

NOTICE OF MEETING

The Audit Committee Meeting of the Incline Village General Improvement District will be held starting at 4 p.m. on **Wednesday, January 20, 2021** at the Boardroom, 893 Southwood Boulevard, Incline Village, Nevada.

In compliance with State of Nevada Executive Department, Declaration of Emergency Directives 006, 016, 018, 021, 026, and 029, this meeting is closed to the public and attendance is limited to members of the Board of Trustees and essential staff. Public comment is allowed and the public is welcome to make their public comment either via e-mail (please send your comments to info@ivgid.org by 2:00 p.m. on Wednesday, January 20, 2021) or via telephone (the telephone number will be posted to our website on the day of the meeting).

- A. ROLL CALL OF THE AUDIT COMMITTEE MEMBERS*
Derrek Aaron (At-Large Member), Matthew Dent (Trustee, Chair), Cliff Dobler (At-Large Member), Sara Schmitz (Trustee), and Raymond Tulloch (At-Large Member)
- B. PUBLIC COMMENTS* - Conducted in accordance with Nevada Revised Statutes Chapter 241.020 and limited to a maximum of three (3) minutes in duration.
- C. APPROVAL OF AGENDA (for possible action)
The Audit Committee may make a motion for a flexible agenda which is defined as taking items on the agenda out of order; combining agenda items with other agenda items; removing items from the agenda; moving agenda items to an agenda of another meeting, or voting on items in a block.
~~-OR-~~
The Audit Committee may make a motion to accept and follow the agenda as submitted/posted.
- D. GENERAL BUSINESS ITEMS (for possible action)
 - 1. Presentation and discussion of the June 30, 2020 Comprehensive Annual Financial Report (Presented by Director of Finance Paul Navazio) – **pages 2 - 98**
 - 2. Acknowledge receipt of correspondence received: Letter from the Department of Taxation regarding Notice to Appear at the hearing on January 28, 2021; Subject of the hearing is the transition to Enterprise fund accounting – **page 99**
- E. APPROVAL OF MEETING MINUTES (for possible action)
 - 1. Audit Committee Meeting Minutes of December 19, 2020 – **pages 100 - 106**
- F. PUBLIC COMMENTS* - Conducted in accordance with Nevada Revised Statutes Chapter 241.020 and limited to a maximum of three (3) minutes in duration.
- G. ADJOURNMENT (for possible action)

CERTIFICATION OF POSTING OF THIS AGENDA

I hereby certify that on or before Thursday, January 14, 2021 at 9:00 a.m., a copy of this agenda (Audit Committee Session of January 20, 2021) was delivered to the post office addressed to the people who have requested to receive copies of IVGID's agendas; copies were either faxed or e-mailed to those people who have requested; and a copy was posted at the following six locations within Incline Village/Crystal Bay in accordance with NRS 241.020:

- 1. IVGID Anne
- 2. Incline Village Post
- 3. Crystal Bay Post
- 4. Raley's Shopping
- 5. Incline Village
- 6. IVGID's Recreation

**SUSPENDED – STATE OF NEVADA
EXECUTIVE DEPARTMENT,
DECLARATION OF EMERGENCY,
DIRECTIVE 006 (SECTION 3), 016,
018, 021, 026 and 029**

Vorderbruggen Building (Administrative Offices)
Office
Office
Center
Branch of Washoe County Library
Center

/s/ Susan A. Herron, CMC
Susan A. Herron, CMC

Clerk to the Board of Trustees (e-mail: sah@ivgid.org/phone # 775-832-1207)

Audit Committee Members: Derrek Aaron (At-Large Member), Matthew Dent (Trustee, Chair), Cliff Dobler (At-Large Member), Sara Schmitz (Trustee), and Raymond Tulloch (At-Large Member)

Notes: Items on the agenda may be taken out of order; combined with other items; removed from the agenda; moved to the agenda of another meeting; moved to or from the Consent Calendar section; or may be voted on in a block. Items with a specific time designation will not be heard prior to the stated time, but may be heard later. Those items followed by an asterisk (*) are items on the agenda upon which the Board of Trustees will take no action. Members of the public who are disabled and require special accommodations or assistance at the meeting are requested to call IVGID at 832-1100 at least 24 hours prior to the meeting. Copies of the packets containing background information on agenda items are available for public inspection at the Incline Village Library.

IVGID'S agenda packets are now available at IVGID's web site, www.yourtahoeplace.com; go to "Board Meetings and Agendas". A hard-copy of the complete agenda packet is also available at IVGID's Administrative Offices located at 893 Southwood Boulevard, Incline Village, Nevada, 89451.

Incline Village General Improvement District

Incline Village General Improvement District is a fiscally responsible community partner which provides superior utility services and community oriented recreation programs and facilities with passion for the quality of life and our environment while investing in the Tahoe basin.

893 Southwood Boulevard, Incline Village, Nevada 89451 • (775) 832-1100 • FAX (775) 832-1122

www.yourtahoeplace.com

MEMORANDUM

TO: Audit Committee

FROM: Paul Navazio
Director of Finance

SUBJECT: Presentation and discussion of the June 30, 2020 Comprehensive Annual Financial Report (CAFR)

DATE: January 14, 2021

I. RECOMMENDATION

Staff recommends that the Audit Committee receive an update on progress in completing the independent financial audit for the fiscal year ending June 30, 2020 currently being conducted by Eide Bailly, LLP.

The update will include transmittal of the draft Comprehensive Annual Financial Report for the fiscal year ended June 30, 2020 (*Auditor's Report(s) pending*) and highlights of the District's audited financial results (see Management Discussion and Analysis).

In addition, staff will summarize revisions from the draft financial statements shared with the Audit Committee at their meeting of November 19, 2020. These include:

- a) Re-classification Internal Service Fund revenue, expenditures and ending fund balances
- b) Prior year adjustments related to unearned golf pass revenues
- c) Prior year adjustments related to reclassification as expense selected items recorded as capital assets in the FY2018/19 financial statements.

As of this writing, management is examining the possibility of re-stating the fund balances within the Community Services Special Revenue and Beach Special Revenue funds as "committed" versus "assigned", as has been the historical practice.

II. DISCUSSION

FINANCIAL HIGHLIGHTS

Financial highlights based on Government-wide Financial Statements, for the year ended June 30, 2020:

- The District's net position as of June 30, 2020 was \$157.96 million and reflects an increase in net position of \$5.66 million over the prior year. Of this amount, a

total of \$36.63 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 \$4.82 million (to \$79.27 million) and the net position of the District's business-type activities increased by \$1.39 million (to \$78.70 million).

**Incline Village General Improvement District
Net Position**

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Assets						
Current and Other assets	\$ 23,052,597	\$ 18,211,423	\$ 14,656,639	\$ 8,207,132	\$ 37,709,236	\$ 26,418,555
Long Term assets	3,983,781	6,656,389	1,859,956	5,843,465	5,843,737	12,499,854
Net Capital Assets	58,797,647	57,639,775	67,287,303	69,158,284	126,084,950	126,798,059
Total Assets	85,834,025	82,507,587	83,803,898	83,208,881	169,637,923	165,716,468
Liabilities						
Current liabilities	5,561,428	5,477,847	1,559,904	1,815,665	7,121,332	7,293,512
Long-term liabilities	763,685	1,316,833	3,546,231	4,084,938	4,309,916	5,216,621
Total Liabilities	6,325,113	6,609,530	5,106,135	5,900,603	11,431,248	12,510,133
Deferred Inflows of Resources						
Deferred inflows	243,026	242,584	-	-	243,026	242,584
Net Position						
Net investment in capital assets	57,665,962	56,147,092	63,202,365	64,549,358	120,868,327	120,696,450
Restricted	142,135	13,699,3	322,895	316,611	465,030	453,604
Unrestricted	21,457,789	19,371,388	15,172,503	12,442,309	36,630,292	31,813,697
Total Net Position	\$ 79,265,886	\$ 75,655,473	\$ 78,697,763	\$ 77,308,278	\$ 157,963,649	\$ 152,963,751

- The District's General Fund reported an ending fund balance, as of June 30, 2020, of \$4.63 million, representing an increase of \$0.86 million over the prior year. Of this amount, a total \$3.11 million represents the unassigned fund balance.
- The District's Community Services Special Revenue Fund ended the year with a fund balance of \$15.28 million, reflecting an increase of \$1.95 million from the prior year; the Beach Special Revenue Fund ended the year with a fund balance of \$2.59 million, reflecting an increase of \$0.78 million from the prior year. The entire fund balance within the District's Community Services and Beach Special Revenue funds are either restricted or assigned for future use to support the District's recreational programs and facility improvements.
- As of June 30, 2020 the District had total bond debt outstanding of \$5.22 million including Utility Revenue Bonds outstanding of \$4.08 million and Recreation Bonds outstanding totaling \$1.14 million. The District retired \$0.89 million in bond principal during the fiscal year.

