities column in the government-wide financial statements. If purchased or constructed, all capital assets are recorded at historical cost. Donated capital assets are valued at acquisition value as of the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Depreciation of all exhaustible capital assets (all categories except land and construction in progress) is charged as an expense against each fund's operation. The District's policy is to capitalize assets with a normal useful life of three or more years.

The District holds 4,272 Acre Feet of Water Rights. This represents about 1,405,000,000 gallons. The District's historical records cannot separately identify the cost of water rights from land.

Activities of the General Fund include District administration, accounting and finance, information systems and technology, human resources, risk management, the General Manager's office, communications and the Board of Trustees. The land, buildings, furniture and equipment, including technology assets, represent items used in common by all of the activities of the General Fund at the District's administrative office. The computers and technology represent equipment of the Information Systems & Technology (IST) department that services the needs of the entire District. These assets are presented as a part of government-wide net position.

Activities of the Community Services Proprietary Fund include two 18-hole golf courses, a large and small meeting facility, a ski resort, a recreation center, parks, a tennis center, a skateboard park, and green spaces. Venue improvements include the cost of developing program-ready locations.

Activities of the Beach Proprietary Fund include three beaches with restricted access. One has a watercraft launch ramp and storage areas for paddleboards and kayaks. Two beaches have concession stands and playground areas. One beach provides swimming and wading pools.

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

**NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2022**

Utility capital assets include traditional distribution lines, tanks, pumps and treatment. However, since the District is located in the Lake Tahoe Basin, the number of pumps, tanks and export lines is increased due to the requirements to manage in a mountainous and environmentally sensitive area.

The District has a number of Construction in Progress items related to major projects that span multiple fiscal years as well as the fact that the fiscal year-end falls in the middle of the active construction / acquisitions season. The District accumulates costs through a series of pre-design, design and acquisition stages.

Depreciation has been provided over the estimated useful lives of the various assets using the straight-line method. Board policy providing for estimated lives and capitalization thresholds of major classes of depreciable assets was updated during the fiscal year, and are summarized as follows:

| Asset Category           | <i>Through 12/13/21</i> |                | <i>After 12/31/21</i> |                |
|--------------------------|-------------------------|----------------|-----------------------|----------------|
|                          | Depreciable             | Capitalization | Depreciable           | Capitalization |
|                          | Life                    | Threshold      | Life                  | Threshold      |
| Buildings and Structures | 30 - 50 years           | \$10,000       | 10 - 40 years         | \$25,000       |
| Venue Improvements       | 10-50 years             | \$10,000       | 10 - 25 years         | \$10,000       |
| Service Infrastructure   | 10-50 years             | \$10,000       | 5 - 40 years          | \$25,000       |
| Equipment and Vehicles   | 3-20 years              | \$5,000        | 3 - 20 years          | \$10,000       |
| Right-to-Use Asset       | 3-20 years              | \$5,000        | 3 - 20 years          | \$10,000       |

**K. Amortization of Bond Discounts**

The discounts on bonds sold are being amortized to expense over the term of the bonds. Bonds payable are reported net of related discounts.

**L. Compensated Absences and Accrued Personnel Costs**

Full-time employees are provided vacation benefits that specifically relate to tenure with the District. After six months of service, employees are entitled to their vested vacation leave upon termination. The liability for vacation benefits is recognized with an expenditure or charge to the appropriate fund and activity as earned.

The District pays payroll every two weeks. Any District payroll earned as of month end is accrued based on the number of days attributed to that month to the total 14 days paid with the next scheduled payroll. Liabilities for fringe benefits and other costs, such as taxes, are also accrued on the same method.

The District has adopted a plan under which certain retirees, who have met specific service requirements, can roll unused sick leave pay to cover medical expenses after retirement. Otherwise, sick leave is not vested.

**M. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that will apply to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section of deferred inflows of resources. This separate financial statement element, deferred inflows of

## INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

### NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2022

resources, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

#### **N. Unearned Revenue and Refundable Deposits**

The District's Utility Fund reads meters in 3 cycles over the course of a month. Billing occurs once a month. Billings for the next cycle are also reconciled with actual usage. Funds received for the Tahoe Water Suppliers Association are recognized only to the extent expended and may roll over to the next year.

The District's Community Services Fund recognizes unearned revenue to the extent it has issued user passes, gift or payment cards that can be applied to future purchases. There also are advance deposits made to reserve dates for facility rentals or program registrations. User passes expire with a stated season.

#### **O. Long-Term Debt**

In the government-wide financial statement, and proprietary fund financial statements, long-term debts are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund statements net of related discounts. Bond discounts are amortized using the straight-line method and are amortized over the term of the related debt.

#### **P. Fund Balance**

In the fund financial statements, fund balance for governmental funds are reported in classifications that comprise a hierarchy based primarily on how amounts can be spent. These include "non-spendable" which are not expected to be converted to cash, such as inventory or prepaid items, "restricted" by conditions of law, regulation grants, or contracts with external parties, "committed" which arise from formal acts of the District's Board, "assigned" which reflect an intent by management of the District or "unassigned" which is the residual amount. The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the District, which can act by their resolution, prior to the end of the fiscal year, and thus commit and/or assign fund balance. Once adopted, the limitation imposed by the Board of Trustees remains in place until a similar resolution is taken to remove or revise the limitation.

During this fiscal year, the District's Board of Trustees approved an update to Board Policy 7.1.0, establishing policy related to the appropriate level of fund balances, effective for the fiscal year ending June 30, 2022. The target fund balance / reserve levels established by Board policy are summarized as follows:

General Fund – The policy of the District shall be to maintain a target fund balance within the General Fund equal to 15% of annual budgeted expenditures (less transfers and debt)

- Of this amount, 5% is designated as a reserve for economic uncertainty;
- An additional 10% is to be designated as an emergency reserve to cover unanticipated expenditures resulting from emergencies or unanticipated mandates;
- In no cases shall the fund balance fall below the minimum balance requirements (4.0% of prior year expenditures) required under Nevada Administrative Code Section 354.650.

## INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

### NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2022

Enterprise Fund Types - The policy of the District shall be to maintain target levels of reserves within the Unrestricted Net Position of each of its enterprise funds, as follows:

- Operating Reserve Target: 25% of annual budgeted operating expenses (excluding depreciation and debt).
- Capital Reserve Target: 1 year of 3-year average annual budgeted depreciation.
- Debt Reserve Target – The District’s approved annual budget will maintain required debt coverage ratios for all existing debt; in addition, should the District issue any variable-rate debt obligations, an additional debt reserve shall be established at a level equal to one year’s interest expenses related to variable-rate debt.

#### **Q. Net Position**

In the Proprietary fund and the government-wide financial statements, net position is presented in one of three classifications: “net investment in capital assets,” “restricted” and the residual “unrestricted.” The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by outstanding balances on bonds that are attributable to the acquisition, construction or improvement of those assets. The restricted component of net position consists of assets restricted by a third party reduced by associated liabilities. The unrestricted component of net position is the net amount of assets and liabilities not included in the determination of net investment of capital assets or the restricted component.

#### **R. Estimates**

The preparation of financial statements in conformity with GAAP 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 may differ from those estimates.

#### **S. Central Services Cost Allocation**

The District allocates the shared costs of Accounting and Human Resources based under a Board-approved Central Services Cost Allocation Plan, adopted each year with the budget. The cost allocation plan considers full-time equivalent staffing-levels, wages, benefits, and certain services and supplies as a basis for determining the allocation of overhead charges. While charges are estimated based on budgeted expenses, actual charges are based on actual expenditures throughout the year. A year-end adjustment may be required to ensure costs charged do not exceed costs incurred for the fiscal year. The revenue generated by the allocation is recorded as an offset to General Government expenses (for Human Resources and Accounting) in the governmental funds statements.

#### **T. Punch Cards Utilized**

Under District Ordinance 7, parcel owners may obtain up to five Picture Passes and/or Punch Cards, with the latter “valued” at 1/5<sup>th</sup> of the annual Facility Fee assessed on each parcel. As a non-exchange transaction, the revenue collected from the annual Facility Fees are reflected as a General Revenue in the Statement of Activities. Punch Cards can be used to pay-down the difference between a regular rate and the resident rate for certain types of recreational fees. These forms of payment are presented as contra revenue in the Fund statements. No contra-revenues are recorded for transactions involving additional Punch Cards purchased by property owners throughout the year.

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

**NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2022**

**2. CASH, CASH EQUIVALENTS AND INVESTMENTS**

At year-end, the carrying amount of the District’s checking deposits was \$14,947,779 while the bank balance was \$15,064,370.92. Of the bank balance, \$250,000 was covered by Federal Depository Insurance Coverage and the balance was covered by pledged collateral under an arrangement with the State of Nevada on behalf of all local units of government.

Cash Equivalents and Investments at June 30, 2022 consist of:

|                                                                                    |                     |
|------------------------------------------------------------------------------------|---------------------|
| Operating Checking Accounts                                                        | \$14,947,779        |
| Petty cash and change funds                                                        | 45,905              |
| Nevada Local Government Investment Pool<br>(average weighted maturity of 130 days) |                     |
| General LGIP Account                                                               | 15,112,303          |
| US Government Money Market                                                         | 14,650,116          |
| Government Agency Securities                                                       | 3,346,240           |
| Certificates of Deposit                                                            | <u>1,392,644</u>    |
| Total Cash Equivalents and Investments                                             | <u>\$49,494,987</u> |

|                     |            |
|---------------------|------------|
| Restricted Deposits | \$ 461,870 |
|---------------------|------------|

Investments at June 30, 2022 consist of:

|                              |                     |
|------------------------------|---------------------|
| General LGIP Account         | 15,112,303          |
| US Government Money Market   | 14,650,116          |
| Government Agency Securities | 3,346,240           |
| Certificates of Deposit      | 1,392,644           |
| LGIP – Restricted Deposits   | <u>461,870</u>      |
| Total Investments            | <u>\$34,963,174</u> |

A portion of the District’s investments are placed with Wells Fargo Bank as custodian in the US Government Money Market, where fair value is determined by multiplying the number of trading units held, by the quoted market value on that date.

The District is a voluntary participant in the State of Nevada Local Government Investment Pool (LGIP), which has regulatory oversight from the Board of Finance of the State of Nevada. The District’s investment in the LGIP is equal to its original investment plus monthly allocation of interest income, and realized and unrealized gains and losses, which is the same as the value of the pool shares.

Nevada Revised Statutes (NRS 355.170) set forth acceptable investments for Nevada local governments. The District has adopted a formal investment policy that meets those limits and maturities for its investment choices. Essentially those investments are brokered certificates of deposit and government agencies.

The District categorizes its fair value measurements for investments within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs.

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

**NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2022**

Fair Value Measurements as of June 30, 2022

|                                                             | Quoted Prices<br>Level 1 | Observable Inputs<br>Level 2 | Unobservable Inputs<br>Level 3 | Total                |
|-------------------------------------------------------------|--------------------------|------------------------------|--------------------------------|----------------------|
| Certificates of Deposit                                     |                          | \$ 1,392,644                 |                                | \$ 1,392,644         |
| Government Agency Securities                                |                          | 3,346,241                    |                                | <u>3,346,241</u>     |
| Investments not subject to fair value measurement hierarchy |                          |                              |                                |                      |
| Interest Bearing Amounts - Investments                      |                          |                              |                                | 4,738,885            |
| US Government Money Market                                  |                          |                              |                                | 14,650,116           |
| LGIP at Net Asset Value (Cash Equivalent)                   |                          |                              |                                | 15,112,303           |
| LGIP Restricted Deposits at Net Asset Value                 |                          |                              |                                | <u>461,870</u>       |
| Total Fair Value Measurements                               |                          |                              |                                | <u>\$ 34,963,174</u> |

Interest Rate Risk - Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. To the extent possible, the District's portfolio shall remain sufficiently liquid so as to support near-term operating and capital expenditures. In so doing, the portfolio will have limited interest rate risk associated with long-term investments.

Investment Maturities by Investment Type as of June 30, 2022

|                              | 2023       | 2024    | 2025       | 2026       | 2027       | Total                |
|------------------------------|------------|---------|------------|------------|------------|----------------------|
| Certificates of Deposit      | \$ -       | \$ -    | \$ 469,275 | \$ 463,508 | \$ 459,861 | \$ 1,392,644         |
| Government Agency Securities | 980,034    | 963,324 | 952,233    | 450,650    | -          | 3,346,241            |
| US Government Money Market   | 14,650,116 | -       | -          | -          | -          | 14,650,116           |
| LGIP as Cash Equivalent      | 15,112,303 | -       | -          | -          | -          | 15,112,303           |
| LGIP - Restricted Deposits   | 461,870    | -       | -          | -          | -          | <u>461,870</u>       |
| All Investment Types         |            |         |            |            |            | <u>\$ 34,963,174</u> |

|                                 | Total          | Ratings as of Year End |      |      |      |      | Not Rated      |
|---------------------------------|----------------|------------------------|------|------|------|------|----------------|
|                                 |                | AAA                    | AA+  | AA-  | A+   | A-   |                |
| Certificates of Deposit *       | \$ 1,392,644   |                        |      |      |      |      | \$ 1,392,644   |
| Government Agency Securities ** | 3,346,241      | 3,346,241              |      |      |      |      |                |
| US Government Money Market      | 14,650,116     |                        |      |      |      |      | 14,650,116     |
| LGIP as Cash Equivalent         | 15,112,303     |                        |      |      |      |      | 15,112,303     |
| LGIP - Restricted Deposits      | <u>461,870</u> |                        |      |      |      |      | <u>461,870</u> |
|                                 | \$ 34,963,174  | \$ 3,346,241           | \$ - | \$ - | \$ - | \$ - | \$ 30,224,289  |

\* Federally-insured bank CD's

\*\* Moody's assigns government agency debt securities "AAA" rating.

Credit Risk – The District's Investment Policy is based on the Uniform Prudent Investors Act and Nevada Revised Statutes 355.170 (NRS). The NRS authorizes the District to invest in obligations of the U.S. Government or U.S. Treasury, providing maturities are 10 years or less from the date of purchase; the local government pooled investment fund; negotiable certificates of deposit issued by commercial banks or insured savings and loans; short-term negotiable notes or bonds issued by local governments; and bankers' acceptances eligible by law for rediscount with the Federal Reserve Banks not to exceed 180 days. Diversification of the District's investments is guided by the Uniform Prudent Investors Act.

Custodial Credit Risk – The District Investment Policy requires FDIC coverage or collateralization on deposit-type securities. The District's cash accounts on deposit with financial institutions were covered by federal depository insurance and are collateralized by the Office of the State Treasurer/Nevada Collateral Pool.

Concentration Credit Risk – The District Investment Policy calls for diversification without setting maximum allocations. The District invests in Federal government-sponsored enterprises (GSE) for safety and to meet statutory requirements. Individual CD's are held with a number of banks at or under the FDIC insured



**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

**NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2022**

limited calculated by those institutions. LGIP is an unrated external investment pool administered by the State Treasurer, with oversight by the State of Nevada Board of Finance. The District has investments with Federal Home Loan Bank that represent approximately 7% of the entire investment portfolio.

**3. RESTRICTED DEPOSITS**

The State of Nevada requires a deposit for sales tax collection and electronic filing of \$6,075, for a retail location in non-District owned premises.

The assets of the EPA State Revolving Fund (SRF) Reserve may be used to service the Nevada SRF Sewer Bond of 2002. These restricted assets are pledged to provide a measure of security for the Nevada State Water Pollution Control Revolving Fund. The pledge is for \$213,000, interest earned is in the account at the District's discretion. The EPA SRF Reserve is in the LGIP Account totaling \$230,729. The assets in the TRPA (Tahoe Regional Planning Authority) Reserve may be used to satisfy performance obligations on projects authorized by the TRPA. These usually cover several years for construction and inspection phases. The total required deposits are \$211,778, and interest earned is in the account at the District's discretion. The TRPA Project Reserve is in the LGIP Account totaling \$231,140:

|                                                   |                   |
|---------------------------------------------------|-------------------|
| Deposit with State of Nevada for Sales Tax        | \$ 6,075          |
| Building Deposit held by Parasol Tahoe Foundation | 100               |
| LGIP Restricted Deposits (SRF & TRPA)             | <u>461,870</u>    |
| Total Restricted Deposits                         | <u>\$ 468,045</u> |

**4. LEASES RECEIVABLE**

The District is a lessor in 4 cancellable lease for radio tower space rental. The leases require payments of \$933 and \$1,815 monthly and annual payments from \$20,764 to 119,166. The District recognized \$131,178 in lease revenue and \$45,347 in interest revenue during the current fiscal year related to these agreements. As of June 30, 2022, the lease receivable is \$1,749,412 and deferred inflows of resource is \$1,695,703.

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

**NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2022**

**5. CAPITAL ASSETS**

Capital Asset activity for the year ended June 30, 2022:

|                                                          | Balance<br>7/1/2021 * | Increases        | Decreases          | Balance<br>June 30, 2022 |
|----------------------------------------------------------|-----------------------|------------------|--------------------|--------------------------|
| <b>Governmental Activities:</b>                          |                       |                  |                    |                          |
| Capital assets, not being depreciated                    |                       |                  |                    |                          |
| Land                                                     | \$ 2,669,904          | \$ -             | \$ -               | \$ 2,669,904             |
| Construction in Progress                                 | 292,949               | 98,550           | (55,596)           | 335,903                  |
| Total governmental capital assets, not being depreciated | <u>2,962,853</u>      | <u>98,550</u>    | <u>(55,596)</u>    | <u>3,005,807</u>         |
| Capital assets, being depreciated                        |                       |                  |                    |                          |
| Buildings and Structures                                 | 828,251               | -                | -                  | 828,251                  |
| Equipment and Vehicles                                   | 1,762,263             | 55,596           | -                  | 1,817,859                |
| Total governmental capital assets, being depreciated     | <u>2,590,514</u>      | <u>55,596</u>    | <u>-</u>           | <u>2,646,110</u>         |
| Less accumulated depreciation for:                       |                       |                  |                    |                          |
| Buildings and Structures                                 | (750,008)             | (16,766)         | -                  | (766,774)                |
| Equipment and Vehicles                                   | (1,455,212)           | (111,564)        | -                  | (1,566,776)              |
| Total accumulated depreciation                           | <u>(2,205,220)</u>    | <u>(128,330)</u> | <u>-</u>           | <u>(2,333,550)</u>       |
| Total governmental capital assets being depreciated, net | 385,294               | (72,734)         | -                  | 312,560                  |
| <b>Governmental Activities Capital Assets, net</b>       | <u>\$ 3,348,147</u>   | <u>\$ 25,816</u> | <u>\$ (55,596)</u> | <u>\$ 3,318,367</u>      |
| <b>Business-Type Activities</b>                          |                       |                  |                    |                          |
| Proprietary Capital assets not being depreciated         |                       |                  |                    |                          |
| Land - Utilities                                         | \$ 6,715,544          | \$ -             | \$ -               | \$ 6,715,544             |
| Land - Community Services                                | 12,315,573            | -                | -                  | 12,315,573               |
| Land - Beach                                             | 2,304,850             | -                | -                  | 2,304,850                |
| Construction in progress - Utilities                     | 1,035,834             | 905,605          | (442,570)          | 1,498,869                |
| Construction in progress - Community Services            | 262,750               | 1,501,473        | (1,226,482)        | 537,741                  |
| Construction in progress - Beach                         | 1,383,864             | 3,209,294        | (4,593,158)        | -                        |
| Total proprietary capital assets, not being depreciated  | <u>24,018,415</u>     | <u>5,616,372</u> | <u>(6,262,210)</u> | <u>23,372,577</u>        |
| Proprietary Capital assets, being depreciated            |                       |                  |                    |                          |
| Buildings and structures - Utilities                     | 15,959,753            | -                | -                  | 15,959,753               |
| Buildings and structures - Community Services            | 33,457,451            | 240,821          | (70,749)           | 33,627,523               |
| Buildings and structures - Beach                         | 2,641,340             | 4,593,158        | -                  | 7,234,498                |
| Services infrastructure - Utilities                      | 113,100,306           | 252,770          | -                  | 113,353,076              |
| Venue improvements - Community Services                  | 35,404,502            | 491,932          | -                  | 35,896,434               |
| Venue improvements - Beach                               | 2,038,694             | -                | -                  | 2,038,694                |
| Equipment and vehicles - Utilities                       | 3,797,362             | -                | -                  | 3,797,362                |
| Equipment and vehicles - Community Services              | 12,080,845            | 1,059,358        | (603,792)          | 12,536,411               |
| Right to use leased equipment - Community Services       | 78,537                | -                | -                  | 78,537                   |
| Equipment and vehicles - Beach                           | 529,561               | -                | -                  | 529,561                  |
| Equipment and vehicles - Internal Services               | 240,596               | -                | -                  | 240,596                  |
| Total proprietary capital assets at historical cost      | <u>219,328,947</u>    | <u>6,638,039</u> | <u>(674,541)</u>   | <u>225,292,445</u>       |