PRIOR YEAR ADJUSTMENTS

The District's financial statements for the year ended June 30, 2020 reflect prior year adjustments related to (1) unearned revenues from Golf Passes recorded in the prior year (\$138,505), (2) to re-classify as expenses \$289,660 for selected Construction in

Presentation and discussion of CAFR
for the FY ended June 30, 2020

January 14, 2021

Progress items that were reported as assets in the financial statements for the year ended June 30, 2019, as well as (3) reclassify as expense \$514,254 for selected items that were reported as capital assets in the financial statements for the year ended June 30, 2019.

Construction in Progress items reclassified as expense include \$212,044 related to development of a Parks Master Plan and \$77,216 related to improvements planned at Incline Village Ballfield. Management has determined that no future capital asset(s) are expected to be constructed as a result of the preliminary design work that had been included in prior year's Construction in Progress.

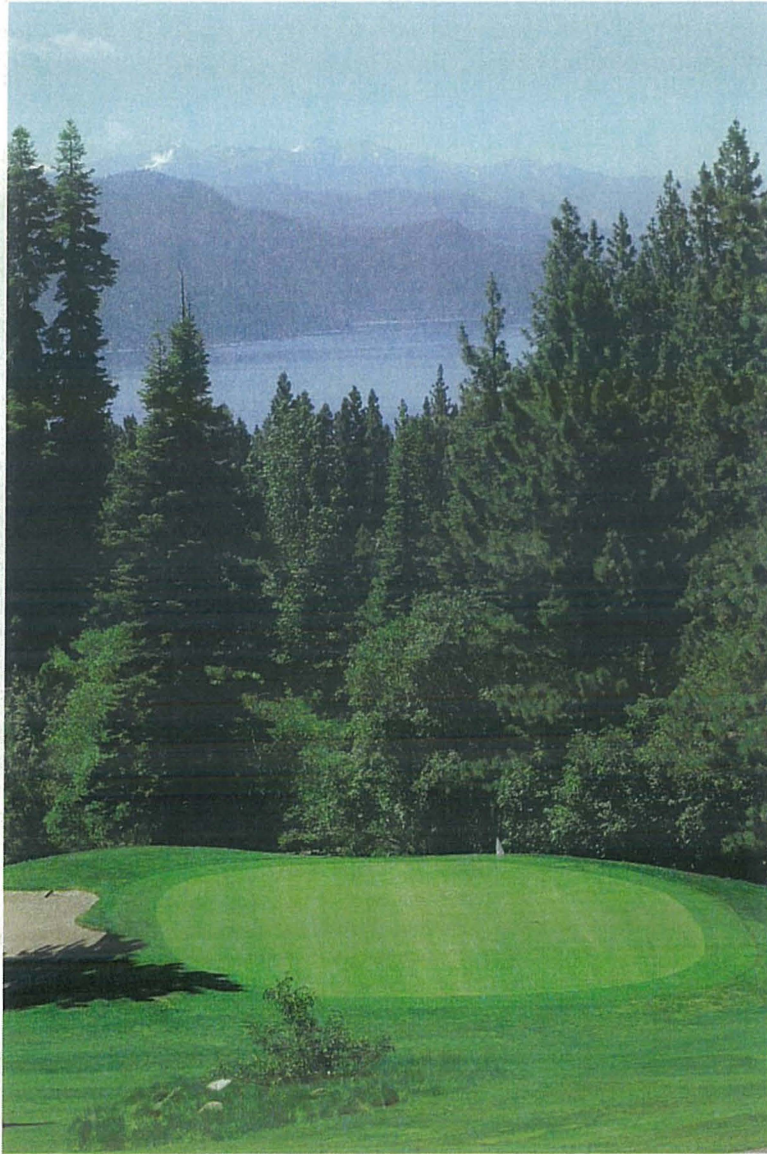
Capital Asset items reclassified as expense include items determined to qualify as repairs and maintenance, consistent with established Board policy 12.1.0 and practice 2.9.0. Examples include pavement maintenance, parking lot repairs, and painting projects. This determination should have been made in prior year(s).

As a result, a total of \$665,009 is recorded as a prior year adjustment in the governmental activities of the government-wide financial statements and a total of \$138,505, is recorded as a prior year adjustment in the Community Services Special Revenue Fund in the governmental funds financial statements.

	<u>Government-wide Statement of Activities</u>	<u>Community Services Special Revenue Fund</u>
Net position / Fund Balance July 1, 2019, as previously reported	\$ 75,655,473	\$ 13,333,953
Prior Period Adjustment – Golf Passes	138,505	138,505
Prior Period Adjustment – Construction in Process	(289,260)	-
Prior Period Adjustment – Capital Assets	<u>(514,254)</u>	<u>-</u>
Net Position / Fund Balance, July 1, 2019, as adjusted	\$ 74,990,464	\$ 13,472,458

Attachment:

- 1) Draft Comprehensive Annual Financial Report for the fiscal year ended June 30, 2020.



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2020

PREPARED BY: DEPARTMENT OF FINANCE & ACCOUNTING



GENERAL IMPROVEMENT DISTRICT
ONE DISTRICT ~ ONE TEAM

TABLE OF CONTENTS



GENERAL IMPROVEMENT DISTRICT
ONE DISTRICT – ONE TEAM

COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2020

INTRODUCTORY SECTION

Letter of Transmittal.....	1
List of Elected Officials	4
Organization Chart	4
GFOA Certificate of Achievement FYE June 30, 2019.....	5

FINANCIAL SECTION

Independent Auditor's Report	7
Management's Discussion and Analysis	10

BASIC FINANCIAL STATEMENTS

Government-wide Statements:

Statement of Net Position.....	19
Statement of Activities.....	20

Fund Financial Statements:

Governmental Funds Balance Sheet	21
Reconciliation of Balance Sheet for Governmental Funds to the Government-wide Statement of Net Position	22
Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances	23
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances for Governmental Funds to the Government-wide Statement of Activities	24
General Fund - Statement of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual.....	25
Community Services Special Revenue Fund – Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	26
Beach Special Revenue Fund – Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.....	27
Proprietary Funds Statement of Net Position	28
Proprietary Funds Statement of Revenues, Expenses and Changes in Net Position	29
Proprietary Funds Statement of Cash Flows	30
Notes to Financial Statements.....	32

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Employer Required Contributions to Defined Contribution Multi-Employer Plans.....	56
--	----

INDIVIDUAL FUND SCHEDULES

Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
General Fund.....	58
Community Services Special Revenue Fund.....	60
Beach Special Revenue Fund.....	62

TABLE OF CONTENTS



GENERAL IMPROVEMENT DISTRICT
ONE DISTRICT – ONE TEAM

COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2020

INDIVIDUAL FUND SCHEDULES (continued)

Schedules of Revenues, Expenses and Changes in Net Position
– Budget and Actual:

Community Services Capital Projects Fund.....	63
Beach Capital Projects Fund.....	64
Community Services Debt Service Fund.....	65
Beach Debt Service Fund	66
Utility Fund	67
Internal Services Fund.....	68

STATISTICAL SECTION (UNAUDITED)

Net Position (by Activity Type).....	70
Changes in Net Position (by Activity Type).....	71
Fund Balances of Governmental Funds	72
Changes in Fund Balances of Governmental Funds.....	73
Assessed and Estimated Actual Value of	
Taxable Property	74
Direct and Overlapping Tax Districts	75
Principal Property Taxpayers	76
Tax Levies, Collections and Delinquencies—Washoe County as a whole.....	77
Ratios of Outstanding Debt by Type	78
Outstanding Overlapping General Obligation Indebtedness.....	79
Utility Fund Net Pledged Revenues.....	80
Community Services and Beach Fund	
Net Pledged Revenues.....	81
Ratio of Annual Debt Service Expenditures to Governmental and Business Type Expenditures/Expenses.....	82
Statutory Debt Limitation.....	83
Demographic Statistics.....	84
Principal Employers	85
Position and Full Time Equivalent Personnel Summary.....	86
User Statistics.....	87
Budgeted Facility Fees per parcel.....	88
Water and Sewer Single Family Base Rates	89
Water Sold by Customer Type.....	89

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	91
Auditor's Comments.....	93
Schedule of Findings and Responses	94



INTRODUCTION



January 15, 2021

**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 Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2020. State law (Nevada Revised Statutes 354.624) requires that local governments provide an annual audit by independent certified public accounts in conformance with generally accepted auditing standards.

This report 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 report, 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 Eide Bailly. LLP, Certified Public Accountant. The goal of the independent audit is to provide reasonable assurance that District's the financial statements for the fiscal year ended June 30, 2020 are free of material misstatements. The independent audit consisted of examination, on a test basis, 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 unqualified opinion that the Incline Village General Improvement District's financial statements for the year ended June 30, 2020 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 report.

Management's Discussion and Analysis (MD&A), as required supplementary information, follows the Independent Auditor's report and provides a narrative summary and analysis that may 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 public 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 9,000 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, 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 100,000 skiers, 35,000 golfers, and 170,000 beach users, 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 can amend or augment the budget after following procedures prescribed in State statutes. The District Board of Trustees amended the fiscal year 2019-2020 budget to re-establish governmental capital and debt funds for its Community Services and Beach activities. The financial statements included in this report are presented accordingly.

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 at June 2019 indicates the combined room occupancy rate increased 6.3% from last year.

Development within the District is challenged by the availability of parcels for redevelopment. There are commercial projects planned in Crystal Bay. The preliminary development permits for the projects have been approved. The scope of the development will be determined by future events. It is anticipated they will have a positive effect on the area.

Located in Incline Village, Sierra Nevada University (SNU) is Nevada's only private residential four-year liberal arts college which serves the community-at-large and those looking for a unique educational experience. The university has forged a unique partnership with Tahoe Center for Environmental Sciences (TCES). This partnership, between public and private institutions of higher education in two states, includes Sierra Nevada University, the University of California, Davis (UC Davis), the Desert Research Institute (DRI) and the University of Nevada, Reno (UNR).

The 2010 census population of 9,087 reflects an 8% decrease since 2000. Of the District's 7,954 housing units, the Census reports 3,353 for seasonal recreation use. This is 14% more than the number in 2000. The median housing value at June 30, 2020 for single family residence and condo sales for Incline Village and Crystal Bay are \$1,296,000 and \$605,000, respectfully, representing a 7.4% decrease on residence and a 2.3% increase on condos over last year. For the entire Washoe County the values were \$514,670 and \$303,670 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. Housing demand and prices are expected to be impacted in the short-run as a result of the COVID-19 pandemic both from the trend toward remote working and proximity to California and the housing trends in the Bay Area and Sacramento regions.

The Reno-Sparks June 2020 unemployment rate of 8.7% is well under the State at 15.2%, and is below the national level at 10.2%. These unemployment rates reflect a significant increase over unemployment rates reported in 2019 largely due to 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 2019-2020 the abatement was \$21,199 based on State of Nevada Department of Taxation formulas. The pre-abated Ad Valorem levy was \$2,040,175.

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 General Fund was able to meet this obligation while maintaining service levels while the refund was completed. A settlement agreement was reached with Washoe County in the current fiscal year. As part of the settlement, the District is responsible for refunding \$1,359,757. These funds have been 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 Plan covering the years 2018 to 2020 was adopted May 9, 2018. A point of emphasis of the Strategic Plan includes developing performance measures, stabilizing planning for capital improvements, and enhancing communication at many levels.

Review of District's Fund Accounting Beginning with fiscal year 2015-16, the District transitioned from Proprietary, Enterprise fund accounting to General Government, Special Revenue fund accounting for its Community Services and Beach Activities. In approving the District's 2020-21 annual budget, the Board of Trustees has taken action to direct the District to transition back to Proprietary, Enterprise fund accounting beginning in fiscal year 2021-22. While using the Special Revenue, Capital Projects and Debt Service Fund types the District's financial statements arguably demonstrate how fees and charges collected support operations, capital and debt obligations, a return to Enterprise Fund accounting 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. A Resolution of Intent has been filed with the State of Nevada Department of Taxation relating to this upcoming transition in fund accounting models.

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 at least \$15,000,000. Currently, the District is collecting \$2.0 million per year from utility rate charges for this project. The Board has yet to determine, however, if the project will

ultimately be funded with existing resources (pay-as-you-go), or through issuance of utility revenue bonds. A decision on preferred financing plan is expected to inform the District's upcoming utility rate study. In addition, a review of the District's utility fund reserve policy will inform the next rate study. The last increase in water and sewer rates were effective in May, 2019. In part due to the uncertainty associated with the COVID-19 pandemic (and its economic impacts to our residents) the Board did not enact the planned water and sewer rate increases scheduled to take effect in May, 2020.

Policy Direction related to District's Recreation and Beach Facility Fees. The fiscal year 2019-20 marks the tenth year in which the combined fee charged to the majority of parcel owners within the District remained set at \$830 per dwelling unit equivalent. While the fees collected are allocated by the Board to support operations, capital expenditures and debt service, a policy of "smoothing" has been employed to avoid potentially significant variations in the Recreation and Beach facility fees resulting from the timing of major capital projects. The fees continue to be set on the basis of needs identified in the District's Community Services and Beach Master Plans and the multi-year capital improvement plan adopted each year to support implementation of these plans. This policy is consistent with the District's objective of long-term financial planning and fiscal stability.

Commitment of Fund Balances to Priority Capital Projects. The District's recent actions related to establishing its annual Facility Fees and utility rates to support planned future capital projects has resulted in an increase in its unrestricted fund balances and net position within impacted funds. Beginning with fiscal year 2019-20, the Board has begun to take specific actions intended to commit certain fund balances to specific projects. Specifically, as of June 30, 2020, the Board as directed staff to designate a total of \$9,656,890 in utility fund unrestricted net position for the planned Effluent Pipeline Replacement project, with additional funds having been committed in fiscal year 2020-21. The Board is also considering taking action to designate available unrestricted fund balances within the District's Community Service and Beach funds for specific future projects, but for which current fee revenues and available fund balances are anticipated to serve as the funding source for specific projects, acknowledging that specific capital project budget appropriations will occur in future years. The designation of selected fund balances for specific purposes is intended to provide the residents and property owners of the District with a clear sense of the specific projects for which funds are currently being collected and set-aside.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Incline Village General Improvement District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019. This was the nineteenth 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 comprehensive annual financial report. This report must satisfy both GAAP and applicable legal requirements.

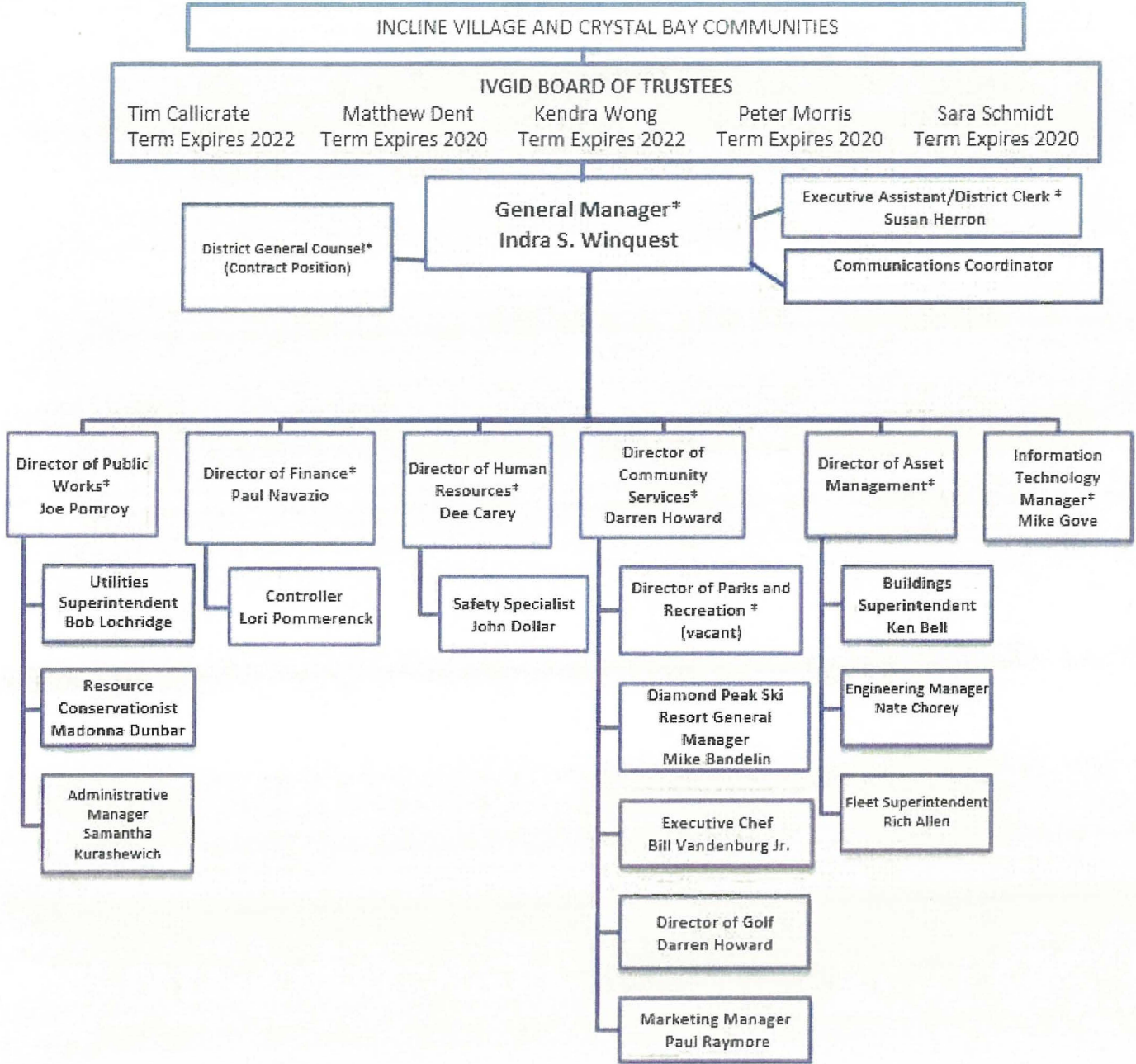
A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

The preparation of this report would not have been possible without the dedicated service of the entire staff of the accounting department and the District's venues. We wish to express our appreciation to all staff assisting with the preparation of this report. Credit also must be given to the Board of Trustees as well as the Audit Committee for their support and contribution to maintaining the highest standards of professionalism in the management of Incline Village General Improvement District.