\* Balance as of June 30, 2021 has been restated to implement GASB Statement No. 87

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

**NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2022**

**5. CAPITAL ASSETS (continued)**

| Capital Asset activity for the year ended June 30, 2022: | Balance                      |                            |                              | Balance<br>June 30, 2022     |
|----------------------------------------------------------|------------------------------|----------------------------|------------------------------|------------------------------|
|                                                          | July 1, 2021                 | Increases                  | Decreases                    |                              |
| Less accumulated depreciation for:                       |                              |                            |                              |                              |
| Buildings and structures - Utilities                     | (8,257,034)                  | (440,356)                  | -                            | (8,697,390)                  |
| Buildings and structures - Community Services            | (15,564,938)                 | (1,006,566)                | 54,620                       | (16,516,884)                 |
| Buildings and structures - Beach                         | (1,728,405)                  | (83,024)                   | -                            | (1,811,429)                  |
| Services infrastructure - Utilities                      | (66,047,209)                 | (2,702,767)                | -                            | (68,749,976)                 |
| Venue improvements - Community Services                  | (20,467,114)                 | (928,137)                  | -                            | (21,395,251)                 |
| Venue improvements - Beach                               | (1,450,971)                  | (46,749)                   | -                            | (1,497,720)                  |
| Equipment and vehicles - Utilities                       | (2,618,896)                  | (142,004)                  | -                            | (2,760,900)                  |
| Equipment and vehicles - Community Services              | (7,594,225)                  | (986,542)                  | 602,950                      | (7,977,817)                  |
| Right to use leased equipment - Community Services       | -                            | (38,051)                   | -                            | (38,051)                     |
| Equipment and vehicles - Beach                           | (310,013)                    | (59,913)                   | -                            | (369,926)                    |
| Equipment and vehicles - Internal Services               | (188,811)                    | (10,541)                   | -                            | (199,352)                    |
| Total accumulated depreciation                           | <u>(124,227,616)</u>         | <u>(6,444,650)</u>         | <u>657,570</u>               | <u>(130,014,696)</u>         |
| Total proprietary capital assets being depreciated, net  | <u>95,179,868</u>            | <u>193,389</u>             | <u>(16,971)</u>              | <u>95,356,286</u>            |
| <b>Business-Type Activities Capital Assets, net</b>      | <b><u>\$ 119,198,283</u></b> | <b><u>\$ 5,809,761</u></b> | <b><u>\$ (6,279,181)</u></b> | <b><u>\$ 118,728,863</u></b> |

The District has a number of Construction in Progress projects open as of June 30, 2022. The Utility Fund includes \$1,114,233 for the design phase of the Effluent Export Line that project will be ongoing through at least 2023. The Community Services Fund has \$132,976 for the Locker Room Improvements. The District's primary building season is limited to May to October because of regulations from the Tahoe Regional Planning Agency. Most equipment purchases follow the budget and fiscal year cycle.

Depreciation expenses for the year ended June 30, 2022 were charged to functions as follows:

|                                |                            |
|--------------------------------|----------------------------|
| Governmental Activities:       |                            |
| General Government             | <u>\$ 128,330</u>          |
| Business-Type Activities:      |                            |
| Utility Fund Water and Sewer   | 3,285,128                  |
| Recreation                     | 2,960,294                  |
| Beach                          | 188,687                    |
| Internal Services              | <u>10,541</u>              |
| Total Proprietary Depreciation | <u>6,444,650</u>           |
| Total Depreciation Expense     | <u><u>\$ 6,572,980</u></u> |

**6. COMPENSATED ABSENCES**

At any given point the District has an obligation to its employees for the value of vacation time earned and not taken. The obligation is measured by the value due as if the employee terminated. The District allows retiring employees with an excess of 20 years of service, and that have accrued sick leave, to have it converted to Medical Retiree Benefit for reimbursing post-employment health related costs. There are 4 eligible employees covered. The District has no other post-employment benefit obligations for health insurance or retirement benefits.

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

**NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2022**

|                               | Balance<br><u>June 30, 2021</u> | Provisions<br><u>Additions</u> | <u>Payments</u>  | Balance<br><u>June 30, 2022</u> | Amount due<br>within one year |
|-------------------------------|---------------------------------|--------------------------------|------------------|---------------------------------|-------------------------------|
| Sick Leave Retirement Benefit | \$ 245,000                      | -                              | -                | 245,000                         | 109,060                       |
| Accrued Vacation              | <u>611,814</u>                  | <u>1,265,206</u>               | <u>1,258,539</u> | <u>611,282</u>                  | <u>272,107</u>                |
| Total compensated absences    | \$ 856,814                      | \$ 1,265,206                   | \$ 1,258,539     | \$ 856,282                      | \$ 381,167                    |

**7. UNEARNED REVENUE**

The District receives a number of payments that will be recognized as revenue or a liquidated liability based upon a future transaction when the service is provided. These include:

|                         | Community      |                    |                  |                  |                    |
|-------------------------|----------------|--------------------|------------------|------------------|--------------------|
|                         | <u>General</u> | <u>Services</u>    | <u>Beach</u>     | <u>Utility</u>   | <u>Total</u>       |
| Billed in advance       | \$ 39          | \$ 280,184         | \$ 39,243        | \$183,519        | \$ 502,985         |
| Unexpired season passes | -              | 1,466,523          | -                | -                | 1,466,523          |
| Internal Gift Cards     | -              | <u>77,961</u>      | -                | -                | <u>77,961</u>      |
| Total                   | <u>\$ 39</u>   | <u>\$1,824,668</u> | <u>\$ 39,243</u> | <u>\$183,519</u> | <u>\$2,047,469</u> |

**8. INTERFUND ACCOUNTS AND TRANSFERS**

The outstanding balances between funds results mainly from the time lag between the dates that (1) inter fund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. The balances settle monthly through pooled cash, and therefore there are no open balances as of June 30, 2022.

**9. LONG-TERM DEBT**

All of the District's Long Term Bonds are collateralized by a pledge of revenues derived and to be derived from the operation of either the Utility, Community Services or Beach venues, after deduction there from of the amount necessary to pay all operating and maintenance charges as required by applicable bond agreements. The District is also required to maintain rates sufficient to pay all maintenance, depreciation, replacement, betterment, and interest charges.

**Outstanding Long-Term Debt as of June 30, 2022:**

| <u>Issue</u>                                        | <u>Issue Date</u> | <u>Maturity Date</u> | <u>Interest Rate</u> | <u>Amount Issued</u> | <u>Principal Outstanding</u> | <u>Current Portion</u>  |
|-----------------------------------------------------|-------------------|----------------------|----------------------|----------------------|------------------------------|-------------------------|
| General Obligation Revenue Bonds Recreation         |                   |                      |                      |                      |                              |                         |
| Recreation Facilities and Recreation Refunding 2012 | 07/18/12          | 09/01/22             | 2.25%                | 3,475,000            | \$ 391,000                   | \$391,000               |
| PNC Equipment Lease                                 | 02/12/20          | 01/12/24             | 4.30%                | 78,537               | 42,766                       | 28,527                  |
| Bond Discounts                                      |                   |                      |                      |                      | (278)                        | (278)                   |
| <b>Total Recreation Revenue Supported Debt</b>      |                   |                      |                      |                      | <b><u>\$ 433,488</u></b>     | <b><u>\$419,249</u></b> |
| <b>Utility</b>                                      |                   |                      |                      |                      |                              |                         |
| State of Nevada: Sewer C32-0204                     | 10/28/02          | 01/01/23             | 3.14%                | \$1,720,380          | \$ 125,609                   | \$125,609               |
| Water IVGID-1                                       | 09/09/04          | 07/01/25             | 3.08%                | 1,687,282            | 374,340                      | 102,897                 |

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

**NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2022**

|                                             |          |          |       |           |                    |                  |
|---------------------------------------------|----------|----------|-------|-----------|--------------------|------------------|
| Sewer CS32-0404 (G.O.)                      | 08/01/06 | 01/01/26 | 2.73% | 3,000,000 | 781,475            | 187,510          |
| Water DW-1201 (G.O.)                        | 03/16/12 | 01/01/32 | 2.39% | 3,000,000 | <u>1,710,966</u>   | <u>153,391</u>   |
| <b>Total Utility Revenue Supported Debt</b> |          |          |       |           | <u>\$2,992,390</u> | <u>\$569,407</u> |
| <b>Total Debt – All Activities</b>          |          |          |       |           | <u>\$3,425,878</u> | <u>\$988,656</u> |

**Long-Term Debt changes for the year:**

|                         | <u>Beginning<br/>Balance</u> | <u>New<br/>Issues</u> | <u>Principal<br/>Reductions</u> | <u>Ending<br/>Balance</u> | <u>Due Within<br/>One Year</u> |
|-------------------------|------------------------------|-----------------------|---------------------------------|---------------------------|--------------------------------|
| 2012 Recreation         | \$ 769,000                   | \$ -                  | \$378,000                       | \$391,000                 | \$391,000                      |
| Bond discounts          | (1,957)                      | -                     | (1,679)                         | (278)                     | (278)                          |
| PNC Equipment Lease     | <u>78,537</u>                | <u>-</u>              | <u>35,771</u>                   | <u>42,766</u>             | <u>28,527</u>                  |
| Governmental type total | <u>\$ 845,580</u>            | <u>-</u>              | <u>412,092</u>                  | <u>433,488</u>            | <u>\$419,249</u>               |
| Sewer C32-0204          | 247,360                      | -                     | 121,751                         | 125,609                   | 125,609                        |
| Water IVGID-1           | 474,138                      | -                     | 99,798                          | 374,340                   | 102,897                        |
| Sewer CS32-0404         | 963,978                      | -                     | 182,503                         | 781,475                   | 187,510                        |
| Water DW-1201           | <u>1,860,759</u>             | <u>-</u>              | <u>149,792</u>                  | <u>1,710,967</u>          | <u>153,391</u>                 |
| Business Type Total     | <u>3,546,235</u>             | <u>-</u>              | <u>553,844</u>                  | <u>2,992,391</u>          | <u>569,407</u>                 |
| <b>Total Debt</b>       | <u>\$4,391,815</u>           | <u>\$ -</u>           | <u>\$965,936</u>                | <u>\$3,425,879</u>        | <u>\$988,656</u>               |
| <b>By Bond Type:</b>    |                              |                       |                                 |                           |                                |
| General Obligation      | \$3,591,775                  | \$ -                  | \$708,616                       | \$2,883,161               | \$731,901                      |
| Revenue                 | <u>721,498</u>               | <u>-</u>              | <u>221,549</u>                  | <u>499,949</u>            | <u>228,506</u>                 |
| <b>Total Debt</b>       | <u>\$4,313,275</u>           | <u>-</u>              | <u>\$930,165</u>                | <u>\$3,383,110</u>        | <u>\$960,407</u>               |

**Future Debt Service Requirements as of June 30, 2022:**

| <u>Fiscal Year</u>    | <u>Debt Supported by</u> |                   |                           |                 | <u>Debt Supported by</u> |                 |
|-----------------------|--------------------------|-------------------|---------------------------|-----------------|--------------------------|-----------------|
|                       | <u>Utility Revenue</u>   |                   | <u>Recreation Revenue</u> |                 | <u>Lease Debt</u>        |                 |
|                       | <u>Principal</u>         | <u>Interest</u>   | <u>Principal</u>          | <u>Interest</u> | <u>Principal</u>         | <u>Interest</u> |
| <u>Ending June 30</u> |                          |                   |                           |                 |                          |                 |
| 2023                  | \$569,407                | \$73,728          | \$391,000                 | \$4,399         | \$30,401                 | \$1,874         |
| 2024                  | 455,827                  | 58,730            | -                         | -               | 12,365                   | 1,093           |
| 2025                  | 468,183                  | 46,373            | -                         | -               | -                        | -               |
| 2026                  | 424,055                  | 33,677            | -                         | -               | -                        | -               |
| 2027                  | 884,959                  | 81,900            | -                         | -               | -                        | -               |
| 2028-2032             | <u>189,960</u>           | <u>3,412</u>      | <u>-</u>                  | <u>-</u>        | <u>-</u>                 | <u>-</u>        |
| Total                 | <u>\$2,992,391</u>       | <u>\$ 297,820</u> | <u>\$ 391,000</u>         | <u>\$ 4,399</u> | <u>\$ 42,766</u>         | <u>\$ 2,967</u> |

At June 30, 2022, principal and interest to maturity to be paid from pledged future Utility Revenues totals \$3,290,211 and \$395,399 paid from future pledged Recreation Revenues.

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

**NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2022**

**10. DISTRICT RETIREMENT BENEFIT PLANS**

The District has two retirement plans covering substantially all of its full-time year round employees. Those not covered under the Pension Trust Fund for Operating Engineers are covered by the District's Money Purchase Pension Plan (Section 401(a)). The District also sponsors a Section 457 Deferred Compensation Plan. No trust is used in relation to these plans; account balances are in the name of the individual employee.

The District's Money Purchase Pension Section 401(a) Plan is a defined contribution plan. The plan is administered by third party administrators. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate after six months of service. The District's provides a non-elective contribution of 13.3% of the employee's earnings. The District's contributions for each employee are fully vested after four years of service. District contributions and interest forfeited by employees who leave employment before fully vesting, are used to reduce the District's current-period contribution requirement. Employees are not allowed to contribute directly into this plan.

The Pension Trust Fund for Operating Engineers is a cost sharing, multiple employer, defined benefit plan contract between the District's employees and the Operating Engineers Union. The plan provides retirement and medical benefits to eligible participants based on a formula of years of service and reaching a qualifying age. It is available to approximately 66 positions in the District, covered by the collective bargaining agreements, with only four electing to do so. The District is not a party to this defined benefit plan. The District's liability under the union collective bargaining agreement is limited to making monthly contributions based on union employees' pay for hours worked. Consequently, the District is not liable for any funding shortage of the defined benefit plan. Each year the District contributions to the plan equal 100% of the District's liability under the bargaining agreement. The Pension Trust Fund for Operating Engineers issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Pension Trust Fund for Operating Engineers, 1600 Harbor Bay Parkway, Suite 200, Alameda, California 94502 or by calling (800) 251-5014.

The District's Deferred Compensation (Section 457) Plan is a defined contribution plan. The plan is administered by third party administrators. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate immediately after the first day of a month of employment. Employee contributions are subject to Internal Revenue Service regulations for Section 457 plans. The District provides a matching contribution up to 6%. Both employee and District contributions are fully vested 100% as made.

The District's total contributions equal to required contributions for employees covered by the above plans are as follows:

| <u>FYE June 30</u> | <u>401(a) Money<br/>Purchase</u> | <u>Operating<br/>Engineers</u> | <u>Employer<br/>Section 457</u> | <u>Employee<br/>Section 457</u> |
|--------------------|----------------------------------|--------------------------------|---------------------------------|---------------------------------|
| 2022               | \$1,153,757                      | \$ 54,149                      | \$ 429,356                      | \$ 638,317                      |

The District offers its employees deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans, available to all District employees, permit them to defer a portion of their earnings until future years. The deferred compensation benefit is not collectible by employees until termination, retirement, death, or unforeseeable emergency.

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

**NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2022**

**11. SCHEDULE OF INSURANCE COVERAGE AND RISK MANAGEMENT**

Insurance Coverage on June 30, 2022 consists of the following:

| Type                                          | Carrier/Provider             | Amount         |
|-----------------------------------------------|------------------------------|----------------|
| Property Liability<br>on buildings & contents | NV Public Agency Pool        | \$ 300,000,000 |
| Earthquake & Flood                            | NV Public Agency Pool        | 150,000,000    |
| Boiler & Machinery                            | NV Public Agency Pool        | 100,000,000    |
| General Liability                             | NV Public Agency Pool        | 10,000,000     |
| Cyber Security Event                          | NV Public Agency Pool        | 3,000,000      |
| Money & Securities                            | NV Public Agency Pool        | 500,000        |
| Site Pollution Incident                       | NV Public Agency Pool        | 2,000,000      |
| Ski Resort Gen. Liability                     | Nova Casualty Company        | 1,000,000      |
| Ski Resort Excess Liability                   | Nova Casualty Company        | 6,000,000      |
| Workers Compensation                          | NV Public Agency Comp. Trust | 2,000,000      |

The District has elected to participate in the Nevada Public Agency Insurance (Pool). The risk-sharing Pool secures insurance coverage for all its members. The Pool agreement provides coverage for the equivalent of errors and omissions and directors' and officers' acts. The Pool does not offer general or excess liability coverage for the Diamond Peak Ski Resort. Therefore, separate coverage is purchased.

A portion of each member's premium contributions to the Pool goes into the Loss Fund and the remainder pays for the excess insurance premiums and administrative expenses. The amount of the Loss Fund contribution is determined by the underwriters based on each member's average annual losses over the prior five years. This amount may vary each year.

The Pool pays all losses from the Loss Fund per occurrence, less the member's maintenance deductible. The District has a \$5,000 deductible. Excess insurance above the Pool's self-funded amount, is provided by secondary markets based on arrangements made with the Pool, including a Pool owned captive.

There were no District settlements in excess of insurance coverage in any of the three prior fiscal years.

Ski Liability Insurance is not covered by the Nevada Public Agency Insurance Pool. A separate insurance program, less the District's \$10,000 deductible, provides coverage.

The District has elected to participate in the Nevada Public Agency Compensation Trust (NVPACT) to provide workers compensation coverage for all employees. The District pays quarterly assessments. The assessments are based on actuarial estimates provided by NVPACT utilizing covered payroll data for the most recent calendar year. A portion of each member's assessment goes into the Loss Fund and the remainder pays for the excess insurance premiums and administrative expenses. This amount may vary each year.