Indra S. Winquest
General Manager
Incline Village General Improvement District

Paul Navazio
Director of Finance
Incline Village General Improvement District



ACHIEVEMENT



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

**Incline Village General
Improvement District, Nevada**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

This prestigious and national award, presented by the Government Finance Officers Association (GFOA) of the United States and Canada, recognized conformance with the highest standards for preparation of state and local government financial reports.

IVGID received the Certificate of Achievement of Excellence in Financial Reporting for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2019

**NATIONAL
AWARD**

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

INCLINE VILLAGE
GENERAL IMPROVEMENT DISTRICT

FINANCIALS

INDEPENDENT AUDITOR'S REPORT

(Pending)

Incline Village General Improvement District Management's Discussion and Analysis For the Fiscal Year ended June 30, 2020

This section of the Incline Village General Improvement District's (IVGID's) Comprehensive Annual Financial Report (CAFR) presents a narrative overview and analysis of the District's financial activities for the fiscal year ended June 30, 2020. 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, 2020:

- The District's net position as of June 30, 2020 was \$157.96 million and reflects an increase in net position of \$5.66 million over the prior year. Of this amount, a total of \$36.63 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 \$4.28 million (to \$79.27 million) and the net position of the District's business-type activities increased by \$1.39 million (to \$78.70 million).
- The District's General Fund reported an ending fund balance, as of June 30, 2020, of \$4.63 million, representing an increase of \$0.86 million over the prior year. Of this amount, a total \$3.11 million represents the unassigned fund balance.
- The District's Community Services Special Revenue Fund ended the year with a fund balance of \$15.28 million, reflecting an increase of \$1.95 million from the prior year; the Beach Special Revenue Fund ended the year with a fund balance of \$2.59 million, reflecting an increase of \$0.78 million from the prior year. The entire fund balance within the District's Community Services and Beach Special Revenue funds are either restricted or assigned for future use to support the District's recreational programs and facility improvements.
- As of June 30, 2020 the District had total bond debt outstanding of \$5.22 million including Utility Revenue Bonds outstanding of \$4.08 million and Recreation Bonds outstanding totaling \$1.14 million. The District retired \$0.89 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 Required Supplementary Information and 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

**Incline Village General Improvement District
Management's Discussion and Analysis
For the Fiscal Year ended June 30, 2020
(Continued)**

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 activities of the District include administration, recreation and internal service activities. These are supported by general tax revenues, facilities fees assessed on properties within the District as well as charges for services. The business-type activities of the District include utility (water, sewer and solid waste) 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 multiple governmental funds. Information is presented separately in the governmental fund financial statements for the General Fund, Community Services Special Revenue fund, Community Services Capital Projects and Community Services Debt Service funds, as well as the Beach Special Revenue, Beach Capital Projects and Beach Debt Service funds.

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 and Special Revenue Funds is provided as part of the basic financial statements. Budget comparisons for each of the individual governmental funds are provided as part of the Supplemental Information section of the CAFR.

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. *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 governmental-type activities in the government-wide statement since the most substantial users of these services are activities supported through the District's governmental 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.

**Incline Village General Improvement District
Management's Discussion and Analysis
For the Fiscal Year ended June 30, 2020
(Continued)**

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

GOVERNMENTAL-WIDE FINANCIAL ANALYSIS

The District's assets exceeded liabilities and deferred inflows of resources by \$157.96 million at June 30, 2020. The largest portion of net position (76.5%) 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.

**Incline Village General Improvement District
Net Position**

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Assets						
Current and Other assets	\$ 23,052,597	\$ 18,211,423	\$ 14,656,639	\$ 8,207,132	\$ 37,709,236	\$ 26,418,555
Long Term assets	3,983,781	6,656,389	1,859,956	5,843,465	5,843,737	12,499,854
Net Capital Assets	58,797,647	57,639,775	67,287,303	69,158,284	126,084,950	126,798,059
Total Assets	85,834,025	82,507,587	83,803,898	83,208,881	169,637,923	165,716,468
Liabilities						
Current liabilities	5,561,428	5,477,847	1,559,904	1,815,665	7,121,332	7,293,512
Long-term liabilities	763,685	1,131,683	3,546,231	4,084,938	4,309,916	5,216,621
Total Liabilities	6,325,113	6,609,530	5,106,135	5,900,603	11,431,248	12,510,133
Deferred Inflows of Resources						
Deferred inflows	243,026	242,584	-	-	243,026	242,584
Net Position						
Net investment in capital assets	57,665,962	56,147,092	63,202,365	64,549,358	120,868,327	120,696,450
Restricted	142,135	136,993	322,895	316,611	465,030	453,604
Unrestricted	21,457,789	19,371,388	15,172,503	12,442,309	36,630,292	31,813,697
Total Net Position	\$ 79,265,886	\$ 75,655,473	\$ 78,697,763	\$ 77,308,278	\$ 157,963,649	\$ 152,963,751

Governmental activities increased the Districts' net position by \$3.60 million. Activities for the year ended June 30, 2020 contributed \$3.45 million toward ending net position, however this amount was offset by prior year adjustments totaling of \$0.14 million.

**Incline Village General Improvement District
Management's Discussion and Analysis
For the Fiscal Year ended June 30, 2020
(Continued)**

Incline Village General Improvement District Change in Net Position						
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues						
Program Revenues:						
Charges for services	\$ 17,216,811	\$ 23,715,593	\$ 12,564,466	\$ 12,785,742	\$ 29,781,277	\$ 36,501,335
Operating grants	17,000	17,000	-	1,440	17,000	18,440
Capital grants and contributions	1,637,399	267	-	-	1,637,399	267
General Revenues:						
Ad valorem tax	1,722,896	1,622,486	-	-	1,722,896	1,622,486
Consolidated tax	1,719,933	1,690,222	-	-	1,719,933	1,690,222
Facility Fees (Assessed)	6,740,884	6,756,410	-	-	6,740,884	6,756,410
Unrestricted investment earnings	587,208	563,685	298,225	282,484	885,433	846,169
Other	384,429	204,245	(22,332)	15,066	362,097	219,311
Total Revenues	30,026,560	34,569,908	12,840,359	13,084,732	42,866,919	47,654,640
Expenses						
General Government	4,098,969	4,194,237	-	-	4,098,969	4,194,237
Incline Village General Improvement	-	3,306,507	-	-	-	3,306,507
Utility	-	-	11,495,874	10,554,488	11,495,874	10,554,488
Community Services	19,596,517	20,345,198	-	-	19,596,517	20,345,198
Beach	2,010,652	2,142,259	-	-	2,010,652	2,142,259
Total Expenses	25,706,138	29,988,201	11,495,874	10,554,488	37,202,012	40,542,689
Excess Revenue (Expenses)	4,320,422	4,581,707	1,344,485	2,530,244	5,664,907	7,111,951
Transfers In (Out)	(45,000)	(120,000)	45,000	120,000	-	-
Changes in Net Position	4,275,422	4,461,707	1,389,485	2,650,244	5,664,907	7,111,951
Beginning Net Position, as reported	75,655,473	71,073,766	77,308,278	74,778,034	152,963,751	145,851,800
Prior Period Adjustment	(665,009)	120,000	-	(120,000)	(665,009)	-
Beginning Net Position, as adjusted	74,990,464	71,193,766	77,308,278	74,658,034	152,298,742	145,851,800
Ending Net Position	\$ 79,265,886	\$ 75,655,473	\$ 78,697,763	\$ 77,308,278	\$ 157,963,649	\$ 152,963,751

Major contributors to the increase in net position over the fiscal year included expenses ending the year well below budget across all major functions (including Administration, Ski, Golf, Beach Recreation Center and Programming, Parks and Tennis), as well as spending below budget for Community Services and Beach capital projects.

While revenues through June 30, 2020 across all governmental activities fell approximately \$535,000 below budget, COVID-19-related facility closures and curtailment of recreational programming resulted in expenditure savings that more than offset the unfavorable revenue variance. In addition, deferral of capital projects yielded significant savings within the fiscal year, with over \$2.5 million in unexpended capital budget appropriations being carried forward to the fiscal year 2020/21.

Total governmental activity revenue overall decreased sharply year-to-year in the area of charges for services, driven largely by early closure of the District's ski resort and reduced availability of venues from March through June related to COVID restrictions.

For the District's government-wide financial statements for fiscal year 2019/20, revenues and expenditures within its Internal Services funds are excluded as these costs are included in the other governmental and business-type functions supported by the Internal Services functions.

**Incline Village General Improvement District
Management's Discussion and Analysis
For the Fiscal Year ended June 30, 2020
(Continued)**

Incline Village General Improvement District Governmental Activities Revenues

	2020		2019	
Property taxes	\$ 1,722,896	6%	\$ 1,622,486	5%
Combined taxes	1,719,933	6%	1,690,222	5%
Charges for Services -Community Services	15,597,229	52%	17,748,644	51%
Charges for Services - Beach	1,619,582	5%	1,492,687	4%
Charges for Services - Internal Services	-	0%	4,474,262	13%
Facility Fees - Community Services	5,774,067	19%	5,781,289	17%
Facility Fees- Beach	966,817	3%	975,121	3%
Operating Grants	17,000	0%	17,000	0%
Capital Grants	1,637,399	1%	267	0%
Unrestricted investment earnings	587,208	2%	563,685	2%
Other revenues/sources	339,429	1%	204,245	0%
Total general revenues	\$ 29,981,560	100%	\$ 34,569,908	100%

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 2019-20 the District assessed \$5,783,115 in Community Services facility fees and \$968,500 in Beach facility fees.

IVGID Facility Fees

Fiscal Year	Per Eligible Parcel		Total Assessment Roll		District Assessed
	Beach	Community Services	Beach	Community Services	Recreation Facility Fees
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
2016-17	100	730	774,400	5,972,860	6,747,260
2015-16	100	730	774,300	5,972,130	6,746,430

Total governmental activities include the General Fund which provides District wide administration, Internal Services, and Recreation and Beach programming, capital projects and debt service. Expenditures in the General Fund decreased slightly year-over-year due to cost-saving measures implemented in the fourth quarter in response to the COVID-19 pandemic which forced curtailment of District programming and facility access. Cost-savings were achieved through hiring freezes, furloughs of non-essential personnel and deferral of non-essential discretionary expenditures. Internal services expenditures similarly experienced a slight reduction year-over-year, particularly in Building Maintenance, and elimination of the District's Workers' Compensation Fund. Community Services Recreation expenditures reflect an increase of 6.6% over prior year due primarily to timing of capital project expenditures off-setting operating expenditure reduction related to activities impacted by COVID-19. Similarly, expenditures within the District's Beach activities reflect a reduction from prior year due to reduced staffing levels and expenditures in the fourth quarter of the fiscal year.

Business-type activities: Business-type activities increased their net position by \$1.39 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) was somewhat insulated from operational impacts related to the COVID-19 pandemic. The Utility Fund's increase in net position continues to result largely from utility rate revenues collected in support of a major pending capital project to replace sections of the effluent pipeline. Capital expenditures for the year were \$1,657,757, while depreciation expense was \$3,367,361. Principal reduction on bonds was \$523,988.

**Incline Village General Improvement District
Management's Discussion and Analysis
For the Fiscal Year ended June 30, 2020
(Continued)**

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 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 \$3,110,801 across all governmental funds 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 balance increased to \$4,630,149, with \$159,611 non-spendable, and \$1,359,737 restricted for pending property tax settlement. This results in an unassigned fund balance as of June 30, 2020 of \$3,110,801.

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 Special Revenue Fund Balance increased to \$15,208,914. The Beach Special Revenue Fund Balance increased to \$2,591,632

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 functional revenues exceed expenditures by \$1.16 million for the fiscal year ended June 30, 2020; however a \$0.30 million transfer was recorded representing the last allocation of Workers' Compensation self-insurance balances re-allocated to other funds. This results in a net change in fund balance of \$0.87 million as of June 30, 2020.

Selected highlights within the District's General Fund includes:

- Revenues exceeding budget by \$223,525, with the single largest contributor being investment earnings which ended the year \$231,643 above budget.
- General Fund expenditures for the year ended June 30, 2020 were \$2,711,859, or \$1,023,110 below budget (net of Central Services Overhead cost recover). Year-end expenditures were below budget across all General Fund-supported administrative functions, with the largest favorable budget variances in General Administration, Human Resources and Information Technology.
- Capital Outlay expenditures within the General Fund were below budget; however, \$300,000 in capital appropriations were carried forward to fiscal year 2020/21 (related to project to replace the District's Payroll / Human Resources Management System).

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, 2020 amounts to \$126,084,950 (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
Management's Discussion and Analysis
For the Fiscal Year ended June 30, 2020
(Continued)**

Incline Village General Improvement District Capital Assets, Net

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land - Governmental Activities	\$ 17,290,327	\$ 16,971,753	\$ -	\$ -	\$ 17,290,327	\$ 16,971,753
Construction in Progress - Governmental Activities	2,974,576	1,867,843	-	-	2,974,576	1,867,843
Land - Utility Activities	-	-	6,715,544	6,715,544	6,715,544	6,715,544
Construction in Progress - Utility Activities	-	-	1,607,772	1,418,052	1,607,772	1,418,052
Buildings and Improvements	919,213	891,744	-	-	919,213	891,744
Equipment and Vehicles	1,914,479	1,647,472	-	-	1,914,479	1,647,472
Internal services equipment furniture and fixtures	253,869	253,869	-	-	253,869	253,869
Utility service infrastructure	-	-	114,599,557	113,807,857	114,599,557	113,807,857
Utility buildings and improvements	-	-	15,596,832	15,503,863	15,596,832	15,503,863
Utility equipment, furniture and fixtures	-	-	3,882,229	3,696,213	3,882,229	3,696,213
Community services buildings and improvements	66,544,270	63,955,722	-	-	66,544,270	63,955,722
Community services equipment, furniture and fixtures	12,351,359	11,942,698	-	-	12,351,359	11,942,698
Beach buildings and improvements	4,936,463	4,919,537	-	-	4,936,463	4,919,537
Beach equipment, furniture and fixtures	610,457	569,383	-	-	610,457	569,383
Total Cost	107,795,013	103,020,021	142,401,934	141,141,529	250,196,947	244,161,550
Accumulated Depreciation	(48,997,366)	(46,183,760)	(75,114,631)	(71,983,245)	(124,111,997)	(118,167,005)
Capital Assets, Net	\$ 58,797,647	\$ 56,836,261	\$ 67,287,303	\$ 69,158,284	\$ 126,084,949	\$ 125,994,545

Long-term debt: At the end of the current fiscal year, the District had total bonded debt outstanding of \$5.22 million, including \$4.08 million in outstanding Utility Revenue Bonds and \$1.14 million in outstanding Recreation Bonds. Of the total amount of long-term debt outstanding, \$4.28 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, \$0.94 million, represents bonds secured solely by specified utility rate revenue sources.

Long-term liability activity for the year ended June 30, 2020 was as follows:

	Beginning Balance	New Issues	Principal Paid	Ending Balance
Governmental Type Activities:				
Bonds Payable;				
Recreation Revenue Supported	\$ 1,498,000	\$ -	\$ 361,000	\$ 1,137,000
Business Type Activities:				
Bonds Payable;				
Utility Revenue Supported	4,608,926	-	523,988	4,084,938
Total	\$ 6,106,926	\$ -	\$ 884,988	\$ 5,221,938

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.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The COVID-19 pandemic, which required curtailment of District program and operations starting on March 16, 2020, continues as a source of uncertainty into the current fiscal year. While the District's FY2020/21 annual budget includes conservative assumptions related to direct impacts of the COVID-19 pandemic on availability and access to District venues, broader economic impacts of the prolonged pandemic on our residents and guests have the potential to further affect District finances in the near term as well providing uncertainty in terms of long-term return to "normal" operations.

**Incline Village General Improvement District
Management's Discussion and Analysis
For the Fiscal Year ended June 30, 2020
(Continued)**

- 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 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.
- Among the priority capital improvement projects is the replacement of several miles of the effluent pipeline transporting treated wastewater from the District's Water Resource Recovery Facility out of the basin. Concurrent with final project design and financing plans being considered by the Board, an updated utility rate study is planned for the current fiscal year to establish rates over to be set over the next five-year planning horizon in support of this project as well as other utility capital investments needs, ongoing operations and establishment of appropriate reserve levels within the District's utility fund.
- The Board of Trustees is in the process of updating its priority projects to support goals of the District's Community Services Master Plan, which includes projects at each of the District's venues, including Diamond Peak Ski Area, Recreation Center, Beach facilities and golf courses. The Board is considering commitment of existing fund balances for projects such as the renovation of the Burnt Cedar Pool as well as potential financing options for projects beyond fiscal year 2021/22.

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.