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

**NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2022**

**12. PLEDGED REVENUE AND COVERAGE**

The District has a number of debt issuances outstanding that are collateralized by the pledging of certain revenues. The amount and term of the remainder of these commitments are indicated in the debt service to maturity tables presented in note 9. The purposes for which the proceeds of the related debt issuances were utilized are disclosed in the debt descriptions in note 9. For the current year, debt service payments as a percentage of pledged gross revenue are indicated in the table below. These percentages also approximate the relationship of debt service to pledged revenue for the remainder of the term of the commitment:

| <u>Description of Pledge Revenue</u> | <u>Annual Amount of Pledged Revenue</u> | <u>Annual Debt Service Payments</u> | <u>Debt Service as a Percentage of Pledged Revenue</u> |
|--------------------------------------|-----------------------------------------|-------------------------------------|--------------------------------------------------------|
| Sewer Service Revenue                | \$7,084,503                             | \$331,714                           | 4.68%                                                  |
| Water Service Revenue                | 5,304,096                               | 303,691                             | 5.73%                                                  |

**13. CLAIMS PAYABLE**

Claims payable are as follows for the last two fiscal years:

|        | <u>Beginning of Year</u> | <u>Additions</u> | <u>Deletions</u> | <u>End of Year</u> |
|--------|--------------------------|------------------|------------------|--------------------|
| FY2021 | 1,359,736                | -                | -                | 1,359,736          |
| FY2022 | 1,359,736                | -                | 596,257          | 763,479            |

**14. UNRESTRICTED FUNDS**

At its meeting of March 3, 2020, the Board of Trustees took action to “restrict” \$9,656,890 for the purpose of earmarking these funds for the Effluent Export Pipeline Project. On August 12, 2020, the Board designated an additional \$1,912,767 as “restricted” for this purpose. As of June 30, 2021, the total funding intended to be “restricted” by the Board of Trustees for the Effluent Export Pipeline Project amounted to \$14,213,435. As of June 30, 2022, the level of funding set-aside by the Board for this purpose has increased to \$15,463,000. Funds designated for the Effluent Export Pipeline Project represent a portion of funds received by the District from utility rate revenues established and collected specifically for Utility capital improvement projects.

Notwithstanding the Board’s action to designate funding for the Effluent Pipeline Project, this funding remains in the unrestricted net position of the District’s business-type activities on the government-wide Statement of Net Position. This is due to the determination that the Board’s designation does not rise to the level of meeting the criteria set forth in GASB Statement No. 34 for restricted net position within proprietary funds.

**15. LEASE OBLIGATIONS**

**Revenue:**

Non-operating revenue includes rent received for cell towers on District property. The District has an agreement with American Tower for a tower at the Mountain Golf Course. The current term started in April 2017, is for 5 years and will extend every five years through 2027 with rent increases of 3\$ per year, cancelable by either party. The District has two agreements with AT&T for a tower at the Mountain Golf Course and a tower at Diamond Peak. The term for the tower at the Mountain Golf Course Tower started in October 2015 for 5 years and will automatically extend every five years, through 2039, with rent increases of 3\$ per year, cancelable by the tenant. The tower at Diamond Peak Ski Resort has a term started in July 2018 for 5 years and will extend every five years, with rent increases of 3.5% per year, cancelable by the tenant, through 2037.



**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

**NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2022**

The District has an agreement with T-Mobile (assigned to Crown Castle) for a cell tower lease at Diamond Peak Ski Resort with a term from June 2017 to 2027. In fiscal year 2022 we received from these agreements \$131,178 in lease revenue and \$45,347 in interest revenue.

District leases 1.5 acres of property adjacent to the Incline Village Middle School to the Parasol Foundation for \$1.00 per year.

District leases property located at 969 Tahoe Boulevard to the Reno-Sparks Convention and Visitor Authority for \$1.00 per year.

**Expenses:**

The District holds a Use Permit for Diamond Peak operations and activities on property owned by the U.S. Forest Service adjacent to District-owned property. The District pays an annual permit fee based on revenues generated by selected Ski operations.

**16. DUE TO OTHER GOVERNMENTS**

The District collects money for boat inspections performed by the Tahoe Regional Planning Agency. The balance owed at the end of the year was \$11,939.

**17. COMMUNITY SERVICES AND BEACH FUNDS**

The District provides recreation functions through two of its proprietary enterprise funds. Each serves a different set of venues and customer base. A significant source of revenue for these functions for operations, capital expenditure and debt service comes directly from a facility fee assessed by parcel for each function and expenditure type. Facility Fees have been listed separately by fund and function. The operating portion of the assessed facility fee is combined with charges for services to provide the resources for providing services. Charges for services are aggregated, while expenditures are provided by function. As stated in Note 1 T, part of the facility fee can be used to pay for charges for services in lieu of other forms of payment. These are referred to as Punch Cards. The following are major functions included in Charges for Services and the approximate amounts of punch cards activity that is included.

|                           | Charges for<br>Services | Paid with<br>Punch Cards |
|---------------------------|-------------------------|--------------------------|
| Community Services Fund:  |                         |                          |
| Championship Golf         | \$ 3,062,626            | \$27,366                 |
| Mountain Golf             | 717,965                 | 5,316                    |
| Facilities                | 1,942,227               | -                        |
| Ski                       | 11,583,667              | 181,032                  |
| Community Programming     | 1,170,158               | 7,275                    |
| Parks                     | 47,145                  | -                        |
| Tennis                    | 215,527                 | -                        |
| Recreation Administration | <u>(178,868)</u>        | <u>-</u>                 |
| Total                     | <u>\$18,560,447</u>     | <u>\$ 220,989</u>        |
| Beach Fund                | <u>\$ 750,123</u>       | <u>\$ 438,651</u>        |
| District Total            | <u>\$19,310,570</u>     | <u>\$ 659,640</u>        |

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

**NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2022**

**18. COMMITMENTS AFFECTING FUTURE PERIODS**

**General Fund:**

The District entered into an unemployment insurance contract with First Nonprofit Companies for total premiums of \$220,800 for calendar year 2022 services. As of June 30, 2022, \$110,400 in quarterly deposits are remaining as a part of the subsequent year’s budget.

**Capital Improvement Project Budget Carry-Forward:**

The District budgets for capital improvement projects one year at a time for spending authority. The actual execution of construction or acquisition can span one or more fiscal years. The District identifies carryover and unspent budget authority for those projects. The amounts for governmental fund types are re-budgeted for the subsequent fiscal year. The unused Utility Fund, Community Services Fund, and Beach Fund resources become part of Unrestricted Net Position, and are budgeted under cash flow on the State of NV budget forms. Board-approved amounts carried-forward at year-end are as follows:

|                         |            |
|-------------------------|------------|
| General Fund            | \$ 124,300 |
| Utility Fund            | 5,887,795  |
| Community Services Fund | 3,125,713  |
| Beach Fund              | 689,223    |

The District has committed to contractual obligations for selected capital improvement projects through contracts, resulting in encumbered funds at year-end. These are included in the appropriations carry-forward to the FY2022/23 budget, and are summarized as follows:

| Contractor             | Project                | Contract<br>Amount | Completed<br>(6/30/22) | Remaining<br>Amount |
|------------------------|------------------------|--------------------|------------------------|---------------------|
| CORE West, Inc         | Burnt Cedar Pool Imp   | \$3,845,865        | \$3,567,790            | \$ 278,075          |
| Avail Enterprises, LLC | Rec Center Lobby       | 159,832            | -                      | 159,832             |
| Ward-Young Architects  | Rec Center Lobby       | 36,724             | 32,724                 | 4,000               |
| Ward-Young Architects  | Rec Center Locker Room | 91,972             | 85,904                 | 6,068               |
| Granite Construction   | Effluent Pipeline      | 369,218            | 190,609                | 178,609             |
| Axess America          | RFID Gates             | 369,105            | 105,458                | 263,647             |

**19. STATE OF NEVADA TAX ABATEMENTS AFFECTING DISTRICT REVENUES**

The State of Nevada has entered into various tax abatement agreements that reduce the tax revenues of local governments. Taxes reduced include the Consolidated Tax, which includes allocated sales and use tax revenue. State law establishes the abatements. The District’s estimated share of abatements for this fiscal year is \$19,732.

**20. PRIOR PERIOD ADJUSTMENT(S)**

The Statement of Activities includes prior period adjustments resulting from changes in accounting practices, as follows:

In fiscal year 2022 the District returned the Community Services fund and the Beach fund to proprietary fund accounting. This change in accounting method requires a prior period adjustment for long term assets and long term liabilities reported under the proprietary fund method that are not reported under the governmental fund method. The total of the prior period adjustment is \$75,199,871 as stated in the Statement of Activities.

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

**NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2022**

The Statement of Activities, The Governmental Funds Statement of Revenues, Expenditures, and Change in Fund Balance includes a prior period adjustment resulting from an adjustment to Due From Other Government account for tax revenues belonging to prior periods totally \$94,197

INCLINE VILLAGE  
GENERAL IMPROVEMENT DISTRICT

**REQUIRED  
SUPPLEMENTARY  
INFORMATION**

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
SCHEDULE OF EMPLOYER REQUIRED CONTRIBUTIONS  
TO DEFINED CONTRIBUTION MULTI-EMPLOYER PLANS  
FOR THE TEN MOST RECENT FISCAL YEARS**

|                              |                                   | <u>Operating Engineers</u> |                            |                                   |
|------------------------------|-----------------------------------|----------------------------|----------------------------|-----------------------------------|
| For the year ending June 30: | <u>Number of<br/>Participants</u> |                            | <u>Covered<br/>Payroll</u> | <u>Required<br/>Contributions</u> |
|                              | 2022                              | 4                          | \$ 407,132                 | \$ 54,149                         |
|                              | 2021                              | 4                          | 373,171                    | 45,900                            |
|                              | 2020                              | 4                          | 323,455                    | 39,810                            |
|                              | 2019                              | 4                          | 318,699                    | 39,200                            |
|                              | 2018                              | 4                          | 308,114                    | 37,898                            |
|                              | 2017                              | 4                          | 315,764                    | 38,839                            |
|                              | 2016                              | 5                          | 346,008                    | 42,559                            |
|                              | 2015                              | 4                          | 275,846                    | 33,929                            |
|                              | 2014                              | 5                          | 346,797                    | 42,656                            |
|                              | 2013                              | 5                          | 377,293                    | 46,407                            |

See notes to required supplementary information

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2022**

|                                                   | Budgeted Amounts    |                     | Actual              | Variance          |
|---------------------------------------------------|---------------------|---------------------|---------------------|-------------------|
|                                                   | Original            | Final               |                     |                   |
| <b>REVENUES</b>                                   |                     |                     |                     |                   |
| Ad valorem taxes                                  | \$ 1,948,610        | \$ 1,948,610        | \$ 1,873,949        | \$ (74,661)       |
| Personal Property Tax                             | 12,000              | 12,000              | 19,265              | 7,265             |
| Intergovernmental:                                |                     |                     |                     |                   |
| Consolidated Tax                                  | 1,640,530           | 1,640,530           | 1,743,081           | 102,551           |
| Local Government Tax Act                          | 249,000             | 249,000             | 306,470             | 57,470            |
| Investment income (loss)                          | 65,700              | 65,700              | (16,517)            | (82,217)          |
| Miscellaneous                                     | 2,400               | 2,400               | 3,404               | 1,004             |
| Total revenues                                    | <u>3,918,240</u>    | <u>3,918,240</u>    | <u>3,929,652</u>    | <u>11,412</u>     |
| <b>EXPENDITURES</b>                               |                     |                     |                     |                   |
| General Government - All Functions:               |                     |                     |                     |                   |
| Function Summary (see next page)                  | <u>5,170,249</u>    | <u>4,284,574</u>    | <u>3,741,148</u>    | <u>543,426</u>    |
| Total expenditures                                | <u>5,170,249</u>    | <u>4,284,574</u>    | <u>3,741,148</u>    | <u>543,426</u>    |
| Excess (deficiency) of revenues over expenditures | <u>(1,252,009)</u>  | <u>(366,334)</u>    | <u>188,504</u>      | <u>554,838</u>    |
| <b>OTHER FINANCING SOURCES (USES)</b>             |                     |                     |                     |                   |
| Contingency                                       | <u>100,000</u>      | <u>300,000</u>      | <u>-</u>            | <u>(300,000)</u>  |
| Net change in fund balance                        | <u>(1,152,009)</u>  | <u>(66,334)</u>     | <u>188,504</u>      | <u>254,838</u>    |
| Fund Balance, July 1, as previously reported      | 5,161,765           | 5,161,765           | 5,730,560           | 568,795           |
| Prior period adjustment                           | -                   | -                   | 94,197              | 94,197            |
| Fund Balance, July 1, as restated                 | <u>5,161,765</u>    | <u>5,161,765</u>    | <u>5,824,757</u>    | <u>662,992</u>    |
| Fund balance, June 30                             | <u>\$ 4,009,756</u> | <u>\$ 5,095,431</u> | <u>\$ 6,013,261</u> | <u>\$ 917,830</u> |

See notes to required supplementary information

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2022**

|                                       | <u>Budgeted Amounts</u> |                     | <u>Actual</u>       | <u>Variance</u>   |
|---------------------------------------|-------------------------|---------------------|---------------------|-------------------|
|                                       | <u>Original</u>         | <u>Final</u>        |                     |                   |
| <b>EXPENDITURES</b>                   |                         |                     |                     |                   |
| General Government:                   |                         |                     |                     |                   |
| General Administration                |                         |                     |                     |                   |
| Salaries and Wages                    | \$ 32,598               | \$ 32,598           | \$ 37,549           | \$ (4,951)        |
| Employee Benefits                     | 21,889                  | 21,889              | 15,975              | 5,914             |
| Settlement Expense                    | -                       | -                   | 596,257             | (596,257)         |
| Services and Supplies                 | 558,906                 | 700,705             | 662,291             | 38,414            |
| Capital Outlay                        | 32,500                  | 32,500              | -                   | 32,500            |
| Subtotal General Administration       | <u>645,893</u>          | <u>787,692</u>      | <u>1,312,072</u>    | <u>(524,380)</u>  |
| General Manager                       |                         |                     |                     |                   |
| Salaries and Wages                    | 295,671                 | 295,671             | 260,610             | 35,061            |
| Employee Benefits                     | 128,958                 | 128,958             | 126,318             | 2,640             |
| Services and Supplies                 | 56,340                  | 56,340              | 29,452              | 26,888            |
| Subtotal General Manager              | <u>480,969</u>          | <u>480,969</u>      | <u>416,380</u>      | <u>64,589</u>     |
| Trustees                              |                         |                     |                     |                   |
| Salaries and Wages                    | 128,112                 | 128,112             | 103,053             | 25,059            |
| Employee Benefits                     | 39,380                  | 39,380              | 35,319              | 4,061             |
| Services and Supplies                 | 89,000                  | 125,525             | 38,543              | 86,982            |
| Subtotal Trustees                     | <u>256,492</u>          | <u>293,017</u>      | <u>176,915</u>      | <u>116,102</u>    |
| Accounting                            |                         |                     |                     |                   |
| Salaries and Wages                    | 216,169                 | 669,955             | 646,764             | 23,191            |
| Employee Benefits                     | 108,776                 | 343,120             | 324,081             | 19,039            |
| Services and Supplies                 | 22,458                  | 124,636             | 115,350             | 9,286             |
| Central Services (Expenditure Offset) | -                       | (853,573)           | (858,015)           | 4,442             |
| Subtotal Accounting                   | <u>347,403</u>          | <u>284,138</u>      | <u>228,180</u>      | <u>55,958</u>     |
| Information Services                  |                         |                     |                     |                   |
| Salaries and Wages                    | 450,379                 | 450,379             | 382,792             | 67,587            |
| Employee Benefits                     | 225,683                 | 225,683             | 179,207             | 46,476            |
| Services and Supplies                 | 594,837                 | 879,837             | 579,344             | 300,493           |
| Capital Outlay                        | 254,853                 | 42,500              | -                   | 42,500            |
| Subtotal Information Services         | <u>1,525,752</u>        | <u>1,598,399</u>    | <u>1,141,343</u>    | <u>457,056</u>    |
| Human Resources                       |                         |                     |                     |                   |
| Salaries and Wages                    | 179,500                 | 652,007             | 565,675             | 86,332            |
| Employee Benefits                     | 95,508                  | 342,445             | 282,960             | 59,485            |
| Services and Supplies                 | 45,324                  | 129,196             | 42,125              | 87,071            |
| Central Services (Expenditure Offset) | -                       | (693,051)           | (680,792)           | (12,259)          |
| Capital Outlay                        | 154,085                 | 154,085             | 98,550              | 55,535            |
| Subtotal Human Resources              | <u>474,417</u>          | <u>584,682</u>      | <u>308,518</u>      | <u>276,164</u>    |
| Health and Wellness                   |                         |                     |                     |                   |
| Salaries and Wages                    | 1,197                   | 1,197               | 5,632               | (4,435)           |
| Employee Benefits                     | 556                     | 556                 | 1,359               | (803)             |
| Services and Supplies                 | 21,475                  | 21,475              | 442                 | 21,033            |
| Subtotal Health and Wellness          | <u>23,228</u>           | <u>23,228</u>       | <u>7,433</u>        | <u>15,795</u>     |
| Community & Employee Relations        |                         |                     |                     |                   |
| Salaries and Wages                    | 97,380                  | 97,380              | 85,873              | 11,507            |
| Employee Benefits                     | 52,251                  | 52,251              | 51,204              | 1,047             |
| Services and Supplies                 | 131,518                 | 82,818              | 13,230              | 69,588            |
| Subtotal Comm. Relations              | <u>281,149</u>          | <u>232,449</u>      | <u>150,307</u>      | <u>82,142</u>     |
| Function Subtotal                     | <u>\$ 4,035,303</u>     | <u>\$ 4,284,574</u> | <u>\$ 3,741,148</u> | <u>\$ 543,426</u> |

See notes to required supplementary information

INCLINE VILLAGE  
GENERAL IMPROVEMENT DISTRICT

**SUPPLEMENTARY  
INFORMATION**



**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
UTILITIES FUND  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN  
NET POSITION - BUDGET AND ACTUALS  
FOR THE YEAR ENDED JUNE 30, 2022**

---

|                                           | Budgeted Amounts     |                      | Actual               | Variance              |
|-------------------------------------------|----------------------|----------------------|----------------------|-----------------------|
|                                           | Original             | Final                |                      |                       |
| <b>OPERATING REVENUES</b>                 |                      |                      |                      |                       |
| Sales and fees                            | \$ 12,827,676        | \$ 12,827,676        | \$ 12,907,726        | \$ (80,050)           |
| Interfund services                        | 241,400              | 241,400              | 122,384              | 119,016               |
| Total operating revenues                  | <u>13,069,076</u>    | <u>13,069,076</u>    | <u>13,030,110</u>    | <u>38,966</u>         |
| <b>OPERATING EXPENSES</b>                 |                      |                      |                      |                       |
| Wages and benefits                        | 4,723,960            | 4,723,960            | 4,210,437            | 513,523               |
| Cost of goods sold                        | -                    | -                    | 10,212               | (10,212)              |
| Services and supplies                     | 2,752,576            | 3,366,888            | 2,971,167            | 395,721               |
| Defensible space                          | 100,000              | 100,000              | 77,969               | 22,031                |
| Central services cost                     | 447,540              | 447,540              | 445,092              | 2,448                 |
| Insurance                                 | 211,000              | 211,000              | 211,382              | (382)                 |
| Utilities                                 | 933,004              | 933,004              | 931,759              | 1,245                 |
| Professional fees                         | 182,050              | 182,050              | 175,021              | 7,029                 |
| Depreciation                              | 3,682,900            | 3,682,900            | 3,285,127            | 397,773               |
| Total operating expenses                  | <u>13,033,030</u>    | <u>13,647,342</u>    | <u>12,318,166</u>    | <u>1,329,176</u>      |
| Operating income                          | <u>36,046</u>        | <u>(578,266)</u>     | <u>711,944</u>       | <u>(1,290,210)</u>    |
| <b>NONOPERATING REVENUES (EXPENSES)</b>   |                      |                      |                      |                       |
| Investment earnings (losses)              | 74,000               | 74,000               | (57,286)             | 131,286               |
| Gain on sales of assets                   | -                    | -                    | 9,096                | (9,096)               |
| Lease Revenue                             | -                    | -                    | 500                  | (500)                 |
| Interest on bond debt                     | (89,291)             | (89,291)             | (81,563)             | (7,728)               |
| Total nonoperating revenues (expenses)    | <u>(15,291)</u>      | <u>(15,291)</u>      | <u>(129,253)</u>     | <u>113,962</u>        |
| Income before transfers and contributions | <u>20,755</u>        | <u>(593,557)</u>     | <u>582,691</u>       | <u>(1,176,248)</u>    |
| Change in net position                    | <u>20,755</u>        | <u>(593,557)</u>     | <u>582,691</u>       | <u>(1,176,248)</u>    |
| Total net position, July 1                | <u>76,985,593</u>    | <u>76,985,593</u>    | <u>76,985,593</u>    | <u>-</u>              |
| Total net position, June 30               | <u>\$ 77,006,348</u> | <u>\$ 76,392,036</u> | <u>\$ 77,568,284</u> | <u>\$ (1,176,248)</u> |