INCLINE VILLAGE
GENERAL IMPROVEMENT DISTRICT

BASIC FINANCIALS

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

**STATEMENT OF NET POSITION
JUNE 30, 2020**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 16,600,567	\$ 9,415,167	\$ 26,015,734
Short term investments	4,801,614	3,791,702	8,593,316
Receivables:			
Accounts receivable, net	7,165	1,268,002	1,275,167
Interest on investments	33,822	17,560	51,382
Taxes and Fees from Washoe County	38,914	-	38,914
Grants Receivable	371,079	12,881	383,960
Due from other governments	466,730	-	466,730
Inventories	557,257	151,327	708,584
Prepaid items	175,449	-	175,449
Long term investments	3,598,620	1,537,061	5,135,681
Restricted assets:			
Restricted Deposits	385,161	322,895	708,056
Capital assets:			
Land	17,290,327	6,715,544	24,005,871
Construction in progress	2,974,576	1,607,772	4,582,348
Buildings, Structures, Improvements, Infrastructure, Equipment and Vehicles, net of accumulated depreciation	38,532,744	58,963,987	97,496,731
Total assets	<u>85,834,025</u>	<u>83,803,898</u>	<u>169,637,923</u>
LIABILITIES			
Accounts payable	2,215,584	355,031	2,570,615
Accrued personnel costs	1,587,807	444,160	2,031,967
Accrued interest payable	11,235	54,080	65,315
Due to other governments	17,517	-	17,517
Unearned revenue	1,361,285	167,926	1,529,211
Noncurrent liabilities:			
Due within one year	368,000	538,707	906,707
Due in more than one year	763,685	3,546,231	4,309,916
Total liabilities	<u>6,325,113</u>	<u>5,106,135</u>	<u>11,431,248</u>
DEFERRED INFLOW OF RESOURCES			
Deferred Inflow	<u>243,026</u>	<u>-</u>	<u>243,026</u>
NET POSITION			
Net investment in capital assets	57,665,962	63,202,365	120,868,327
Restricted	142,135	322,895	465,030
Unrestricted	21,457,789	15,172,503	36,630,292
Total net position	<u>\$ 79,265,886</u>	<u>\$ 78,697,763</u>	<u>\$ 157,963,649</u>

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, 2020**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
Primary government:							
Governmental activities:							
General government	\$ 4,098,969	\$ -	\$ -	\$ -	\$ (4,098,969)	\$ -	\$ (4,098,969)
Community Services	19,596,517	15,597,229	17,000	1,637,399	(2,344,889)	-	(2,344,889)
Beach	2,010,652	1,619,582	-	-	(391,070)	-	(391,070)
Total governmental-type activities	<u>25,706,138</u>	<u>17,216,811</u>	<u>17,000</u>	<u>1,637,399</u>	<u>(6,834,928)</u>	<u>-</u>	<u>(6,834,928)</u>
Business-type activities:							
Utilities	11,495,874	12,564,466	-	-	-	1,068,592	1,068,592
Total primary government	<u>\$ 37,202,012</u>	<u>\$ 29,781,277</u>	<u>\$ 17,000</u>	<u>\$ 1,637,399</u>	<u>(6,834,928)</u>	<u>1,068,592</u>	<u>(5,766,336)</u>
General revenues:							
Property taxes					1,722,896	-	1,722,896
Combined taxes					1,719,933	-	1,719,933
Facility Fees (Assessed)					6,740,884	-	6,740,884
Unrestricted investment earnings					587,208	298,225	885,433
Gain (loss) on sale of capital assets					23,888	(22,332)	1,556
Insurance Proceeds					243,548	-	243,548
Miscellaneous revenues					116,993	-	116,993
Transfers In (Out)					(45,000)	45,000	-
Total general revenues and transfers					<u>11,110,350</u>	<u>320,893</u>	<u>11,431,243</u>
Changes in net position					<u>4,275,422</u>	<u>1,389,485</u>	<u>5,664,907</u>
Net position - beginning, as previously reported					75,655,473	77,308,278	152,963,751
Prior Period Adjustment					(665,009)	-	(665,009)
Net positions, beginning, as adjusted					<u>74,990,464</u>	<u>77,308,278</u>	<u>152,298,742</u>
Net position - ending					<u>\$ 79,265,886</u>	<u>\$ 78,697,763</u>	<u>\$ 157,963,649</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, 2020**

	<u>GENERAL</u>	<u>COMMUNITY SERVICES SPECIAL REV.</u>	<u>BEACH SPECIAL REVENUE</u>	<u>COMMUNITY SERVICES CAP. PROJECTS</u>	<u>BEACH CAPITAL PROJECTS</u>	<u>COMMUNITY SERVICES DEBT SERV.</u>	<u>BEACH DEBT SERVICE</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
ASSETS								
Cash, cash equivalents and investments	\$ 5,504,558	\$ 16,724,284	\$ 2,646,405	\$ -	\$ -	\$ -	\$ -	\$ 24,875,247
Accounts receivable, net	-	3,632	3,533	-	-	-	-	7,165
Interest receivable on investments	21,821	8,558	3,443	-	-	-	-	33,822
Taxes and Fees from Washoe County	7,146	27,154	4,614	-	-	-	-	38,914
Grants receivable	-	371,079	-	-	-	-	-	371,079
Due from other governments	333,467	113,913	19,350	-	-	-	-	466,730
Inventories	-	487,338	-	-	-	-	-	487,338
Prepaid items	159,611	15,838	-	-	-	-	-	175,449
Restricted deposits	243,026	141,134	1,000	-	-	-	-	385,160
Total assets	<u>\$ 6,269,629</u>	<u>\$ 17,892,930</u>	<u>\$ 2,678,345</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,840,904</u>
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable	\$ 219,726	\$ 570,159	\$ 41,381	\$ -	\$ -	\$ -	\$ -	\$ 831,266
Accrued personnel costs	1,176,685	310,954	27,815	-	-	-	-	1,515,454
Due to other governments	-	-	17,517	-	-	-	-	17,517
Unearned revenue	43	1,361,242	-	-	-	-	-	1,361,285
Total liabilities	<u>1,396,454</u>	<u>2,242,355</u>	<u>86,713</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,725,522</u>
Deferred Inflow of Resources								
Deferred Inflow	243,026	369,662	-	-	-	-	-	612,688
Fund balance								
Non-spendable	159,611	503,176	-	-	-	-	-	662,787
Restricted	1,359,737	141,134	1,000	-	-	-	-	1,501,871
Assigned	-	14,636,603	2,590,632	-	-	-	-	17,227,235
Unassigned	3,110,801	-	-	-	-	-	-	3,110,801
Total fund balance	<u>4,630,149</u>	<u>15,280,913</u>	<u>2,591,632</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,502,694</u>
Total liabilities and fund balance	<u>\$ 6,269,629</u>	<u>\$ 17,892,930</u>	<u>\$ 2,678,345</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,840,904</u>

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, 2020**

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	\$	22,502,694
General Fund:		
Capital Assets, net of accumulated depreciation, and are not financial resources, and therefore are not reported in that fund		3,179,893
Washoe County Property Tax Litigation Settlement		(1,359,737)
Community Services Fund:		
Capital Assets, net of accumulated depreciation, and are not financial resources, and therefore are not reported in that fund		50,895,765
Accrued interest, not to be liquidated from currently available resources		(11,054)
Capital Grants in Deferred Inflows due to collection beyond 60 days		369,662
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported in that fund		(1,118,694)
Unamortized Bond Discount, for the remaining bond liability, and therefore not reported in the fund		5,231
Beach Fund:		
Capital Assets, net of accumulated depreciation, and are not financial resources, and therefore are not reported in that fund		4,657,642
Accrued interest, not to be liquidated from currently available resources		(181)
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported in that fund		(18,306)
Unamortized Bond Discount, for the remaining bond liability, and therefore not reported in the fund		84
Internal Services Fund:		
Total Net Position of this fund, as it is reported as a governmental activity since a majority of the services are consumed by the governmental -type activities		162,886
Net Position of Governmental Activities	\$	79,265,885

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, 2020**

	GENERAL	COMMUNITY SERVICES SPECIAL REV.	BEACH SPECIAL REVENUE	COMMUNITY SERVICES CAP. PROJECTS	BEACH CAPITAL PROJECTS	COMMUNITY SERVICES DEBT SERV.	BEACH DEBT SERVICE	TOTAL GOVERNMENTAL FUNDS
REVENUES								
Ad valorem taxes	\$ 1,706,172	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,706,172
Personal Property Tax	16,724	-	-	-	-	-	-	16,724
Intergovernmental:								
Consolidated taxes	1,483,310	-	-	-	-	-	-	1,483,310
Local Government Tax Act	236,623	-	-	-	-	-	-	236,623
Services	-	35,245	-	-	-	-	-	35,245
Charges for Services	-	15,485,428	1,619,582	-	-	-	-	17,105,010
Facility Fees	-	5,774,067	966,817	-	-	-	-	6,740,884
Interfund Services	-	76,558	-	-	-	-	-	76,558
Operating Grants	-	17,000	-	-	-	-	-	17,000
Capital Grants	-	-	-	1,637,399	-	-	-	1,637,399
Investment income	432,643	126,143	28,422	-	-	-	-	587,208
Miscellaneous	952	116,042	-	-	-	-	-	116,994
Total revenues	3,876,424	21,630,483	2,614,821	1,637,399	-	-	-	29,759,127
EXPENDITURES								
GENERAL GOVERNMENT								
Manager	407,666	-	-	-	-	-	-	407,666
Trustees	168,531	-	-	-	-	-	-	168,531
Accounting	395,959	-	-	-	-	-	-	395,959
Information Services	735,979	-	-	-	-	-	-	735,979
Human Resources	34,143	-	-	-	-	-	-	34,143
Health & Wellness	33,532	-	-	-	-	-	-	33,532
Community & Employee Relations	118,664	-	-	-	-	-	-	118,664
Administration	537,961	-	-	-	-	-	-	537,961
Central Services Cost Allocation Income	-	-	-	-	-	-	-	-
Capital Outlay	279,424	-	-	-	-	-	-	279,424
RECREATION								
Championship Golf	-	4,255,618	-	-	-	-	-	4,255,618
Mountain Golf	-	960,547	-	-	-	-	-	960,547
Facilities	-	469,752	-	-	-	-	-	469,752
Ski	-	7,011,524	-	-	-	-	-	7,011,524
Community Programming and Recreation Center	-	2,189,572	-	-	-	-	-	2,189,572
Parks	-	843,619	-	-	-	-	-	843,619
Tennis	-	242,873	-	-	-	-	-	242,873
Recreation Administration	-	572,599	-	-	-	-	-	572,599
Beach	-	-	1,758,394	-	-	-	-	1,758,394
Capital Outlay								
Championship Golf	-	-	-	439,872	-	-	-	439,872
Mountain Golf	-	-	-	1,592,962	-	-	-	1,592,962
Facilities	-	-	-	71,584	-	-	-	71,584
Ski	-	-	-	792,711	-	-	-	792,711
Community Programming and Recreation Center	-	-	-	244,815	-	-	-	244,815
Parks	-	-	-	1,944,812	-	-	-	1,944,812
Tennis	-	-	-	233,778	-	-	-	233,778
Recreation Administration	-	-	-	(261,503)	-	-	-	(261,503)
Beach	-	-	-	-	82,009	-	-	82,009
Debt Service								
Principal	-	-	-	-	-	355,188	5,812	361,000
Interest	-	-	-	-	-	29,166	477	29,643
Total expenditures	2,711,859	16,546,104	1,758,394	5,059,031	82,009	384,354	6,289	26,548,040
Excess revenues (expenditures)	1,164,564	5,084,379	856,427	(3,421,632)	(82,009)	(384,354)	(6,289)	3,211,087
OTHER FINANCING SOURCES:								
Proceeds from Sale of Capital and Intangible Assets	-	44,639	-	-	-	-	-	44,639
Insurance Proceeds	-	243,548	-	-	-	-	-	243,548
Transfers In (Out) - Facility Fees for Capital Expenditure	-	(3,421,632)	(82,009)	3,421,632	82,009	-	-	-
Transfers In (Out) - Facility Fees for Debt Service	-	(384,354)	(6,289)	-	-	384,354	6,289	-
Transfers In (Out) - From (to) Other Sources	(300,000)	241,875	13,125	-	-	-	-	(45,000)
Net change in fund balance	864,564	1,808,455	781,254	-	-	-	-	3,454,274
Fund Balance, July 1, as reported	3,765,586	13,333,953	1,810,378	-	-	-	-	18,909,917
Prior period adjustment	-	138,505	-	-	-	-	-	138,505
Fund balance, July 1 as adjusted	3,765,586	13,472,458	1,810,378	-	-	-	-	19,048,422
Fund balance, June 30	\$ 4,630,149	\$ 15,280,914	\$ 2,591,632	\$ -	\$ -	\$ -	\$ -	\$ 22,502,695

**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 FISCAL YEAR ENDED JUNE 30, 2020**

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	\$ 3,454,274
General Fund:	
Capital Assets acquired during the year and capitalized	276,472
Depreciation expense for the fiscal year	(303,432)
Washoe County Property Tax Litigation Settlement	(1,359,737)
Community Services Fund:	
Capital Assets acquired during the year and capitalized	5,122,879
Depreciation expense for the fiscal year	(2,938,157)
Net book value of assets sold	(17,442)
Principal paid on long-term liabilities, including bonds payable	355,188
Beach Fund:	
Capital Assets acquired during the year and capitalized	70,512
Depreciation expense for the fiscal year	(236,888)
Principal paid on long-term liabilities, including bonds payable	5,812
Internal Services Fund:	
Total Change in Net Position of this fund, as it is reported as a governmental activity since a majority of the services are consumed by the governmental -type activities	<u>(154,059)</u>
Change in Net Position of Governmental Activities	<u>\$ 4,275,422</u>

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Ad valorem taxes	\$ 1,697,807	\$ 1,697,807	\$ 1,706,170	\$ 8,363
Personal Property Tax	12,000	12,000	16,724	4,724
Intergovernmental:				
Consolidated Tax	1,490,692	1,490,692	1,483,310	(7,382)
Local Government Tax Act	249,000	249,000	236,623	(12,377)
Investment earnings	201,000	201,000	432,643	231,643
Miscellaneous	2,400	2,400	952	(1,448)
Total revenues	<u>3,652,899</u>	<u>3,652,899</u>	<u>3,876,422</u>	<u>223,523</u>
EXPENDITURES				
GENERAL GOVERNMENT:				
Manager	456,289	456,289	407,666	48,623
Trustees	216,420	216,420	168,531	47,889
Accounting	958,297	958,297	395,959	562,338
Information Services	1,073,697	1,073,697	735,979	337,718
Human Resources	974,317	974,317	34,143	940,174
Health and Wellness	45,376	45,376	33,532	11,844
Communications	216,673	216,673	118,664	98,009
Administration	474,855	474,855	537,961	(63,106)
Central Services Cost Allocation Income	(1,367,400)	(1,367,400)	-	(1,367,400)
Capital Outlay	686,445	686,445	279,424	407,021
Total expenditures	<u>3,734,969</u>	<u>3,734,969</u>	<u>2,711,859</u>	<u>1,023,110</u>
Excess (deficiency) of revenues over expenditures	<u>(82,070)</u>	<u>(82,070)</u>	<u>1,164,563</u>	<u>1,246,633</u>
OTHER FINANCING SOURCES (USES)				
Contingency	(145,000)	(145,000)	-	145,000
Operating Transfers (Out)	(561,800)	(561,800)	(300,000)	261,800
Total other financing sources (uses)	<u>(706,800)</u>	<u>(706,800)</u>	<u>(300,000)</u>	<u>406,800</u>
Net change in fund balance	(788,870)	(788,870)	864,563	1,653,433
Fund balance, July 1	<u>3,093,112</u>	<u>3,093,112</u>	<u>3,765,586</u>	<u>672,474</u>
Fund balance, June 30	<u>\$ 2,304,242</u>	<u>\$ 2,304,242</u>	<u>\$ 4,630,149</u>	<u>\$ 2,325,907</u>

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
COMMUNITY SERVICES SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Charges for Services				
Championship Golf	\$ 4,516,321	\$ 4,516,321	\$ 4,070,762	\$ (445,559)
Mountain Golf	678,573	678,573	690,798	12,225
Facilities	420,793	420,793	361,890	(58,903)
Ski	9,222,320	9,222,320	9,781,499	559,179
Community Programming and Recreation Center	1,285,209	1,285,209	1,004,900	(280,309)
Parks	62,178	62,178	32,505	(29,673)
Tennis	156,100	156,100	133,786	(22,314)
Recreation Administration	(748,600)	(748,600)	(590,712)	157,888
Subtotal Charges for Services	15,592,894	15,592,894	15,485,428	(107,466)
Facility Fees	5,783,115	5,783,115	5,774,067	(9,048)
Intergovernmental Services	23,400	23,400	35,245	11,845
Interfund Services	98,210	98,210	76,558	(21,652)
Operating Grants	17,000	17,000	17,000	-
Capital Grants	623,800	623,800	-	(623,800)
Investment income	50,000	50,000	126,143	76,143
Miscellaneous - other	110,361	110,361	116,042	5,681
Total revenues	22,298,780	22,298,780	21,630,483	(668,297)
EXPENDITURES				
COMMUNITY SERVICES OPERATIONS:				
Championship Golf	4,703,639	4,703,639	4,255,618	448,021
Mountain Golf	1,027,877	1,027,877	960,547	67,330
Facilities	549,035	549,035	469,752	79,283
Ski	7,565,368	7,565,368	7,011,524	553,844
Community Programming and Recreation Center	2,475,123	2,475,123	2,189,572	285,551
Parks	891,279	891,279	843,619	47,660
Tennis	270,423	270,423	242,873	27,550
Recreation Administration	444,071	444,071	572,599	(128,528)
COMM. SERVICES CAPITAL OUTLAY				
Championship Golf	653,200	-	-	-
Mountain Golf	2,420,700	-	-	-
Facilities	180,400	-	-	-
Ski	2,770,850	-	-	-
Community Programming and Recreation Center	468,650	-	-	-
Parks	1,028,752	-	-	-
Tennis	1,363,950	-	-	-
COMM. SERVICES DEBT SERVICE				
Principal	355,188	-	-	-
Interest	29,166	-	-	-
Total expenditures	27,197,671	17,926,815	16,546,104	1,380,711
Excess (deficiency) of revenues over expenditures	(4,898,891)	4,371,965	5,084,379	712,414
OTHER FINANCING SOURCES (USES)				
Sale of assets	-	-	44,639	44,639
Insurance Proceeds	300,000	300,000	243,548	(56,452)
Operating Transfers In	561,800	561,800	241,875	(319,925)
Operating Transfers (Out) - Capital Projects	-	(8,886,502)	(3,421,632)	5,464,870
Operating Transfers (Out) - Debt Service	-	(384,354)	(384,354)	-
Total other financing sources (uses)	861,800	(8,409,056)	(3,275,924)	5,133,132
Net change in fund balance	(4,037,091)	(4,037,091)	1,808,456	5,845,547
Fund Balance, July 1, as previously reported	13,183,167	13,183,167	13,333,953	150,786
Prior Year Adjustment	-	-	138,505	138,505
Fund Balance, July 1, as adjusted	13,183,167	13,183,167	13,472,458	289,291
Fund balance, June 30	\$ 9,146,076	\$ 9,146,076	\$ 15,280,914	\$ 6,134,838