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
COMMUNITY SERVICES FUND  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN  
NET POSITION - BUDGET AND ACTUALS  
FOR THE YEAR ENDED JUNE 30, 2022**

---

|                                         | <u>Budgeted Amounts</u> |                      | <u>Actual</u>        | <u>Variance</u>       |
|-----------------------------------------|-------------------------|----------------------|----------------------|-----------------------|
|                                         | <u>Original</u>         | <u>Final</u>         |                      |                       |
| <b>OPERATING REVENUES</b>               |                         |                      |                      |                       |
| Sales and fees                          | \$ 18,161,582           | \$ 18,161,582        | \$ 18,590,272        | (428,690)             |
| Rents income                            | 12,100                  | 12,100               | -                    | 12,100                |
| Operating grants                        | 34,800                  | 34,800               | 17,000               | 17,800                |
| Recreation fee                          | 820,300                 | 820,300              | 830,977              | (10,677)              |
| Interfund services                      | 99,911                  | 99,911               | 149,813              | (49,902)              |
| Total operating revenues                | <u>19,128,693</u>       | <u>19,128,693</u>    | <u>19,588,062</u>    | <u>(459,369)</u>      |
| <b>OPERATING EXPENSES</b>               |                         |                      |                      |                       |
| Wages and benefits                      | 9,692,809               | 9,692,809            | 9,037,152            | 655,657               |
| Cost of goods sold                      | 1,688,855               | 1,688,855            | 1,305,464            | 383,391               |
| Services and supplies                   | 5,012,480               | 5,660,360            | 4,941,072            | 719,288               |
| Defensible space                        | 100,000                 | 100,000              | 77,970               | 22,030                |
| Central services cost                   | 980,404                 | 980,404              | 999,759              | (19,355)              |
| Insurance                               | 403,100                 | 403,100              | 442,932              | (39,832)              |
| Utilities                               | 1,258,234               | 1,258,234            | 1,125,484            | 132,750               |
| Professional fees                       | 44,625                  | 44,625               | 26,690               | 17,935                |
| Depreciation                            | 3,415,427               | 3,415,427            | 2,960,293            | 455,134               |
| Total operating expenses                | <u>22,595,934</u>       | <u>23,243,814</u>    | <u>20,916,816</u>    | <u>2,326,998</u>      |
| Operating income                        | <u>(3,467,241)</u>      | <u>(4,115,121)</u>   | <u>(1,328,754)</u>   | <u>(2,786,367)</u>    |
| <b>NONOPERATING REVENUES (EXPENSES)</b> |                         |                      |                      |                       |
| Investment earnings (losses)            | 26,250                  | 26,250               | (62,789)             | 89,039                |
| Gain on sales of assets                 | -                       | -                    | 326,284              | (326,284)             |
| Insurance proceeds                      | -                       | -                    | 97,894               | (97,894)              |
| Capital Grants                          | 80,000                  | 80,000               | 47,927               | 32,073                |
| Lease Revenue                           | -                       | -                    | 131,523              | (131,523)             |
| Miscellaneous revenue                   | 118,130                 | 118,130              | 2,172                | 115,958               |
| Interest on bond debt                   | (12,840)                | (12,840)             | (12,501)             | (339)                 |
| Total nonoperating revenues (expenses)  | <u>211,540</u>          | <u>211,540</u>       | <u>530,510</u>       | <u>(318,970)</u>      |
| Change in net position                  | <u>(3,255,701)</u>      | <u>(3,903,581)</u>   | <u>(798,244)</u>     | <u>(3,105,337)</u>    |
| Total net position, July 1, as reported | -                       | -                    | -                    | -                     |
| Prior Period Adjustment                 | 65,101,292              | 65,101,292           | 65,470,954           | (369,662)             |
| Total net position, July 1, as adjusted | <u>65,101,292</u>       | <u>65,101,292</u>    | <u>65,470,954</u>    | <u>(369,662)</u>      |
| Total net position, June 30             | <u>\$ 61,845,591</u>    | <u>\$ 61,197,711</u> | <u>\$ 64,672,710</u> | <u>\$ (3,474,999)</u> |

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
 BEACH FUND  
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN  
 NET POSITION - BUDGET AND ACTUALS  
 FOR THE YEAR ENDED JUNE 30, 2022**

|                                         | Budgeted Amounts |               | Actual        | Variance     |
|-----------------------------------------|------------------|---------------|---------------|--------------|
|                                         | Original         | Final         |               |              |
| <b>OPERATING REVENUES</b>               |                  |               |               |              |
| Sales and fees                          | \$ 892,500       | \$ 892,500    | \$ 750,123    | \$ 142,377   |
| Recreation fee                          | 5,268,640        | 5,268,640     | 5,259,704     | 8,936        |
| Total operating revenues                | 6,161,140        | 6,161,140     | 6,009,827     | 151,313      |
| <b>OPERATING EXPENSES</b>               |                  |               |               |              |
| Wages and benefits                      | 1,115,284        | 1,115,284     | 1,002,834     | 112,450      |
| Cost of goods sold                      | 100,500          | 100,500       | 1,652         | 98,848       |
| Services and supplies                   | 639,716          | 884,369       | 350,475       | 533,894      |
| Central services cost                   | 118,680          | 118,680       | 93,956        | 24,724       |
| Insurance                               | 39,300           | 39,300        | 39,371        | (71)         |
| Utilities                               | 139,064          | 139,064       | 103,507       | 35,557       |
| Professional fees                       | 17,850           | 17,850        | 4,293         | 13,557       |
| Depreciation                            | 249,000          | 249,000       | 188,686       | 60,314       |
| Total operating expenses                | 2,419,394        | 2,664,047     | 1,784,774     | 879,273      |
| Operating income                        | 3,741,746        | 3,497,093     | 4,225,053     | (727,960)    |
| <b>NONOPERATING REVENUES (EXPENSES)</b> |                  |               |               |              |
| Investment earnings (losses)            | 5,625            | 5,625         | (19,005)      | 24,630       |
| Interest on bond debt                   | (210)            | (210)         | (169)         | (41)         |
| Total nonoperating revenues (expenses)  | 5,415            | 5,415         | (19,174)      | 24,589       |
| Change in net position                  | 3,747,161        | 3,502,508     | 4,205,879     | (703,371)    |
| Total net position, July 1, as reported | -                | -             | -             | -            |
| Prior Period Adjustment                 | 9,728,915        | 9,728,915     | 9,728,915     | -            |
| Total net position, July 1              | 9,728,915        | 9,728,915     | 9,728,915     | -            |
| Total net position, June 30             | \$ 13,476,076    | \$ 13,231,423 | \$ 13,934,794 | \$ (703,371) |

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
INTERNAL SERVICES FUND  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN  
NET POSITION - BUDGET AND ACTUALS  
FOR THE YEAR ENDED JUNE 30, 2022**

---

|                                         | <b>Budgeted Amounts</b> |                         | <b>Actual</b>              | <b>Variance</b>          |
|-----------------------------------------|-------------------------|-------------------------|----------------------------|--------------------------|
|                                         | <b>Original</b>         | <b>Final</b>            |                            |                          |
| <b>OPERATING REVENUES</b>               |                         |                         |                            |                          |
| Fleet services                          | \$ 1,244,526            | \$ 1,244,526            | \$ 1,130,616               | \$ 113,910               |
| Engineering                             | 949,500                 | 949,500                 | 645,788                    | 303,712                  |
| Building services                       | 1,024,200               | 1,024,200               | 818,519                    | 205,681                  |
| Total operating revenues                | <u>3,218,226</u>        | <u>3,218,226</u>        | <u>2,594,923</u>           | <u>623,303</u>           |
| <b>OPERATING EXPENSES</b>               |                         |                         |                            |                          |
| Wages and benefits                      | 2,235,688               | 2,235,688               | 1,788,304                  | 447,384                  |
| Services and supplies                   | 892,921                 | 902,212                 | 947,279                    | (45,067)                 |
| Insurance                               | 15,800                  | 15,800                  | 15,829                     | (29)                     |
| Utilities                               | 11,520                  | 11,520                  | 9,878                      | 1,642                    |
| Professional fees                       | -                       | 9,000                   | 525                        | 8,475                    |
| Depreciation                            | 12,600                  | 12,600                  | 10,541                     | 2,059                    |
| Total operating expenses                | <u>3,168,529</u>        | <u>3,186,820</u>        | <u>2,772,356</u>           | <u>414,464</u>           |
| Operating income                        | <u>49,697</u>           | <u>31,406</u>           | <u>(177,433)</u>           | <u>208,839</u>           |
| <b>NONOPERATING REVENUES (EXPENSES)</b> |                         |                         |                            |                          |
| Investment earnings (losses)            | -                       | -                       | (671)                      | 671                      |
| Total nonoperating revenues (expenses)  | <u>-</u>                | <u>-</u>                | <u>(671)</u>               | <u>671</u>               |
| Change in net position                  | <u>49,697</u>           | <u>31,406</u>           | <u>(178,104)</u>           | <u>209,510</u>           |
| Total net position, July 1              | <u>27,214</u>           | <u>27,214</u>           | <u>27,214</u>              | <u>-</u>                 |
| Total net position, June 30             | <u><u>\$ 76,911</u></u> | <u><u>\$ 58,620</u></u> | <u><u>\$ (150,890)</u></u> | <u><u>\$ 209,510</u></u> |

INCLINE VILLAGE  
GENERAL IMPROVEMENT DISTRICT

**STATISTICAL SECTION  
(UNAUDITED)**

## STATISTICAL SECTION (UNAUDITED)

The Statistical Section of the Incline Village General Improvement District Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information indicates about the District's overall financial health.

### CONTENTS

|                                                                                                        |    |
|--------------------------------------------------------------------------------------------------------|----|
| District-wide Net Position .....                                                                       | 61 |
| District-wide Changes in Net Position.....                                                             | 62 |
| Fund Balances of Governmental Funds .....                                                              | 63 |
| Changes in Fund Balances of Governmental Funds.....                                                    | 64 |
| Assessed and Estimated Actual Value of Taxable Property.....                                           | 65 |
| Direct and Overlapping Tax Districts .....                                                             | 66 |
| Principal Property Taxpayers.....                                                                      | 67 |
| Tax Levies, Collections and Delinquencies—Washoe County as a whole.....                                | 68 |
| Ratios of Outstanding Debt by Type .....                                                               | 69 |
| Outstanding Overlapping General Obligation Indebtedness .....                                          | 70 |
| Utility Fund Net Pledged Revenues .....                                                                | 71 |
| Community Services and Beach Fund Net Pledged Revenues.....                                            | 72 |
| Ratio of Annual Debt Service Expenditures to Governmental and Business Type Expenditures/Expenses..... | 73 |
| Statutory Debt Limitation.....                                                                         | 74 |
| Demographic Statistics.....                                                                            | 75 |
| Principal Employers.....                                                                               | 76 |
| Position and Full Time Equivalent Personnel Summary.....                                               | 77 |
| User Statistics.....                                                                                   | 78 |
| Budgeted Facility Fees per parcel.....                                                                 | 79 |
| Water and Sewer Single Family Base Rates .....                                                         | 80 |
| Water Sold by Customer Type .....                                                                      | 81 |

### Financial Trends

These schedules contain trend information to help understand how the District's financial performance and well-being have changed over time.

### Revenue Capacity

These schedules contain information to help assess the District's most significant local revenue source, the Facility Fee, property tax and local share of state-wide shared taxes.

### Debt Capacity

These schedules present information to help assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

### Demographic and Economic Information

These schedules offer demographic and economic indicators to help understand the environment within which the District's financial activities take place.

### Operating Information

These schedules contain service and infrastructure data to help understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

Source: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. Certain amounts in prior year statements have been reclassified for comparisons purposes to conform to current year presentations.

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

**District-wide Net Position, based on Statement of Net Position  
Last Ten Fiscal Years - (unaudited)**

|                                             | 2022           | 2021           | 2020           | 2019           | 2018           | 2017           | 2016           | 2015           | 2014           | 2013           |
|---------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Governmental Activities                     |                |                |                |                |                |                |                |                |                |                |
| Net invested in capital assets              | \$ 3,318,368   | \$ 58,015,190  | \$ 57,665,962  | \$ 56,147,092  | \$ 52,880,021  | \$ 50,729,901  | \$ 48,555,965  | \$ 3,634,557   | \$ 3,071,179   | \$ 3,071,955   |
| Restricted                                  | 763,479        | 142,727        | 142,135        | 136,993        | 183,037        | 180,564        | 178,426        | -              | -              | -              |
| Unrestricted                                | 3,982,089      | 24,788,140     | 21,457,789     | 19,371,388     | 18,130,708     | 16,887,487     | 13,973,745     | 1,501,287      | 1,391,021      | 886,667        |
| Total governmental activities net position  | \$ 8,063,936   | \$ 82,946,057  | \$ 79,265,886  | \$ 75,655,473  | \$ 71,193,766  | \$ 67,797,952  | \$ 62,708,136  | \$ 5,135,844   | \$ 4,462,200   | \$ 3,958,622   |
| Business-type activities                    |                |                |                |                |                |                |                |                |                |                |
| Net invested in capital assets              | \$ 115,267,216 | \$ 60,139,428  | \$ 63,202,365  | \$ 64,549,358  | \$ 64,377,397  | \$ 59,817,845  | \$ 57,974,014  | \$ 101,460,934 | \$ 98,127,357  | \$ 95,632,904  |
| Restricted                                  | 468,044        | 324,306        | 322,895        | 316,611        | 309,344        | 305,022        | 226,208        | 413,260        | 471,789        | 495,310        |
| Unrestricted                                | 40,527,272     | 16,521,859     | 15,172,503     | 12,442,309     | 9,971,293      | 12,536,210     | 12,026,276     | 18,842,492     | 18,829,347     | 17,744,975     |
| Total business-type activities net position | \$ 156,262,532 | \$ 76,985,593  | \$ 78,697,763  | \$ 77,308,278  | \$ 74,658,034  | \$ 72,659,077  | \$ 70,226,498  | \$ 120,716,686 | \$ 117,428,493 | \$ 113,873,189 |
| Primary government                          |                |                |                |                |                |                |                |                |                |                |
| Net invested in capital assets              | \$ 118,585,584 | \$ 118,154,618 | \$ 120,868,327 | \$ 120,696,450 | \$ 117,257,418 | \$ 110,547,746 | \$ 106,529,979 | \$ 105,095,491 | \$ 101,198,536 | \$ 98,704,859  |
| Restricted                                  | 1,231,523      | 467,033        | 465,030        | 453,604        | 492,381        | 485,586        | 404,634        | 413,260        | 471,789        | 495,310        |
| Unrestricted                                | 44,509,361     | 41,309,999     | 36,630,292     | 31,813,697     | 28,102,001     | 29,423,697     | 26,000,021     | 20,343,779     | 20,220,368     | 18,631,642     |
| Total primary government net position       | \$ 164,326,468 | \$ 159,931,650 | \$ 157,963,649 | \$ 152,963,751 | \$ 145,851,800 | \$ 140,457,029 | \$ 132,934,634 | \$ 125,852,530 | \$ 121,890,693 | \$ 117,831,811 |

Source: District Comprehensive Annual Financial Report Government-wide Statement of Net Position, restated to align classifications for all years to governmental activities. 2018 is restated for Prior Period Adjustment

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

**District-wide Changes in Net Position, based on Statement of Activities  
Last Ten Fiscal Years - (unaudited)**

|                                                           | 2022         | 2021         | 2020         | 2019         | 2018         | 2017         | 2016         | 2015         | 2014         | 2013         |
|-----------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Expenses</b>                                           |              |              |              |              |              |              |              |              |              |              |
| Governmental activities:                                  |              |              |              |              |              |              |              |              |              |              |
| General government                                        | \$ 3,320,511 | \$ 2,887,892 | \$ 4,098,969 | \$ 4,194,237 | \$ 3,828,917 | \$ 3,814,458 | \$ 3,672,661 | \$ 3,220,478 | \$ 3,189,596 | \$ 2,929,928 |
| Community Services                                        | -            | 19,012,462   | 19,567,351   | 20,310,745   | 18,947,246   | 18,599,633   | 17,237,889   | -            | -            | -            |
| Beach                                                     | -            | 2,151,734    | 2,010,175    | 2,141,695    | 1,848,969    | 1,802,103    | 1,689,472    | -            | -            | -            |
| Internal services                                         | -            | -            | -            | 3,306,507    | 3,053,400    | 2,947,302    | 2,972,060    | -            | -            | -            |
| Interest on long-term debt                                | -            | 18,671       | 29,643       | 35,017       | 97,083       | 160,366      | 205,263      | 201,882      | 252,324      | 371,938      |
| Total governmental activities expenses                    | 3,320,511    | 24,070,759   | 25,706,138   | 29,988,201   | 27,775,615   | 27,323,862   | 25,777,345   | 22,804,006   | 22,108,925   | 20,942,771   |
| Business-type activities:                                 |              |              |              |              |              |              |              |              |              |              |
| Utilities                                                 | 12,318,166   | 11,352,888   | 11,495,874   | 10,428,137   | 10,113,371   | 9,729,775    | 9,781,165    | 9,442,666    | 9,029,675    | 8,480,954    |
| Community Services                                        | 20,768,657   | -            | -            | -            | -            | -            | -            | 15,359,833   | 15,036,116   | 14,704,572   |
| Beach                                                     | 1,784,801    | -            | -            | -            | -            | -            | -            | 1,517,855    | 1,363,778    | 1,144,073    |
| Internal services                                         | 177,433      | -            | -            | -            | -            | -            | -            | 2,503,958    | 2,267,111    | 1,792,260    |
| Interest on long-term debt                                | 92,553       | 96,914       | -            | 126,351      | 140,463      | 154,186      | 167,530      | 180,505      | 193,123      | 186,608      |
| Total business-type activities expenses                   | 35,141,610   | 11,449,802   | 11,495,874   | 10,554,488   | 10,253,834   | 9,883,961    | 9,948,695    | 9,623,171    | 9,222,798    | 8,667,562    |
| Total primary government expenses                         | 38,462,121   | 35,520,561   | 37,202,012   | 40,542,689   | 38,029,449   | 37,207,823   | 35,726,040   | 32,427,177   | 31,331,723   | 29,610,333   |
| <b>Program Revenues</b>                                   |              |              |              |              |              |              |              |              |              |              |
| Governmental activities:                                  |              |              |              |              |              |              |              |              |              |              |
| Central Services Costs (& equivalent pre-2012)            | -            | -            | -            | 1,169,400    | 1,094,000    | 1,177,200    | 1,123,000    | 1,101,000    | 1,068,996    | 1,000,200    |
| Charges for services                                      |              |              |              |              |              |              |              |              |              |              |
| Community Services                                        | -            | 16,221,278   | 15,597,229   | 17,765,644   | 14,743,788   | 16,820,165   | 15,596,222   | -            | -            | -            |
| Beach                                                     | -            | 839,405      | 1,619,582    | 1,492,687    | 1,266,613    | 1,065,015    | 1,002,518    | -            | -            | -            |
| Operating and Capital Grants                              | 2,002        | 107,093      | 1,654,399    | -            | -            | -            | -            | -            | -            | -            |
| Internal Services                                         | -            | -            | -            | 3,304,862    | 3,190,849    | 3,114,747    | 2,935,521    | -            | -            | -            |
| Total governmental activities revenues                    | 2,002        | 17,167,776   | 18,871,210   | 23,732,593   | 20,295,250   | 22,177,127   | 20,657,261   | 15,136,523   | 15,016,085   | 14,926,150   |
| Business-type activities:                                 |              |              |              |              |              |              |              |              |              |              |
| Charges for services                                      |              |              |              |              |              |              |              |              |              |              |
| Utilities                                                 | 12,885,588   | 12,831,060   | 12,564,466   | 12,785,742   | 11,925,557   | 11,813,169   | 11,158,119   | 10,851,123   | 10,434,118   | 9,767,475    |
| Community Services                                        | 18,590,272   | -            | -            | -            | -            | -            | -            | 10,485,799   | 10,634,172   | 10,900,298   |
| Beach                                                     | 750,123      | -            | -            | -            | -            | -            | -            | 989,602      | 1,032,621    | 980,240      |
| Operating Grants and Contributions                        | 87,065       | 39,857       | -            | 1,440        | -            | -            | -            | -            | -            | -            |
| Internal Services                                         | -            | -            | -            | -            | -            | -            | -            | 2,560,122    | 2,280,296    | 2,045,412    |
| Total business-type activities revenue                    | 32,313,048   | 12,870,917   | 12,564,466   | 12,787,182   | 11,925,557   | 11,813,169   | 11,158,119   | 10,851,123   | 10,434,118   | 9,767,475    |
| Total primary government revenue                          | 32,315,050   | 30,038,693   | 31,435,676   | 36,519,775   | 32,220,807   | 33,990,296   | 31,815,380   | 25,987,646   | 25,450,203   | 24,693,625   |
| <b>Net (Expense)/Revenue</b>                              |              |              |              |              |              |              |              |              |              |              |
| Governmental activities                                   | (3,318,509)  | (6,902,983)  | (6,834,928)  | (6,255,608)  | (7,480,365)  | (5,146,735)  | (5,120,084)  | (21,703,006) | (21,039,929) | (19,942,571) |
| Business-type activities                                  | (2,828,562)  | 1,421,115    | 1,068,592    | 2,232,694    | 1,671,723    | 1,929,208    | 1,209,424    | 1,227,952    | 1,211,320    | 1,099,913    |
| Total primary government net (expense)/revenue            | (6,147,071)  | (5,481,868)  | (5,766,336)  | (4,022,914)  | (5,808,642)  | (3,217,527)  | (3,910,660)  | (6,439,531)  | (5,881,520)  | (4,916,708)  |
| <b>General Revenues and Other Changes in Net Position</b> |              |              |              |              |              |              |              |              |              |              |
| Governmental activities:                                  |              |              |              |              |              |              |              |              |              |              |
| Taxes                                                     |              |              |              |              |              |              |              |              |              |              |
| Property taxes                                            | 1,893,214    | 1,812,958    | 1,722,896    | 1,622,486    | 1,546,575    | 1,476,148    | 1,498,519    | 1,377,337    | 1,293,676    | 1,307,715    |
| Combined taxes                                            | 2,059,285    | 1,888,448    | 1,719,933    | 1,690,222    | 1,637,250    | 1,484,830    | 1,487,986    | 1,369,950    | 1,277,567    | 1,205,091    |
| Facility Fees - Community Services                        | -            | 2,684,931    | 5,774,067    | 5,787,078    | 5,799,206    | 5,973,914    | 5,995,248    | -            | -            | -            |
| Facility Fees- Beach                                      | -            | 3,852,710    | 966,817      | 969,332      | 972,316      | 775,337      | 777,574      | -            | -            | -            |
| Investment earnings                                       | (16,517)     | 73,594       | 587,208      | 563,685      | 175,122      | 83,842       | 150,795      | 124,306      | 103,106      | 88,116       |
| Miscellaneous                                             | 1,402        | 127,897      | 384,429      | 204,245      | 190,578      | 310,425      | 299,355      | 120,134      | 170,981      | 63,692       |
| Grants and contributions                                  | -            | -            | -            | 267          | 558,128      | 132,055      | 586,361      | 235,674      | (407)        | 1,137,270    |
| Transfers                                                 | (192,287)    | -            | (45,000)     | (120,000)    | -            | -            | -            | -            | -            | -            |
| Accounting Adjustments                                    | -            | -            | -            | -            | -            | -            | -            | -            | (146,589)    | -            |
| Total governmental activities other changes               | 3,745,097    | 10,440,538   | 11,110,350   | 10,717,315   | 10,879,175   | 10,236,551   | 10,795,838   | 10,024,166   | 9,503,614    | 10,539,370   |
| Business-type activities:                                 |              |              |              |              |              |              |              |              |              |              |
| Investment earnings                                       | (139,752)    | 33,681       | 298,225      | 282,484      | 77,280       | 60,132       | 154,162      | 81,996       | 61,007       | 55,666       |
| Facility Fees - Community Services                        | 830,977      | -            | -            | -            | -            | -            | -            | 6,018,616    | 6,024,564    | 5,962,384    |
| Facility Fees- Beach                                      | 5,259,704    | -            | -            | -            | -            | -            | -            | 778,149      | 780,716      | 775,102      |
| Gain (loss) on asset disposal                             | 433,274      | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Capital Grants and contributions                          | -            | -            | -            | -            | 199,934      | 425,509      | -            | 329,705      | 461,994      | 2,013,853    |
| Miscellaneous                                             | 179,542      | -            | (22,332)     | 15,066       | 50,020       | 17,730       | 42,764       | (34,499)     | (4,712)      | 17,856       |
| Transfers                                                 | 192,287      | -            | 45,000       | 120,000      | -            | -            | -            | -            | -            | -            |
| Accounting Adjustments                                    | -            | -            | -            | -            | -            | -            | -            | -            | (81,501)     | -            |
| Total business-type activities other changes              | 6,756,032    | 33,681       | 320,893      | 417,550      | 327,234      | 503,371      | 196,926      | 377,202      | 436,788      | 2,087,375    |
| <b>Change in Net Position</b>                             |              |              |              |              |              |              |              |              |              |              |
| Governmental activities                                   | 426,588      | 3,537,555    | 4,275,422    | 4,461,707    | 3,398,810    | 5,089,816    | 5,675,754    | 2,356,683    | 2,410,774    | 4,522,749    |
| Business-type activities                                  | 3,927,470    | 1,454,796    | 1,389,485    | 2,650,244    | 1,998,957    | 2,432,579    | 1,406,350    | 1,605,154    | 1,648,108    | 3,187,288    |
| Total primary government                                  | \$ 4,354,058 | \$ 4,992,351 | \$ 5,664,907 | \$ 7,111,951 | \$ 5,397,767 | \$ 7,522,395 | \$ 7,082,104 | \$ 3,961,837 | \$ 4,058,882 | \$ 7,710,037 |

Source: District Annual Comprehensive Financial Report Government-wide Statement of Activities, restated all years to align with the classifications of governmental activities. 2018 is restated for Prior Period Adjustment.



## INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

### Fund Balances of Governmental Funds Last Ten Fiscal Years (unaudited)

|                              | 2022                | 2021                 | 2020                 | 2019                 | 2018                 | 2017                 | 2016                | 2015                | 2014                | 2013                |
|------------------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|---------------------|---------------------|---------------------|
| <b>General Fund</b>          |                     |                      |                      |                      |                      |                      |                     |                     |                     |                     |
| Non-spendable                | \$ 2,394            | \$ 582,459           | \$ 159,611           | \$ 196,742           | \$ 224,707           | \$ 213,462           | \$ 268,005          | \$ 218,623          | \$ 237,021          | \$ 191,780          |
| Restricted                   | 845,103             | 1,359,736            | 1,359,737            | -                    | -                    | -                    | -                   | -                   | -                   | -                   |
| Committed                    | -                   | -                    | -                    | -                    | -                    | -                    | 400,000             | 400,000             | 400,000             | 400,000             |
| Unassigned                   | 4,833,798           | 3,788,365            | 3,110,801            | 3,568,844            | 3,098,079            | 1,648,787            | 1,151,988           | 882,664             | 754,000             | 294,887             |
| <b>Total General Fund</b>    | <b>\$ 5,681,295</b> | <b>\$ 5,730,560</b>  | <b>\$ 4,630,149</b>  | <b>\$ 3,765,586</b>  | <b>\$ 3,322,786</b>  | <b>\$ 1,862,249</b>  | <b>\$ 1,819,993</b> | <b>\$ 1,501,287</b> | <b>\$ 1,391,021</b> | <b>\$ 886,667</b>   |
| <br>                         |                     |                      |                      |                      |                      |                      |                     |                     |                     |                     |
| <b>Community Services</b>    |                     |                      |                      |                      |                      |                      |                     |                     |                     |                     |
| Special Revenue Fund         |                     |                      |                      |                      |                      |                      |                     |                     |                     |                     |
| Non-spendable                | \$ -                | \$ 617,076           | \$ 503,176           | \$ 936,311           | \$ 868,600           | \$ 878,949           | \$ 751,640          | \$ -                | \$ -                | \$ -                |
| Restricted                   | -                   | 141,727              | 141,135              | 135,993              | 78,157               | 77,136               | 76,674              | -                   | -                   | -                   |
| Committed                    | -                   | 15,207,996           | 14,636,603           | -                    | -                    | -                    | -                   | -                   | -                   | -                   |
| Assigned - operations        | -                   | -                    | -                    | 12,261,649           | 9,053,712            | 9,364,056            | 7,026,514           | -                   | -                   | -                   |
| Capital Projects - Committed | -                   | (105,443)            | -                    | -                    | 2,327,477            | 2,423,806            | 2,061,541           | -                   | -                   | -                   |
| Debt Service - Committed     | -                   | 29,576               | -                    | -                    | 51,553               | 27,394               | 2,111               | -                   | -                   | -                   |
| <b>Total Comm. Services</b>  | <b>\$ -</b>         | <b>\$ 15,890,932</b> | <b>\$ 15,280,914</b> | <b>\$ 13,333,953</b> | <b>\$ 12,379,499</b> | <b>\$ 12,771,341</b> | <b>\$ 9,918,480</b> | <b>\$ 5,357,755</b> | <b>\$ 6,023,946</b> | <b>\$ 6,067,618</b> |
| <br>                         |                     |                      |                      |                      |                      |                      |                     |                     |                     |                     |
| <b>Beach</b>                 |                     |                      |                      |                      |                      |                      |                     |                     |                     |                     |
| Special Revenue Fund         |                     |                      |                      |                      |                      |                      |                     |                     |                     |                     |
| Non-spendable                | \$ -                | \$ -                 | \$ -                 | \$ 34,532            | \$ 47,075            | \$ 30,328            | \$ 19,614           | \$ -                | \$ -                | \$ -                |
| Restricted                   | -                   | 1,000                | 1,000                | 1,000                | 1,000                | 1,000                | -                   | -                   | -                   | -                   |
| Committed                    | -                   | 2,379,224            | 2,590,632            | -                    | -                    | -                    | -                   | -                   | -                   | -                   |
| Assigned - operations        | -                   | -                    | -                    | 1,774,846            | 1,330,016            | 1,038,909            | 1,040,136           | -                   | -                   | -                   |
| Capital Projects - Committed | -                   | 1,950,811            | -                    | -                    | 85,740               | 5,155                | 20,379              | -                   | -                   | -                   |
| Debt Service - Committed     | -                   | 1,450                | -                    | -                    | 4,606                | 3,104                | 1,572               | -                   | -                   | -                   |
| <b>Total Beach</b>           | <b>\$ -</b>         | <b>\$ 4,332,485</b>  | <b>\$ 2,591,632</b>  | <b>\$ 1,810,378</b>  | <b>\$ 1,468,437</b>  | <b>\$ 1,078,496</b>  | <b>\$ 1,081,701</b> | <b>\$ 1,107,786</b> | <b>\$ 1,672,205</b> | <b>\$ 1,531,639</b> |

Board of Trustee action to create the Special Revenue, Capital Project and Debt Service Funds was effective July 1, 2016, and thus start the separate commitments and assignments.

2018 is restated for Prior Period Adjustment.

## INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

### Changes in Fund Balances of Governmental Funds Last Ten Fiscal Years ended June 30 (unaudited)

|                                       | 2022              | 2021                | 2020                | 2019                | 2018                | 2017                | 2016                | 2015              | 2014              | 2013               |
|---------------------------------------|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------|-------------------|--------------------|
| <b>Revenues</b>                       |                   |                     |                     |                     |                     |                     |                     |                   |                   |                    |
| Taxes                                 | \$ 3,952,499      | \$ 3,701,406        | \$ 3,478,074        | \$ 3,323,633        | \$ 3,174,544        | \$ 2,960,847        | \$ 2,984,992        | \$ 2,747,287      | \$ 2,571,243      | \$ 2,462,439       |
| Charges for Services                  | -                 | 17,062,123          | 17,105,010          | 19,241,331          | 15,993,401          | 17,886,620          | 16,598,740          | -                 | -                 | -                  |
| Facility Fees                         | -                 | 6,537,641           | 6,740,884           | 6,797,896           | 6,737,396           | 6,754,489           | 6,760,224           | -                 | -                 | -                  |
| Central Services Charges              | -                 | -                   | -                   | 1,169,400           | 1,094,000           | 1,177,200           | 1,123,000           | 1,101,000         | 1,068,996         | 1,000,200          |
| Operating and Capital Grants          | 2,000             | 105,505             | 1,654,399           | 17,000              | 17,000              | 17,000              | 19,880              | -                 | -                 | -                  |
| Investment Earnings                   | (16,517)          | 73,595              | 587,208             | 563,325             | 161,551             | 81,366              | 115,690             | 43,295            | 43,959            | 14,400             |
| Miscellaneous                         | 1,404             | 128,060             | 193,552             | 114,779             | 111,495             | 198,729             | 516,763             | 2,540             | 2,990             | 1,600              |
| Total Revenues                        | <u>3,939,386</u>  | <u>27,608,330</u>   | <u>29,759,127</u>   | <u>31,227,364</u>   | <u>27,289,387</u>   | <u>29,076,251</u>   | <u>28,119,289</u>   | <u>3,894,122</u>  | <u>3,687,188</u>  | <u>3,478,639</u>   |
| <b>Expenditures</b>                   |                   |                     |                     |                     |                     |                     |                     |                   |                   |                    |
| <b>General Government:</b>            |                   |                     |                     |                     |                     |                     |                     |                   |                   |                    |
| General Fund - current                | 3,192,181         | 2,556,921           | 2,432,435           | 3,933,149           | 3,586,203           | 3,603,667           | 3,510,247           | 3,139,473         | 3,111,518         | 3,434,999          |
| Capital Outlay                        | 98,550            | 365,878             | 279,424             | 121,257             | 113,813             | 148,435             | 79,331              | 644,383           | 84,849            | 75,500             |
| <b>Recreation:</b>                    |                   |                     |                     |                     |                     |                     |                     |                   |                   |                    |
| Community Services - current          | -                 | 15,289,187          | 16,546,104          | 17,288,580          | 16,137,428          | 15,919,959          | 14,853,575          | -                 | -                 | -                  |
| Community Services - Capital Projects | -                 | 2,907,254           | 5,059,031           | 6,043,500           | 3,905,926           | 3,633,210           | 2,344,198           | -                 | -                 | -                  |
| Community Services - Debt Service     | -                 | 383,172             | 384,354             | 381,401             | 1,285,340           | 1,284,257           | 1,283,074           | -                 | -                 | -                  |
| Beach - current                       | -                 | 1,700,422           | 1,758,394           | 1,906,516           | 1,619,746           | 1,587,259           | 1,493,554           | -                 | -                 | -                  |
| Beach - Capital Projects              | -                 | 1,245,205           | 82,009              | 284,298             | 221,248             | 256,161             | 319,152             | -                 | -                 | -                  |
| Beach - Debt Service                  | -                 | 6,270               | 6,289               | 6,241               | 6,237               | 6,215               | 6,189               | -                 | -                 | -                  |
| Total Expenditures                    | <u>3,290,731</u>  | <u>24,454,309</u>   | <u>26,548,040</u>   | <u>29,964,942</u>   | <u>26,875,941</u>   | <u>26,439,163</u>   | <u>23,889,320</u>   | <u>3,783,856</u>  | <u>3,196,367</u>  | <u>3,510,499</u>   |
| <b>Other Financing Sources (Uses)</b> |                   |                     |                     |                     |                     |                     |                     |                   |                   |                    |
| Transfers In                          | -                 | 537,835             | -                   | 474,356             | 800,000             | -                   | -                   | -                 | -                 | -                  |
| Transfer (Out)                        | (192,287)         | (537,835)           | (45,000)            | (120,000)           | -                   | -                   | -                   | -                 | -                 | -                  |
| Sale of assets                        | -                 | 53,750              | 44,639              | 40,159              | 88,415              | 141,216             | 37,016              | -                 | 13,536            | -                  |
| Insurance Proceeds                    | -                 | -                   | 243,548             | 50,300              | -                   | -                   | -                   | -                 | -                 | -                  |
| Capital Grants                        | -                 | -                   | -                   | 31,958              | 156,775             | 113,615             | 586,361             | -                 | -                 | -                  |
| Washoe Co Tax Refund                  | -                 | -                   | -                   | -                   | -                   | -                   | -                   | -                 | -                 | -                  |
| Total Other Sources (Uses)            | <u>(192,287)</u>  | <u>53,750</u>       | <u>243,187</u>      | <u>476,773</u>      | <u>1,045,190</u>    | <u>254,831</u>      | <u>623,377</u>      | <u>-</u>          | <u>13,536</u>     | <u>-</u>           |
| <b>Net Changes in Fund Balance</b>    | <u>\$ 456,368</u> | <u>\$ 3,207,771</u> | <u>\$ 3,454,274</u> | <u>\$ 1,739,195</u> | <u>\$ 1,458,636</u> | <u>\$ 2,891,919</u> | <u>\$ 4,853,346</u> | <u>\$ 110,266</u> | <u>\$ 504,357</u> | <u>\$ (31,860)</u> |

2018 is restated for Prior Period Adjustment.

## INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

### Assessed and Estimated Actual Value of Taxable Real Property Last Ten Fiscal Years (unaudited)

| Fiscal<br>Year Ended | Taxable<br>Real Property<br>Assessed<br>Value | Direct<br>Tax<br>Rate | Estimated<br>Actual Value | Ratio Of Total<br>Assessed Value<br>To Total Estimated<br>Actual Value |
|----------------------|-----------------------------------------------|-----------------------|---------------------------|------------------------------------------------------------------------|
| 2022                 | \$ 1,902,632,649                              | 0.1328                | \$ 5,436,093,283          | 35%                                                                    |
| 2021                 | 1,817,882,343                                 | 0.1311                | 5,193,949,551             | 35%                                                                    |
| 2020                 | 1,717,224,973                                 | 0.1267                | 4,906,357,066             | 35%                                                                    |
| 2019                 | 1,666,387,475                                 | 0.1224                | 4,761,107,071             | 35%                                                                    |
| 2018                 | 1,623,315,601                                 | 0.1182                | 4,638,044,574             | 35%                                                                    |
| 2017                 | 1,532,912,733                                 | 0.1183                | 4,379,750,666             | 35%                                                                    |
| 2016                 | 1,484,624,556                                 | 0.1269                | 4,241,784,446             | 35%                                                                    |
| 2015                 | 1,456,574,018                                 | 0.1157                | 4,161,640,051             | 35%                                                                    |
| 2014                 | 1,392,531,036                                 | 0.1105                | 3,978,660,103             | 35%                                                                    |
| 2013                 | 1,374,297,099                                 | 0.1153                | 3,926,563,140             | 35%                                                                    |

SOURCE: State of Nevada Department of Taxation

## INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

### Direct and Overlapping Tax Districts

Last Ten Fiscal Years Ended June 30 (unaudited)

|                                         | 2022      | 2021      | 2020      | 2019      | 2018      | 2017      | 2016      | 2015      | 2014      | 2013      |
|-----------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Incline Village GID-Direct              | \$ 0.1328 | \$ 0.1311 | \$ 0.1267 | \$ 0.1224 | \$ 0.1182 | \$ 0.1183 | \$ 0.1269 | \$ 0.1157 | \$ 0.1105 | \$ 0.1153 |
| Overlapping-                            |           |           |           |           |           |           |           |           |           |           |
| Washoe County                           | 1.3917    | 1.3917    | 1.3917    | 1.3917    | 1.3917    | 1.3917    | 1.3917    | 1.3917    | 1.3917    | 1.3917    |
| Washoe County School District           | 1.1385    | 1.1385    | 1.1385    | 1.1385    | 1.1385    | 1.1385    | 1.1385    | 1.1385    | 1.1385    | 1.1385    |
| North Lake Tahoe Fire District          | 0.6480    | 0.6480    | 0.6291    | 0.6291    | 0.6291    | 0.6291    | 0.6291    | 0.6291    | 0.6291    | 0.6414    |
| State of Nevada                         | 0.1700    | 0.1700    | 0.1700    | 0.1700    | 0.1700    | 0.1700    | 0.1700    | 0.1700    | 0.1700    | 0.1700    |
| Total Rate Per \$100 assessed valuation | \$ 3.4810 | \$ 3.4793 | \$ 3.4560 | \$ 3.4517 | \$ 3.4475 | \$ 3.4476 | \$ 3.4562 | \$ 3.4450 | \$ 3.4398 | \$ 3.4569 |

SOURCE: Nevada Dept. of Taxation - Total Property Tax Rates by Taxing Unit

## INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

### Principal Property Taxpayers

Current Fiscal Year and Nine Years Ago (unaudited)

| Taxpayer                        | Type of Entity       | Number<br>of Parcels | 2022<br>Assessed Value  | % of Total<br>Assessed Value | 2013<br>Assessed Value  | % of Total<br>Assessed Value | Rank |
|---------------------------------|----------------------|----------------------|-------------------------|------------------------------|-------------------------|------------------------------|------|
| <b>Top Ten (Current Year):</b>  |                      |                      |                         |                              |                         |                              |      |
| Incline Hotel LLC               | Hotel/Casino         | 2                    | \$ 34,461,553           | 1.90%                        | \$ 23,094,779           | 1.66%                        | 1    |
| Cascade Beach LLC               | Residential Property | 2                    | 14,739,005              | 0.81%                        |                         |                              |      |
| Tahoe Estates LLC               | Residential Property | 2                    | 14,586,120              | 0.80%                        | 9,603,818               | 0.69%                        | 4    |
| Nevada Pacific Development Corp | Residential Property | 48                   | 12,045,982              | 0.66%                        | 21,171,008              | 1.52%                        | 2    |
| 1145 Lakeshore Boulevard        | Residential Property | 1                    | 11,861,946              | 0.65%                        | 7,935,864               | 0.57%                        | 6    |
| Ponderosa Ranch LLC             | Residential Property | 21                   | 10,297,224              | 0.57%                        | 10,772,927              | 0.77%                        | 3    |
| Lakeshore Trust                 | Residential Property | 1                    | 9,970,356               | 0.55%                        | 7,785,886               | 0.56%                        | 8    |
| SF Pacific LLC                  | Residential Property | 1                    | 9,481,774               | 0.52%                        | 7,815,348               | 0.56%                        | 7    |
| HTS Ground Lake Tahoe INC       | Residential Property | 60                   | 8,118,269               | 0.45%                        |                         |                              |      |
| KWS Nevada Residential LLC      | Residential Property | 3                    | 7,712,579               | 0.42%                        | 5,606,859               | 0.40%                        | 10   |
| <b>In Prior Top Ten:</b>        |                      |                      |                         |                              |                         |                              |      |
| Duffield Trust, David A         | Residential Property | 11                   |                         |                              | 8,073,548               | 0.58%                        | 5    |
| O'Neal Family Trust             | Residential Property | 1                    |                         |                              | 5,785,628               | 0.42%                        | 9    |
|                                 |                      |                      | <u>\$ 133,274,808</u>   | <u>7.33%</u>                 | <u>\$ 107,645,665</u>   | <u>7.73%</u>                 |      |
| Total IVGID Community           |                      |                      | <u>\$ 1,817,882,343</u> | <u>100.00%</u>               | <u>\$ 1,392,531,036</u> | <u>100.00%</u>               |      |

SOURCE: Washoe County Assessors Office

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

**Tax Levies, Collections and Delinquencies - Washoe County as a Whole (In Thousands)  
Last Ten Fiscal Years (unaudited)**

| <b>Fiscal Year<br/>Ending<br/>June 30,</b> | <b>Net<br/>Levy Roll</b> | <b>Current<br/>Tax<br/>Collected</b> | <b>Percent of<br/>Levy<br/>Collected</b> | <b>Delinquent<br/>Tax<br/>Collected</b> | <b>Total<br/>Cumulative<br/>Taxes<br/>Collected</b> | <b>Total Taxes<br/>Collected<br/>as a % of<br/>Net Levy<br/>Roll</b> |
|--------------------------------------------|--------------------------|--------------------------------------|------------------------------------------|-----------------------------------------|-----------------------------------------------------|----------------------------------------------------------------------|
| 2022                                       | \$ 608,399               | \$ 606,530                           | 99.69%                                   | \$ 1,870                                | \$ 606,530                                          | 99.69%                                                               |
| 2021                                       | 572,652                  | 570,187                              | 99.57%                                   | 3,057                                   | 567,124                                             | 99.03%                                                               |
| 2020                                       | 535,123                  | 532,811                              | 99.57%                                   | 2,312                                   | 535,123                                             | 100.00%                                                              |
| 2019                                       | 500,623                  | 498,311                              | 99.55%                                   | 1,817                                   | 500,128                                             | 99.90%                                                               |
| 2018                                       | 473,365                  | 471,229                              | 99.55%                                   | 1,745                                   | 472,974                                             | 99.92%                                                               |
| 2017                                       | 452,327                  | 449,930                              | 99.47%                                   | 2,295                                   | 452,225                                             | 99.98%                                                               |
| 2016                                       | 440,185                  | 438,074                              | 99.52%                                   | 2,093                                   | 440,167                                             | 100.00%                                                              |
| 2015                                       | 424,115                  | 421,125                              | 99.30%                                   | 2,983                                   | 424,108                                             | 100.00%                                                              |
| 2014                                       | 411,260                  | 407,469                              | 99.08%                                   | 3,787                                   | 411,256                                             | 100.00%                                                              |
| 2013                                       | 411,058                  | 405,977                              | 98.76%                                   | 5,075                                   | 411,052                                             | 100.00%                                                              |

SOURCE: Washoe County Comptroller's Office

## INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

### Ratios of Outstanding Debt by Type Last Ten Fiscal Years (unaudited)

| Fiscal<br>Year Ended | <u>Governmental-Type Activities:</u> |                               |            | <u>Business-Type Activities:</u> |                       |              | Gross<br>Bonded<br>Debt | Percentage<br>Payable by<br>Property<br>Taxes | Percentage<br>Payable by<br>Pledged<br>Revenues | Population | Debt<br>Per Capita |
|----------------------|--------------------------------------|-------------------------------|------------|----------------------------------|-----------------------|--------------|-------------------------|-----------------------------------------------|-------------------------------------------------|------------|--------------------|
|                      | G. O. &<br>Revenue<br>Pledged        | General<br>Obligation<br>Only | Total      | Revenue<br>Pledged               | General<br>Obligation | Total        |                         |                                               |                                                 |            |                    |
| 2022                 | \$ 391,000                           | \$ -                          | \$ 391,000 | \$ 499,949                       | \$ 2,492,442          | \$ 2,992,391 | \$ 3,383,391            | 0%                                            | 100%                                            | 9462       | \$ 358             |
| 2021                 | 769,000                              | -                             | 769,000    | 721,499                          | 2,824,734             | 3,546,233    | 4,315,233               | 0%                                            | 100%                                            | 9462       | 456                |
| 2020                 | 1,137,000                            | -                             | 1,137,000  | 936,301                          | 3,148,637             | 4,084,938    | 5,221,938               | 0%                                            | 100%                                            | 9087       | 575                |
| 2019                 | 1,498,000                            | -                             | 1,498,000  | 1,144,565                        | 3,464,361             | 4,608,926    | 6,106,926               | 0%                                            | 100%                                            | 9087       | 672                |
| 2018                 | 1,848,000                            | -                             | 1,848,000  | 1,346,488                        | 3,772,116             | 5,118,604    | 6,966,604               | 0%                                            | 100%                                            | 9087       | 767                |
| 2017                 | 2,190,000                            | 845,000                       | 3,035,000  | 1,542,263                        | 4,072,102             | 5,614,365    | 8,649,365               | 0%                                            | 100%                                            | 9087       | 952                |
| 2016                 | 2,523,000                            | 1,635,000                     | 4,158,000  | 1,732,078                        | 4,364,517             | 6,096,595    | 10,254,595              | 0%                                            | 100%                                            | 9087       | 1,128              |
| 2015                 | 2,847,000                            | 2,395,000                     | 5,242,000  | 1,916,115                        | 4,649,552             | 6,565,667    | 11,807,667              | 0%                                            | 100%                                            | 9087       | 1,299              |
| 2014                 | 3,901,000                            | 3,125,000                     | 7,026,000  | 2,094,548                        | 4,927,395             | 7,021,943    | 14,047,943              | 0%                                            | 100%                                            | 9087       | 1,546              |
| 2013                 | 4,925,000                            | 3,825,000                     | 8,750,000  | 2,267,548                        | 5,198,228             | 7,465,776    | 16,215,776              | 0%                                            | 100%                                            | 9087       | 1,785              |

SOURCE: Incline Village General Improvement District Annual Indebtedness/Debt Management Reports/Restated for change in classification of the Community Services and Beach activities from Business-type to Governmental Type as of July 1, 2015.

Note: All outstanding bonds carry a revenue pledge, some also carry a secondary General Obligation pledge.  
However, no tax levy is made to fund debt service because net revenues are sufficient to meet these obligations.

## INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

### Outstanding Overlapping General Obligation Indebtedness Last ten fiscal years (unaudited)

|                               | General<br>Obligation<br>Indebtedness | Presently<br>Self-Supported<br>General<br>Obligation<br>Indebtedness | Percent<br>Applicable *<br>Incline Village | As of<br>June 30, 2022<br>Applicable<br>Net Debt |
|-------------------------------|---------------------------------------|----------------------------------------------------------------------|--------------------------------------------|--------------------------------------------------|
| Washoe County                 | \$ 108,860,000                        | \$ 32,568,000                                                        | 9.397%                                     | \$ 76,292,000                                    |
| Washoe County School District | 1,121,165,000                         | -                                                                    | 9.397%                                     | 1,121,165,000                                    |
| State of Nevada               | 1,258,860,000                         | 267,040,000                                                          | 1.301%                                     | 139,747,000                                      |
| <b>Total</b>                  | <b>2,488,885,000</b>                  | <b>299,608,000</b>                                                   |                                            | <b>1,337,204,000</b>                             |
| Incline Village GID           | 3,383,113                             | 3,383,113                                                            |                                            | -                                                |
| <b>Total</b>                  | <b>\$ 2,492,268,113</b>               | <b>\$ 302,991,113</b>                                                |                                            | <b>\$ 1,337,204,000</b>                          |

Applicable Net Debt June 30:

|      |                  |
|------|------------------|
| 2022 | \$ 1,337,204,000 |
| 2021 | 125,420,208      |
| 2020 | 123,510,730      |
| 2019 | 95,146,841       |
| 2018 | 99,064,878       |
| 2017 | 77,387,251       |
| 2016 | 73,677,678       |
| 2015 | 79,052,199       |
| 2014 | 92,762,454       |
| 2013 | 96,542,090       |

\*Percentage Applicable based on Assessed Valuation as reported by the Nevada Department of Taxation

SOURCE: Washoe County Comptrollers Office and Nevada Department of Taxation

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the Incline Village General Improvement District. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.



## INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

### Utility Fund Net Pledged Revenues

#### Last Ten Fiscal Years (unaudited)

| Fiscal<br>Year | Utility<br>Service<br>Charges | Less:<br>Operating<br>Expenses | Other<br>Revenues<br>(Expenses) | Net<br>Available<br>Revenue | Debt<br>Service | Debt<br>Service<br>Coverage |
|----------------|-------------------------------|--------------------------------|---------------------------------|-----------------------------|-----------------|-----------------------------|
| 2022           | \$ 13,030,110                 | \$ 9,964,442                   | \$ (129,253)                    | \$ 2,936,415                | \$ 643,134      | 4.57                        |
| 2021           | 12,870,917                    | 7,934,928                      | (119,698)                       | 4,816,291                   | 643,132         | 7.49                        |
| 2020           | 12,564,466                    | 8,016,675                      | 275,893                         | 4,823,684                   | 643,135         | 7.50                        |
| 2019           | 12,785,742                    | 7,274,328                      | 297,550                         | 5,808,964                   | 643,134         | 9.03                        |
| 2018           | 11,925,557                    | 7,139,740                      | 127,300                         | 4,913,117                   | 643,135         | 7.64                        |
| 2017           | 11,813,170                    | 6,783,853                      | 78,554                          | 5,107,871                   | 643,133         | 7.94                        |
| 2016           | 11,158,119                    | 6,804,140                      | 149,326                         | 4,503,305                   | 636,808         | 7.07                        |
| 2015           | 10,851,123                    | 6,549,802                      | 20,591                          | 4,321,912                   | 636,781         | 6.79                        |
| 2014           | 10,434,118                    | 6,270,919                      | 56,295                          | 4,219,494                   | 636,956         | 6.62                        |
| 2013           | 9,767,475                     | 5,867,114                      | 73,522                          | 3,973,883                   | 965,108         | 4.12                        |

Notes- Details regarding the District's outstanding debt can be found in the notes to the financial statements. Expenses do not include interest, depreciation or amortization.

Debt service represents all outstanding debt of the Utility departments.

## INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

### Community Services and Beach Fund Net Pledged Revenues Last Ten Fiscal Years (unaudited)

| Fiscal<br>Year | Operating<br>Revenues | Less:<br>Operating<br>Expenses | Other<br>Revenues<br>(Expenses) | Net<br>Available<br>Revenue | Debt<br>Service | Debt<br>Service<br>Coverage |
|----------------|-----------------------|--------------------------------|---------------------------------|-----------------------------|-----------------|-----------------------------|
| 2022           | \$ 19,588,062         | \$ 17,956,523                  | \$ 575,857                      | \$ 2,207,396                | \$ 391,050      | 5.64                        |
| 2021           | 19,618,840            | 16,989,636                     | (537,835)                       | 2,091,369                   | 391,050         | 5.35                        |
| 2020           | 24,245,304            | 18,304,498                     | 288,187                         | 6,228,993                   | 390,643         | 15.95                       |
| 2019           | 26,024,657            | 19,195,096                     | 112,777                         | 6,942,338                   | 387,642         | 17.91                       |
| 2018           | 22,730,797            | 17,757,174                     | 71,591                          | 5,045,214                   | 1,291,577       | 3.91                        |
| 2017           | 24,617,436            | 17,507,218                     | 29,686                          | 7,139,904                   | 1,290,472       | 5.53                        |
| 2016           | 20,666,327            | 16,347,129                     | 69,701                          | 4,388,899                   | 1,289,263       | 3.40                        |
| 2015           | 18,272,166            | 14,392,676                     | 173,933                         | 4,053,423                   | 2,028,342       | 2.00                        |
| 2014           | 18,472,073            | 14,002,615                     | 196,763                         | 4,666,221                   | 2,025,584       | 2.30                        |
| 2013           | 18,618,024            | 13,485,112                     | 90,791                          | 5,223,703                   | 2,353,561       | 2.22                        |

Debt service represents all outstanding debt of the Community Service and Beach Funds, because proceeds from some issues were used by both funds.

## INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

**Ratio of Annual Debt Service Expenditures  
To Governmental and Business Type Expenditures/Expenses  
For the last 10 Years (unaudited)**

| Year | Governmental<br>Type<br>Debt<br>Service<br>Expenditures | Business<br>Type<br>Debt<br>Service<br>Expenditures | Total<br>District<br>Debt<br>Service<br>Expenditures | Total<br>Governmental<br>Type<br>Expenditures | Total<br>Business<br>Type<br>Expenses | Ratio<br>Debt<br>Service to<br>Governmental<br>Type<br>Expenditures | Ratio<br>Debt<br>Service to<br>Business<br>Type<br>Expenses |
|------|---------------------------------------------------------|-----------------------------------------------------|------------------------------------------------------|-----------------------------------------------|---------------------------------------|---------------------------------------------------------------------|-------------------------------------------------------------|
| 2022 | \$ -                                                    | \$ 1,034,184                                        | 1,034,184                                            | \$ 3,192,181                                  | \$ 27,920,965                         | 0.00%                                                               | 3.70%                                                       |
| 2021 | 391,050                                                 | 643,132                                             | 1,034,182                                            | 24,054,816                                    | 11,387,762                            | 1.63%                                                               | 5.65%                                                       |
| 2020 | 390,643                                                 | 643,135                                             | 1,033,778                                            | 25,706,138                                    | 11,495,874                            | 1.52%                                                               | 5.59%                                                       |
| 2019 | 387,642                                                 | 643,134                                             | 1,030,776                                            | 28,795,542                                    | 10,554,488                            | 1.35%                                                               | 6.09%                                                       |
| 2018 | 1,291,577                                               | 643,135                                             | 1,934,712                                            | 25,781,941                                    | 10,113,371                            | 5.01%                                                               | 6.36%                                                       |
| 2017 | 1,290,472                                               | 643,135                                             | 1,933,607                                            | 25,261,963                                    | 9,729,775                             | 5.11%                                                               | 6.61%                                                       |
| 2016 | 1,289,263                                               | 636,808                                             | 1,926,071                                            | 24,654,345                                    | 9,901,095                             | 5.23%                                                               | 6.43%                                                       |
| 2015 | 2,028,342                                               | 636,781                                             | 2,665,123                                            | 23,737,353                                    | 9,442,666                             | 8.54%                                                               | 6.74%                                                       |
| 2014 | 2,025,584                                               | 636,956                                             | 2,662,540                                            | 21,583,120                                    | 9,029,675                             | 9.39%                                                               | 7.05%                                                       |
| 2013 | 2,353,561                                               | 965,108                                             | 3,318,669                                            | 21,455,696                                    | 8,480,954                             | 10.97%                                                              | 11.38%                                                      |

SOURCE: Incline Village General Improvement District Comprehensive Annual Financial Reports

## INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

### Statutory Debt Limitation Last Ten Fiscal Years (unaudited)

| Fiscal Year<br>Ending<br>June 30, | Assessed<br>Valuation | Debt Limit     | Outstanding and<br>Proposed General<br>Obligation Debt | Additional<br>Statutory Debt<br>Capacity |
|-----------------------------------|-----------------------|----------------|--------------------------------------------------------|------------------------------------------|
| 2022                              | \$ 1,902,632,649      | \$ 951,316,325 | \$ 3,383,391                                           | 947,932,934                              |
| 2021                              | 1,817,882,343         | 908,941,172    | 4,315,233                                              | 904,625,939                              |
| 2020                              | 1,717,224,973         | 858,612,000    | 5,221,938                                              | 853,390,062                              |
| 2019                              | 1,666,387,475         | 833,193,738    | 6,106,926                                              | 827,086,812                              |
| 2018                              | 1,623,315,601         | 811,657,801    | 6,966,604                                              | 804,691,197                              |
| 2017                              | 1,532,912,733         | 766,456,367    | 8,649,365                                              | 757,807,002                              |
| 2016                              | 1,484,624,556         | 742,312,278    | 10,254,595                                             | 732,057,683                              |
| 2015                              | 1,456,574,018         | 728,287,009    | 11,807,667                                             | 716,479,342                              |
| 2014                              | 1,392,531,036         | 696,265,518    | 14,047,943                                             | 682,217,575                              |
| 2013                              | 1,374,297,099         | 687,148,550    | 16,215,766                                             | 670,932,784                              |

SOURCE: State of Nevada Department of Taxation

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

**Demographic Statistics**

| <u>Year</u> | <u>Population</u> | <u>Median Age</u> | <u>County Personal Income</u> | <u>Housing Units</u> | <u>Occupied Housing Units</u> | <u>Housing Seasonal Use</u> | <u>Reno-Sparks Unemployment Rate <sup>2</sup></u> |
|-------------|-------------------|-------------------|-------------------------------|----------------------|-------------------------------|-----------------------------|---------------------------------------------------|
| 2022        | 9462              |                   |                               |                      |                               |                             | 3.3%                                              |
| 2021        | 9462              |                   |                               |                      |                               |                             | 4.9%                                              |
| 2020        | 9087              |                   |                               |                      |                               |                             | 8.7%                                              |
| 2019        | 9087              |                   |                               |                      |                               |                             | 4.0%                                              |
| 2018        | 9087              |                   |                               |                      |                               |                             | 3.5%                                              |
| 2017        | 9087              |                   |                               |                      |                               |                             | 4.0%                                              |
| 2016        | 9087              |                   |                               |                      |                               |                             | 5.9%                                              |
| 2015        | 9087              |                   |                               |                      |                               |                             | 6.4%                                              |
| 2014        | 9087              |                   |                               |                      |                               |                             | 7.3%                                              |
| 2013        | 9087              |                   |                               |                      |                               |                             | 9.8%                                              |

1 Based on actual Census Data

2 Best available unemployment data, a rate is not determined for our immediate area.

## INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

### Principal Employers - Incline Village and Crystal Bay Current Fiscal Year and Nine Years Ago (unaudited)

| Employer                                       | 2022 | 2013 |
|------------------------------------------------|------|------|
| HYATT LAKE TAHOE RESORT                        | 1    | 1    |
| INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT   | 2    | 2    |
| TAHOE BILTMORE                                 | 3    | 8    |
| RALEY'S                                        | 4    | 9    |
| UNIVERSITY OF NEVADA, RENO AT LAKE TAHOE       | 5    | 3    |
| GRAND LODGE CASINO AT HYATT (and predecessors) | 6    | 5    |
| NORTH LAKE TAHOE FIRE PROTECTION DISTRICT      | 7    |      |
| TAHOE FOREST HOSPITAL HEALTH                   | 8    | 10   |
| WASHOE COUNTY SCHOOL DISTRICT                  | 9    |      |
| ASSOCIATED SIERRA NORTH                        | 10   |      |
| BOC-NEVADA, INC                                |      | 4    |
| CRYSTAL BAY CLUB CASINO                        |      | 6    |
| EXCEL TOTAL SERVICES, INC                      |      | 7    |

SOURCE: Nevada Department of Employment, Training and Rehabilitation (DETR)

DETR indicates the methodology for determining rankings has changed year on year.

Data for all years is not available.

Data for percentage to total employment is not available.

# INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

## Position and Full Time Equivalent Personnel Summary Community Services and All Other Activities For the last Ten Years (unaudited)

| Budget year ending June 30 |                              | 2022                              | 2021         | 2020         | 2019         | 2018         | 2017         | 2016         | 2015         | 2014         | 2013         |
|----------------------------|------------------------------|-----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Golf                       | Seasonal/Part Time Positions | 110.3                             | 114.0        | 123.0        | 122.8        | 113.8        | 117.9        | 105.2        | 107.2        | 97.5         | 103.5        |
|                            | Season/Part Time FTE         | 34.8                              | 40.8         | 40.6         | 41.2         | 38.4         | 38.4         | 35.0         | 37.0         | 35.3         | 36.8         |
|                            | Full Time FTE                | 8.0                               | 8.0          | 7.0          | 11.4         | 11.6         | 11.0         | 7.9          | 7.2          | 6.7          | 6.8          |
|                            | Total FTE                    | 42.8                              | 48.8         | 47.6         | 52.6         | 50.0         | 49.4         | 42.9         | 44.2         | 42.0         | 43.6         |
| Facilities                 | Seasonal/Part Time Positions | 0.0                               | 0.0          | 0.3          | 0.3          | 0.3          | 0.3          | 1.7          | 1.7          | 16.5         | 2            |
|                            | Season/Part Time FTE         | 0.0                               | 0.0          | 0.5          | 0.2          | 0.1          | 0.1          | 1.2          | 1.2          | 3.6          | 1.0          |
|                            | Full Time FTE                | 4.0                               | 1.4          | 2.0          | 1.2          | 1.3          | 1.2          | 1.1          | 1.1          | 3.4          | 2.0          |
|                            | Total FTE                    | 4.0                               | 1.4          | 2.5          | 1.4          | 1.4          | 1.3          | 2.3          | 2.3          | 7.0          | 3.0          |
| Ski                        | Seasonal/Part Time Positions | 295.3                             | 282.0        | 282.0        | 285.7        | 281.5        | 273.5        | 254.0        | 254.0        | 247.0        | 193.0        |
|                            | Season/Part Time FTE         | 68.2                              | 62.5         | 73.4         | 57.7         | 54.4         | 50.6         | 46.7         | 46.0         | 49.6         | 33.6         |
|                            | Full Time FTE                | 14.0                              | 11.9         | 13.0         | 16.7         | 16.4         | 15.2         | 14.5         | 14.4         | 11.7         | 9.8          |
|                            | Total FTE                    | 82.2                              | 74.5         | 86.4         | 74.4         | 70.8         | 65.8         | 61.2         | 60.4         | 61.3         | 43.4         |
| Parks & Recreation         | Seasonal/Part Time Positions | 93.8                              | 91.2         | 91.5         | 91.5         | 91.5         | 91.0         | 102.3        | 103.4        | 94.3         | 101.8        |
|                            | Season/Part Time FTE         | 20.3                              | 20.8         | 21.5         | 23.9         | 24.9         | 24.8         | 25.0         | 25.5         | 25.9         | 27.7         |
|                            | Full Time FTE                | 13.0                              | 9.6          | 13.1         | 11.0         | 10.1         | 10.1         | 10.1         | 9.8          | 9.0          | 11.8         |
|                            | Total FTE                    | 33.3                              | 30.5         | 34.6         | 34.9         | 36.0         | 35.9         | 35.1         | 35.3         | 34.9         | 39.5         |
| Marketing                  | Seasonal/Part Time Positions | 0.0                               | 0.0          | 1.0          | 1.0          | 2.0          | 2.0          | 2.0          | 2.0          | 0.0          | 2.0          |
|                            | Season/Part Time FTE         | 0.0                               | 0.0          | 0.3          | 0.1          | 0.3          | 0.3          | 0.3          | 0.3          | 0.0          | 0.7          |
|                            | Full Time FTE                | 2.5                               | 2.8          | 3.0          | 3.1          | 2.8          | 2.8          | 2.9          | 2.9          | 3.0          | 2.0          |
|                            | Total FTE                    | 2.5                               | 2.8          | 3.3          | 3.2          | 3.1          | 3.1          | 3.2          | 3.2          | 3.0          | 2.7          |
| Food & Beverage            | Seasonal/Part Time Positions | After 2013 Included in Ski & Golf |              |              |              |              |              |              |              |              | 57.0         |
|                            | Season/Part Time FTE         |                                   |              |              |              |              |              |              |              |              | 14.4         |
|                            | Full Time FTE                |                                   |              |              |              |              |              |              |              |              | 4.0          |
|                            | Total FTE                    |                                   |              |              |              |              |              |              |              |              | 18.4         |
| Other Recreation           | Seasonal/Part Time Positions | 4.8                               | 4.8          | 4.8          | 4.8          | 4.8          | 4.8          | 4.8          | 2.8          | 0.8          | 3.1          |
|                            | Season/Part Time FTE         | 1.9                               | 1.4          | 1.1          | 1.8          | 1.8          | 1.8          | 1.8          | 1.4          | 0.1          | 1.1          |
|                            | Full Time FTE                | 1.9                               | 1.9          | 1.4          | 1.4          | 1.4          | 0.9          | 1.0          | 1.6          | 1.6          | 1.8          |
|                            | Total FTE                    | 3.8                               | 3.3          | 2.5          | 3.2          | 3.2          | 2.7          | 2.8          | 3.0          | 1.7          | 2.9          |
| Total Community Service    | Seasonal/Part Time Positions | 504.2                             | 492.0        | 502.6        | 514.3        | 502.0        | 497.5        | 467.9        | 469.0        | 456.1        | 462.4        |
|                            | Season/Part Time FTE         | 125.2                             | 125.5        | 137.4        | 126.2        | 121.6        | 117.7        | 109.6        | 111.1        | 114.5        | 115.3        |
|                            | Full Time FTE                | 43.4                              | 35.7         | 39.5         | 41.7         | 40.9         | 38.5         | 34.7         | 34.1         | 35.4         | 38.2         |
|                            | Total FTE                    | 168.6                             | 161.2        | 176.9        | 167.9        | 162.5        | 156.2        | 144.3        | 145.2        | 149.9        | 153.5        |
| Beach                      | Seasonal/Part Time Positions | 93.0                              | 93.0         | 93.0         | 109.5        | 97.4         | 99.0         | 96.9         | 94.0         | 89.0         | 88.1         |
|                            | Season/Part Time FTE         | 16.5                              | 16.5         | 20.7         | 21.2         | 18.7         | 18.4         | 18.0         | 17.3         | 14.3         | 13.2         |
|                            | Full Time FTE                | 4.6                               | 4.6          | 1.5          | 4.6          | 3.9          | 3.9          | 4.0          | 3.0          | 2.8          | 2.1          |
|                            | Total FTE                    | 21.1                              | 21.1         | 22.2         | 25.8         | 22.6         | 22.3         | 22.0         | 20.3         | 17.1         | 15.3         |
| Administration             | Seasonal/Part Time Positions | 1.0                               | 2.0          | 4.0          | 4.0          | 4.0          | 0.0          | 1.0          | 1.0          | 2.0          | 2            |
|                            | Season/Part Time FTE         | 0.1                               | 0.6          | 0.8          | 1.1          | 1.5          | 0.0          | 0.5          | 0.4          | 0.4          | 0.3          |
|                            | Full Time FTE                | 27.8                              | 22.3         | 23.0         | 22.2         | 21.8         | 22.8         | 22.7         | 20.7         | 22.6         | 20.7         |
|                            | Total FTE                    | 27.9                              | 22.9         | 23.8         | 23.3         | 23.3         | 22.8         | 23.2         | 21.1         | 23.0         | 21.0         |
| Engineering                | Seasonal/Part Time Positions | 0.0                               | 0.0          | 1.0          | 1.0          | 1.0          | 1.0          | 1.0          | 1.0          | 1.0          | 1.0          |
|                            | Season/Part Time FTE         | 0.0                               | 0.0          | 0.3          | 0.3          | 0.3          | 0.3          | 0.3          | 0.3          | 0.3          | 0.3          |
|                            | Full Time FTE                | 4.4                               | 4.9          | 4.8          | 4.8          | 3.8          | 3.8          | 3.8          | 2.8          | 2.8          | 2.8          |
|                            | Total FTE                    | 4.4                               | 4.9          | 5.1          | 5.1          | 4.1          | 4.1          | 4.1          | 3.1          | 3.1          | 3.1          |
| Fleet                      | Seasonal/Part Time Positions | 0.0                               | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
|                            | Season/Part Time FTE         | 0.0                               | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
|                            | Full Time FTE                | 7.0                               | 7.0          | 7.0          | 7.0          | 7.0          | 7.0          | 7.0          | 6.0          | 6.0          | 6.0          |
|                            | Total FTE                    | 7.0                               | 7.0          | 7.0          | 7.0          | 7.0          | 7.0          | 7.0          | 6.0          | 6.0          | 6.0          |
| Buildings                  | Seasonal/Part Time Positions | 0.0                               | 2.0          | 1.0          | 1.0          | 1.0          | 1.0          | 1.0          | 1.0          | 1.0          | 1.0          |
|                            | Season/Part Time FTE         | 0.0                               | 0.9          | 0.5          | 0.5          | 0.5          | 0.5          | 0.5          | 0.5          | 0.5          | 0.5          |
|                            | Full Time FTE                | 4.0                               | 5.0          | 6.0          | 6.0          | 5.0          | 5.0          | 5.0          | 5.0          | 4.0          | 4.0          |
|                            | Total FTE                    | 4.0                               | 5.9          | 6.5          | 6.5          | 5.5          | 5.5          | 5.5          | 5.5          | 4.5          | 4.5          |
| Utilities                  | Seasonal/Part Time Positions | 3.0                               | 4.0          | 4.0          | 4.0          | 5.0          | 5.0          | 5.0          | 3.0          | 3.0          | 2.0          |
|                            | Season/Part Time FTE         | 1.7                               | 1.3          | 3.1          | 2.4          | 3.4          | 3.4          | 3.3          | 1.2          | 1.0          | 0.7          |
|                            | Full Time FTE                | 38.5                              | 34.1         | 31.1         | 32.2         | 31.2         | 31.2         | 31.2         | 31.2         | 31.2         | 30.2         |
|                            | Total FTE                    | 40.2                              | 35.4         | 34.2         | 34.6         | 34.6         | 34.6         | 34.5         | 32.4         | 32.2         | 30.9         |
| District Wide              | Seasonal/Part Time Positions | 601.2                             | 593.0        | 605.6        | 633.8        | 610.4        | 603.5        | 572.8        | 569.0        | 552.1        | 556.5        |
|                            | Season/Part Time FTE         | 143.5                             | 144.8        | 162.8        | 151.7        | 146.0        | 140.3        | 132.2        | 130.8        | 131.0        | 130.3        |
|                            | Full Time FTE                | 129.7                             | 113.6        | 112.9        | 118.6        | 113.6        | 112.2        | 108.4        | 102.8        | 104.8        | 104.0        |
|                            | <b>Total FTE</b>             | <b>273.2</b>                      | <b>258.4</b> | <b>275.7</b> | <b>270.3</b> | <b>259.6</b> | <b>252.5</b> | <b>240.6</b> | <b>233.6</b> | <b>235.8</b> | <b>234.3</b> |

Source: Incline Village General Improvement District Operating Budget for Authorized Positions.

## INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

### User Statistics, Last Ten Fiscal Years

#### Total number of users (unaudited)

| Program             | Unit Measured     | 2022    | 2021    | 2020    | 2019    | 2018    | 2017    | 2016    | 2015    | 2014    | 2013    |
|---------------------|-------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Water               | Locations         | 4,277   | 4,275   | 4,272   | 4,269   | 4,270   | 4,251   | 4,243   | 4,234   | 4,229   | 4,223   |
| Sewer               | Locations         | 4,187   | 4,185   | 4,182   | 4,180   | 4,178   | 4,160   | 4,152   | 4,144   | 4,139   | 4,124   |
| Refuse              | Locations         | 4,432   | 4,410   | 4,384   | 4,345   | 4,345   | 4,338   | 4,177   | 4,162   | 4,138   | 4,151   |
| Championship Course | Rounds played     | 21,654  | 20,796  | 23,446  | 21,650  | 23,139  | 21,353  | 22,881  | 23,142  | 23,784  | 23,744  |
| Mountain Course     | Rounds played     | 15,808  | 13,658  | 15,912  | 16,062  | 17,111  | 15,209  | 15,687  | 14,983  | 14,570  | 13,129  |
| Beach               | Individual visits | 167,690 | 212,458 | 191,073 | 192,321 | 189,291 | 186,146 | 171,772 | 172,628 | 173,963 | 165,089 |
| Tennis              | Individual visits | 11,756  | 9,167   | 11,837  | 13,082  | 13,630  | 14,683  | 14,823  | 14,129  | 13,337  | 13,009  |
| Skier               | Individual visits | 89,755  | 126,621 | 99,424  | 130,922 | 120,847 | 160,613 | 167,064 | 84,568  | 93,935  | 103,397 |
| Recreation Center   | Individual visits | 184,231 | 133,554 | 94,499  | 129,831 | 123,561 | 121,598 | 115,662 | 126,799 | 130,887 | 125,294 |

SOURCE: Incline Village General Improvement District



## INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

### Budgeted Facility Fees per parcel, Last Ten Fiscal Years (unaudited)

| Program                          | 2022          | 2021          | 2020          | 2019          | 2018          | 2017          | 2016          | 2015          | 2014          | 2013          |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Ski                              | \$ -          | \$ (200)      | \$ (41)       | \$ 29         | \$ (83)       | \$ (36)       | \$ 13         | \$ (27)       | \$ (20)       | \$ (88)       |
| Tennis                           | -             | 14            | 24            | 20            | 20            | 18            | 16            | 9             | 21            | 6             |
| Parks                            | -             | 89            | 124           | 118           | 117           | 117           | 97            | 108           | 86            | 102           |
| Recreation Center                | 100           | 342           | 285           | 262           | 268           | 269           | 197           | 241           | 204           | 241           |
| Championship Golf                | -             | 4             | 119           | 98            | 97            | 83            | 126           | 81            | 75            | 87            |
| Mountain Golf                    | -             | 27            | 84            | 63            | 62            | 54            | 69            | 31            | 29            | 40            |
| Beaches                          | 680           | 500           | 125           | 125           | 125           | 100           | 100           | 100           | 100           | 100           |
| Youth                            | -             | 26            | 25            | 25            | 26            | 26            | 24            | 21            | 20            | 15            |
| Seniors                          | -             | 23            | 21            | 21            | 20            | 20            | 19            | 12            | 19            | 16            |
| Adult Programs                   | -             | -             | -             | -             | -             | -             | -             | 1             | 1             | 2             |
| Catering                         | -             | -             | -             | -             | -             | -             | -             | -             | (13)          | -8            |
| Facilities                       | -             | 5             | 64            | 57            | 56            | 57            | 47            | 46            | 52            | 35            |
| Reserves for Recreation          | -             | -             | -             | -             | -             | -             | -             | -             | 49            | 75            |
| Golf/Tennis/Ski Bonds            | -             | -             | -             | -             | -             | -             | -             | 85            | 85            | 85            |
| Ski Lodge Bond                   | -             | -             | -             | -             | 110           | 110           | 110           | 110           | 110           | 110           |
| Defensible Space                 | -             | -             | -             | 12            | 12            | 12            | 12            | 12            | 12            | 12            |
| Coverage sales                   | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             |
| Other/Unclassified               | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             |
| <b>Total</b>                     | <b>\$ 780</b> | <b>\$ 830</b> | <b>\$ 830</b> | <b>\$ 830</b> | <b>\$ 830</b> | <b>\$ 830</b> | <b>\$ 830</b> | <b>\$ 830</b> | <b>\$ 830</b> | <b>\$ 830</b> |
| <br>Total Collected (in 1,000's) | <br>\$ 6,569  | <br>\$ 6,569  | <br>\$ 6,741  | <br>\$ 6,758  | <br>\$ 6,746  | <br>\$ 6,747  | <br>\$ 6,746  | <br>\$ 6,746  | <br>\$ 6,742  | <br>\$ 6,737  |

Bracketed amounts represent a venue that does not collect, but rather puts back an amount per parcel into the total for other venues to use the proceeds for operations.

The Facility Fee can be a resource for operating expenses, debt service or capital purchases. It is set annually by the Board of Trustees.

SOURCE: Incline Village General Improvement District

## INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

### Water and Sewer Single Family Base Rates Last Ten Fiscal Years (unaudited)

| Fiscal<br>Year<br>6/30 | Water<br>Monthly<br>Base Rate | Consumption<br>Rate Per<br>1,000 gallons | Sewer<br>Monthly<br>Base Rate | Consumption<br>Rate Per<br>1,000 gallons |
|------------------------|-------------------------------|------------------------------------------|-------------------------------|------------------------------------------|
| 2022                   | \$ 35.48                      | \$ 1.95                                  | \$ 60.78                      | \$ 4.00                                  |
| 2021                   | 32.09                         | 1.55                                     | 54.96                         | 3.20                                     |
| 2020                   | 33.45                         | 1.00                                     | 59.00                         | 3.35                                     |
| 2019                   | 32.09                         | 0.93                                     | 54.96                         | 3.20                                     |
| 2018                   | 30.84                         | 0.93                                     | 52.76                         | 3.10                                     |
| 2017                   | 29.82                         | 0.95                                     | 51.45                         | 3.00                                     |
| 2016                   | 28.86                         | 0.97                                     | 49.83                         | 2.90                                     |
| 2015                   | 28.10                         | 1.35                                     | 47.95                         | 2.79                                     |
| 2014                   | 27.03                         | 1.32                                     | 41.85                         | 2.68                                     |
| 2013                   | 27.62                         | 1.28                                     | 39.31                         | 2.60                                     |

The District charges are based on pay for what you use.  
 Rate changes are considered for implementation May each year.  
 In 2013 the changes were not effective until July 19, 2013.

## INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Water Sold by Customer Type  
Last Ten Fiscal Years (unaudited)  
(in millions of gallons)

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| Fiscal<br>Year | Residential | Commercial | Total |
|----------------|-------------|------------|-------|
| 2022           | 647         | 251        | 898   |
| 2021           | 711         | 291        | 1,002 |
| 2020           | 627         | 259        | 886   |
| 2019           | 606         | 259        | 865   |
| 2018           | 633         | 282        | 915   |
| 2017           | 604         | 256        | 860   |
| 2016           | 594         | 255        | 849   |
| 2015           | 634         | 258        | 892   |
| 2014           | 673         | 292        | 965   |
| 2013           | 701         | 300        | 1,001 |

Source: IVGID Utilities Billing Department

INCLINE VILLAGE  
GENERAL IMPROVEMENT DISTRICT

# COMPLIANCE SECTION

December 5, 2022

Board of Trustees  
Incline Village General Improvement District  
Incline Village, Nevada

To Management and the Board of Trustees of Incline Village General Improvement District:

In planning and performing our audit of the basic financial statements of the Incline Village General Improvement District (IVGID) as of and for the year ended June 30, 2022 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, we considered IVGID's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of IVGID's internal control over financial reporting.

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Incline Village General Improvement District (District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 30, 2022.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, significant deficiencies or material weaknesses may exist that have not been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

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 over financial reporting, 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. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

Reasonably possible. The chance of the future event or events occurring is more than remote but less than likely.

Probable. The future event or events are likely to occur.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in IVGID's internal control to be significant deficiencies:

## **2022-001 Journal Entries Detected During the Audit**

An important element of control over financial reporting is for management to identify adjustments necessary for financial statements to be fairly stated. Whenever possible, adjustments should be reflected in the accounting records prior to the start of the audit.

When this is not possible, management should identify and communicate to the auditors the potential areas of adjustment that may need to be addressed during the audit process. Auditing standards require the reporting of material adjustments identified through the audit process as weaknesses in an entity's internal control structure.

The following material adjustments detected as a result of the audit procedures:

- (a) An entry to remove legal settlement liabilities in the General Fund in the amount of \$596,253 because long-term liabilities are not recorded in this fund type but instead included in the government-wide financial statements.
- (b) An entry to remove compensated absences from the General Fund in the amount of \$145,840 because long-term liabilities are not recorded in this fund type but instead included in the government-wide financial statements.
- (c) An entry to increase due from other governments in the General Fund in the amount of \$84,340.

In addition, we recorded an immaterial entry to record year end accruals of for unbilled receivables in the Utility Fund in the amount of \$475,546.

### Recommendation

We recommend that IVGID enhance its year-end closing procedures to include areas that resulted in audit adjustments.

### Management's Response Regarding Corrective Action Taken or Planned

Management agrees with the need to improve the year's end process to include the areas that resulted in audit adjustments. Management notes that these items were not flagged as issues in prior audits, and thus were recorded consistently with past practice. Management will be updating its year-end close process to address these items going forward.

## **2022-002 Physical Inventory Observation**

The District historically performs a physical inventory observation at year end. For the fiscal year ended June 30, 2022, the District staff did not perform a physical observation and count of inventory assets held at the Pro Shop and recorded in the Community Services Enterprise Fund. Although the inventory balance is not material to the financial statements, performance of a physical observation and count of inventory assets at year end is necessary to ensure the accuracy of inventory balances reported in the financial statements.

### Recommendations

We recommend that the District perform annual physical observation and counts of inventory on all assets held as inventory.

the auditor's reference to the balance of inventory assets in the Pro Shop as not material to the financial statements, which is why this task was not prioritized given our vacancies in key staff positions.

**2022-003 Timely Preparation of Bank Reconciliations**

During our audit we noted that the District had not completed a bank reconciliation on its main operating account until October 12, 2022. Timely preparation of bank reconciliations allows for the prompt detection of errors in the accounting records and safeguarding of IVGID assets from misappropriation.

**Recommendations**

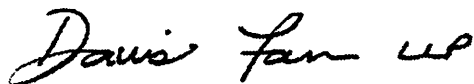
We recommend that bank reconciliations should be performed on all bank accounts no later than 30 days following each month end.

**Management's Response Regarding Corrective Action Taken or Planned**

Management agrees with the need to do timely bank account reconciliations. This year's reconciliation was begun timely, but the accountant responsible for the bank reconciliation left the Accounting Division requiring this task to be re-assigned. Management would note that while we concur with this recommendation, once the reconciliation was completed, no discrepancies were noted.

The District's written response to the issued identified our audit has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

The purpose of this communication, which is an integral part of our audit, is to describe for management and those charged with governance the scope of our testing of internal control and the results of that testing. Accordingly, this communication is not intended to be and should not be used for any other purpose.



Irvine, California  
December 5, 2022



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**GENERAL IMPROVEMENT DISTRICT  
ONE DISTRICT ~ ONE TEAM**

893 Southwood Blvd., Incline Village, NV 89451

(775) 832-1100

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## **Independent Auditor's Report**

Board of Trustees  
Incline Village General Improvement District  
Incline Village, Nevada

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Incline Village General Improvement District (District), as of and for the year June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Emphasis of Matters***

As described further in Note 1 to the financial statements, during the year ended June 30, 2022, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 87. The financial statements for the year ended June 30, 2022 reflect certain prior period adjustments as described further in Notes 4 and 9 to the financial statements. Our opinion is not modified with respect to these matters.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

The District's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year after the date that the financial statements are issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design 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. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis, schedule of employer required contributions to defined contribution multi-employer plans* and *budgetary comparison information* be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the

preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The *budgetary comparison schedules* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

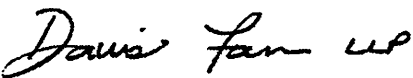
The *budgetary comparison schedules* are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the *budgetary comparison schedules* are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Information**

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the *introductory section* and *statistical section* but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Irvine, California  
December 5, 2022

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

**Audit Communications**

**Year ended June 30, 2022**

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

**Audit Communications**

**Year ended June 30, 2022**

**TABLE OF CONTENTS**

|                                                                                                                                                                                                     | <u>Page</u> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| Required Audit Communications                                                                                                                                                                       | 1           |
| Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 5           |

Board of Trustees  
Incline Village General Improvement District  
Incline Village, Nevada

We have audited the financial statements of the Incline Village General Improvement District (IVGID) as of and for the year ended June 30, 2022 and have issued our report thereon dated December 5, 2022. Professional standards require that we advise you of the following matters relating to our audit.

### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated May 5, 2022, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements 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 entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of IVGID solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our letter regarding significant control deficiencies over financial reporting and other matters noted during our audit in a separate letter to you dated December 5, 2022.

### **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you in our letter dated September 12, 2022.

### **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, and our firm have complied with all relevant ethical requirements regarding independence.

We identified independence threats related to proposing journal entries. We have applied certain safeguards to reduce the threats to an acceptable level, including using an independent party within the firm to perform a quality control review of the journal entries.

## **Significant Risks Identified**

The auditing standards require us to identify audit risk areas when performing the audit. As a result, we have identified the following significant risks: implementation of the new lease accounting standard, proper recognition of capital assets, and the transition to enterprise fund accounting for Community Services and Beach Funds.

## **Qualitative Aspects of the Entity's Significant Accounting Practices**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by IVGID is included in Note 1 to the financial statements. During the year, the entity changed its method for accounting for leases by adopting Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are capitalization of capital costs, useful lives and depreciation methodology for capital assets, and accruals for goods or services received.

We evaluated the key factors and assumptions used by management to develop these estimates and determined if they were reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users.

## **Significant Unusual Transactions**

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. There were no significant unusual transactions identified as a result of our audit procedures.

## **Identified or Suspected Fraud**

We have not identified or obtained information that indicates that fraud may have occurred.

### **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

### **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. The below summarizes uncorrected financial statement misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

- A likely adjustment to inventory balances reported in the Community Services Enterprise Fund if a physical inventory count had been performed at year end
- An entry to allocate interest receivable across all funds
- An entry to record an immaterial net pension liability for the District defined pension benefit plan
- An immaterial entry to correct the estimate for unearned golf pass sales

Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The following material misstatements that we identified as a result of our audit procedures were brought to the attention of, and corrected by, management:

- An entry to remove certain long-term liabilities from the General Fund that should only be included in Government-wide financial statements
- An entry to increase due from other governments in the General Fund

### **Disagreements with Management**

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. No such disagreements arose during the course of the audit.

### **Circumstances that Affect the Form and Content of the Auditor's Report**

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. No such circumstances arose during the course of the audit.



### **Representations Requested from Management**

We have requested certain written representations from management in a letter dated December 5, 2022.

### **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

### **Other Information Included in Annual Comprehensive Financial Report**

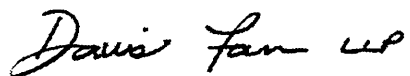
Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included in IVGID's Annual Comprehensive Financial Report, does not extend beyond the information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, we have read the other information and considered whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

### **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with IVGID, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as IVGID's auditors.

This report is intended solely for the information and use of the Board of Trustees and management of IVGID and is not intended to be and should not be used by anyone other than these specified parties.



Irvine, California  
December 5, 2022

December 5, 2022

Board of Trustees  
Incline Village General Improvement District  
Incline Village, Nevada

To Management and the Board of Trustees of Incline Village General Improvement District:

In planning and performing our audit of the basic financial statements of the Incline Village General Improvement District (IVGID) as of and for the year ended June 30, 2022 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, we considered IVGID's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of IVGID's internal control over financial reporting.

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Incline Village General Improvement District (District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 30, 2022.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, significant deficiencies or material weaknesses may exist that have not been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

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 over financial reporting, 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. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

Reasonably possible. The chance of the future event or events occurring is more than remote but less than likely.

Probable. The future event or events are likely to occur.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in IVGID's internal control to be significant deficiencies:

## **2022-001 Journal Entries Detected During the Audit**

An important element of control over financial reporting is for management to identify adjustments necessary for financial statements to be fairly stated. Whenever possible, adjustments should be reflected in the accounting records prior to the start of the audit.

When this is not possible, management should identify and communicate to the auditors the potential areas of adjustment that may need to be addressed during the audit process. Auditing standards require the reporting of material adjustments identified through the audit process as weaknesses in an entity's internal control structure.

The following material adjustments detected as a result of the audit procedures:

- (a) An entry to remove legal settlement liabilities in the General Fund in the amount of \$596,253 because long-term liabilities are not recorded in this fund type but instead included in the government-wide financial statements.
- (b) An entry to remove compensated absences from the General Fund in the amount of \$145,840 because long-term liabilities are not recorded in this fund type but instead included in the government-wide financial statements.
- (c) An entry to increase due from other governments in the General Fund in the amount of \$84,340.

In addition, we recorded an immaterial entry to record year end accruals of for unbilled receivables in the Utility Fund in the amount of \$475,546.

### Recommendation

We recommend that IVGID enhance its year-end closing procedures to include areas that resulted in audit adjustments.

### Management's Response Regarding Corrective Action Taken or Planned

Management agrees with the need to improve the year's end process to include the areas that resulted in audit adjustments. Management notes that these items were not flagged as issues in prior audits, and thus were recorded consistently with past practice. Management will be updating its year-end close process to address these items going forward.

## **2022-002 Physical Inventory Observation**

The District historically performs a physical inventory observation at year end. For the fiscal year ended June 30, 2022, the District staff did not perform a physical observation and count of inventory assets held at the Pro Shop and recorded in the Community Services Enterprise Fund. Although the inventory balance is not material to the financial statements, performance of a physical observation and count of inventory assets at year end is necessary to ensure the accuracy of inventory balances reported in the financial statements.

### Recommendations

We recommend that the District perform annual physical observation and counts of inventory on all assets held as inventory.

### Management's Response Regarding Corrective Action Taken or Planned

Management agrees that annual inventory counts are necessary to ensure accuracy of inventory numbers. The Pro Shop was the only area where physical inventory not performed this year. This was due to lack of staff at both the Pro Shop and the Accounting Division. We would highlight the auditor's reference to the balance of inventory assets in the Pro Shop as not material to the financial statements, which is why this task was not prioritized given our vacancies in key staff positions.

### **2022-003 Timely Preparation of Bank Reconciliations**

During our audit we noted that the District had not completed a bank reconciliation on its main operating account until October 12, 2022. Timely preparation of bank reconciliations allows for the prompt detection of errors in the accounting records and safeguarding of IVGID assets from misappropriation.

### Recommendations

We recommend that bank reconciliations should be performed on all bank accounts no later than 30 days following each month end.

### Management's Response Regarding Corrective Action Taken or Planned

Management agrees with the need to do timely bank account reconciliations. This year's reconciliation was began timely, but the accountant responsible for the bank reconciliation left the Accounting Division requiring this task to be re-assigned. Management would note that while we concur with this recommendation, once the reconciliation was completed, no discrepancies were noted.

The District's written response to the issued identified our audit has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

The purpose of this communication, which is an integral part of our audit, is to describe for management and those charged with governance the scope of our testing of internal control and the results of that testing. Accordingly, this communication is not intended to be and should not be used for any other purpose.

Irvine, California  
December 5, 2022

December 5, 2022

Davis Farr  
18201 Von Karman Avenue, Suite 1100  
Irvine, CA 92612

This representation letter is provided in connection with your audit of the financial statements of Incline Village General Improvement District (the "District"), which comprise the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows for the period then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of December 5, 2022 the following representations made to you during your audit.

### Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated May 5, 2022, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.



- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- 8) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole for each opinion unit. A list of the uncorrected misstatements is attached to the representation letter.
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 10) Guarantees, whether written or oral, under which the District is contingently liable, if any, have been properly recorded or disclosed.
- 11) We have provided you with:
  - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
  - b) Additional information that you have requested from us for the purpose of the audit.
  - c) Unrestricted access to persons within the District from whom you determined it necessary to obtain audit evidence.
  - d) Minutes of the meetings of the Board of Trustees or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 14) We have no knowledge of any fraud or suspected fraud that affects the District and involves—
  - Management,
  - Employees who have significant roles in internal control, or
  - Others where the fraud could have a material effect on the financial statements.

- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the District's financial statements communicated by employees, former employees, regulators, or others.
- 16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 17) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 18) We have disclosed to you the identity of the District's related parties and all the related party relationships and transactions of which we are aware.

**Government-specific**

- 19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 20) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 21) The District has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
- 22) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- 23) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
- 24) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- 25) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- 26) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the


financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.


- 27) As part of your audit, you assisted with preparation of the financial statements and related notes. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
- 28) The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 29) The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 30) The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34.
- 31) All funds that meet the quantitative criteria in GASB Statement Numbers 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 32) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 33) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
- 34) Provisions for uncollectible receivables have been properly identified and recorded.
- 35) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 36) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 37) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 38) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 39) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
- 40) We have appropriately disclosed the District's policy regarding whether to first apply



restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.

- 41) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 42) Tax abatement agreements have been properly disclosed in the notes to the financial statements.
- 43) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 44) With respect to the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual for Utilities Fund, Community Services Fund, Beach Fund, and Internal Services Fund, which comprise the Supplementary Information:
  - a) We acknowledge our responsibility for presenting supplementary information in accordance with accounting principles generally accepted in the United States of America, and we believe the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual for Utilities Fund, Community Services Fund, Beach Fund, and Internal Services Fund, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual for Utilities Fund, Community Services Fund, Beach Fund, and Internal Services Fund have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
  - b) If the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual for Utilities Fund, Community Services Fund, Beach Fund, and Internal Services Fund is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor’s report thereon.

Signature:   
Title: General Manager

Signature:   
Title: DIRECTOR OF FINANCE

### Audit Difference Evaluation Form

Entity: Incline Village General Improvement District

Balance Sheet Date: June 30, 2022

| Account Description                                          | Known (K) or Likely (L) | Debit (Credit) |            |                       |                   |          |                   |              | Deficiency Evaluation |
|--------------------------------------------------------------|-------------------------|----------------|------------|-----------------------|-------------------|----------|-------------------|--------------|-----------------------|
|                                                              |                         | Current Assets | L/T Assets | (Current Liabilities) | (L/T Liabilities) | (Equity) | P&L -Iron Curtain | P&L-Rollover |                       |
| Interest receivable was only allocated to General Fund       | Known                   | (11,439)       |            |                       |                   | 11,439   | 11,439            |              |                       |
| Entry to correct inventory                                   | Likely                  | Unknown        |            |                       |                   | Unknown  | Unknown           |              |                       |
| Entry to record the district's pension benefit liability     | Known                   |                |            | (157,077)             |                   | 157,077  |                   |              |                       |
| Entry to adjust the District calculation of unearned revenue | Likely                  |                |            | 61,928                |                   | (61,928) |                   |              |                       |
|                                                              |                         |                |            |                       |                   |          |                   |              |                       |
|                                                              |                         |                |            |                       |                   |          |                   |              |                       |
|                                                              |                         |                |            |                       |                   |          |                   |              |                       |
|                                                              |                         |                |            |                       |                   |          |                   |              |                       |
| Net effect of passed adjustments                             |                         | (11,439)       | -          | (95,149)              | -                 | 106,588  | 11,439            | -            |                       |

| Summary of Omissions and Other Errors in Presentation and Disclosure |                                   |                                 |
|----------------------------------------------------------------------|-----------------------------------|---------------------------------|
| Description of Omission or Other Error                               | Resolution: Corrected/Uncorrected | Rationale for Uncorrected Items |
|                                                                      |                                   |                                 |
|                                                                      |                                   |                                 |