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
 BEACH SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Charges for Services				
Beach	\$ 1,488,800	\$ 1,488,800	\$ 1,619,582	\$ 130,782
Facility Fees	968,500	968,500	966,817	(1,683)
Investment earnings	22,500	22,500	28,422	5,922
Total revenues	<u>2,479,800</u>	<u>2,479,800</u>	<u>2,614,821</u>	<u>135,021</u>
EXPENDITURES				
BEACH RECREATION:				
Beach - Operations	2,109,190	2,109,190	1,758,394	350,796
Capital Outlay	990,050	-	-	-
Debt Service				
Principal	5,812	-	-	-
Interest	477	-	-	-
Total expenditures	<u>3,105,529</u>	<u>2,109,190</u>	<u>1,758,394</u>	<u>350,796</u>
Excess (deficiency) of revenues over expenditures	<u>(625,729)</u>	<u>370,610</u>	<u>856,427</u>	<u>485,817</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	-	-	13,125	13,125
Operating Transfers (Out) - Capital Projects	-	(990,050)	(82,009)	908,041
Operating Transfers (Out) - Debt Service	-	(6,289)	(6,289)	-
Total other financing sources (uses)	<u>-</u>	<u>(996,339)</u>	<u>(75,173)</u>	<u>921,166</u>
Net change in fund balance	(625,729)	(625,729)	781,254	1,406,983
Fund Balance, July 1	<u>1,749,171</u>	<u>1,749,171</u>	<u>1,810,378</u>	<u>61,207</u>
Fund balance, June 30	<u>\$ 1,123,442</u>	<u>\$ 1,123,442</u>	<u>\$ 2,591,632</u>	<u>\$ 1,468,190</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, 2020**

	Business - type Activities Enterprise Utility Fund	Governmental Activities Internal Services Fund
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 9,415,167	\$ 125,554
Short term investments	3,791,702	-
Accounts receivable	1,268,002	-
Interest receivable	17,560	-
Grants receivable	12,881	-
Inventories	151,327	69,919
Total current assets	<u>14,656,639</u>	<u>195,473</u>
Noncurrent assets:		
Investments - long-term	1,537,061	-
Contractual deposits	100	-
Restricted deposit for debt service reserve	229,223	-
Restricted for TRPA Deposits	93,572	-
	<u>1,859,956</u>	<u>-</u>
Capital Assets		
Land	6,715,544	-
Construction in progress	1,607,772	-
Buildings and structures	15,596,832	-
Improvements and Infrastructure	114,599,557	-
Equipment and vehicles	3,882,231	253,869
Total capital assets	142,401,936	253,869
Less: accumulated depreciation	(75,114,633)	(189,522)
Total capital assets (net)	<u>67,287,303</u>	<u>64,347</u>
Total noncurrent assets	<u>69,147,259</u>	<u>64,347</u>
Total assets	<u>83,803,898</u>	<u>259,820</u>
LIABILITIES		
Current liabilities:		
Accounts payable	355,031	24,581
Accrued personnel costs	444,160	72,353
Accrued interest payable	54,080	-
Unearned revenue	167,926	-
Current maturities of long-term debt	538,707	-
	<u>1,559,904</u>	<u>96,934</u>
Total current liabilities	1,559,904	96,934
Non-current liabilities:		
Non-current long term debt	<u>3,546,231</u>	<u>-</u>
Total liabilities	<u>5,106,135</u>	<u>96,934</u>
NET POSITION		
Net investment in capital assets	63,202,365	64,347
Restricted	322,895	-
Unrestricted	15,172,503	98,539
	<u>78,697,763</u>	<u>162,886</u>
Total net position	<u>\$ 78,697,763</u>	<u>\$ 162,886</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, 2020**

	Business - type	
	Activities	Governmental
	Enterprise	Activities
	Utility	Internal
	Fund	Services Fund
	<u> </u>	<u> </u>
OPERATING REVENUES		
Sales and fees	\$ 12,396,967	\$ -
Interfund services	167,499	2,623,819
Total operating revenues	<u>12,564,466</u>	<u>2,623,819</u>
OPERATING EXPENSES		
Wages and benefits	4,151,482	1,976,675
Cost of goods sold	4,815	-
Services and supplies	2,107,062	763,514
Defensible Space	97,876	-
Central Services Cost	353,700	-
Insurance	185,410	13,686
Utilities	894,515	11,442
Professional fees	221,815	-
Depreciation	3,367,361	12,561
Total operating expenses	<u>11,384,036</u>	<u>2,777,878</u>
Operating income	<u>1,180,430</u>	<u>(154,059)</u>
NONOPERATING REVENUES (EXPENSES)		
Investment earnings	298,225	-
Loss on sales of assets	(22,332)	-
Interest on bond debt	(111,838)	-
Total nonoperating revenues (expenses)	<u>164,055</u>	<u>-</u>
Income before transfers and contributions	<u>1,344,485</u>	<u>(154,059)</u>
Transfer In (Out)	<u>45,000</u>	<u>-</u>
Change in net position	1,389,485	(154,059)
Total net position, July 1	<u>77,308,278</u>	<u>316,945</u>
Total net position, June 30	<u>\$ 78,697,763</u>	<u>\$ 162,886</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, 2020**

	<u>Business - type Activities Enterprise Utility Fund</u>	<u>Governmental Activities Internal Services Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	\$ 12,352,585	\$ -
Receipts from interfund services provided	167,499	2,623,819
Payments to suppliers	(4,055,051)	(776,407)
Payments to employees	(4,051,848)	(2,157,695)
Net cash provided (used) by operating activities	4,413,185	(310,283)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Transfer (to) from other funds	45,000	-
Net cash provided (used) by non-capital financing activities	45,000	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	(1,496,380)	-
Loss from sale of assets	(22,332)	-
Payments on capital debt	(523,988)	-
Interest expense	(119,145)	-
Net cash provided (used) by capital and related financing activities	(2,161,845)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Restricted investments released (increased)	(6,284)	-
Investments purchased	(1,302,993)	-
Long-term investments matured	3,749,128	-
Investment earnings	312,774	-
Net cash provided (used) by investing activities	2,752,625	-
Net change in cash and cash equivalents	5,048,965	(310,283)
Cash and cash equivalents, July 1	4,366,202	435,837
Cash, cash equivalents and investments, June 30	\$ 9,415,167	\$ 125,554

(Continued)

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2020**

	Business - type	
	Activities	Governmental
	Enterprise	Activities
	Utility	Internal
	Fund	Services Fund
	<hr/>	<hr/>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ 1,180,430	\$ (154,059)
Non-cash adjustments -		
Depreciation	3,367,361	12,561
Increase (decrease) in cash from changes in:		
Accounts receivable	(63,379)	-
Inventory	3,066	32,115
Prepaid expenses	188,880	13,907
Accounts payable	(381,804)	(33,787)
Accrued personnel costs	99,634	(181,020)
Unearned revenue	18,997	-
Total adjustments	<hr/> 3,232,755	<hr/> (156,224)
Net cash provided (used) by operating activities	<hr/> <hr/> \$ 4,413,185	<hr/> <hr/> \$ (310,283)

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

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
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	Accounting for Facility Fees
U	Punch Cards Utilized
Assets:	
Note 2	Compliance with Nevada Revised Statutes and Nevada Administrative Code
Note 3	Cash, Cash Equivalents and Investments
Note 4	Restricted Deposits
Note 5	Capital Assets
Liabilities and Fund Equity:	
Note 6	Accrued Personnel Costs
Note 7	Unearned Revenue
Note 8	Interfund Accounts and Transfers
Note 9	Long-Term Debt
Other:	
Note 10	Deferred Inflow of Resources
Note 11	Capital Grants
Note 12	District Retirement Benefit Plans
Note 13	Schedule of Insurance Coverage and Risk Management
Note 14	Assigned Fund Balance
Note 15	Restricted Funds
Note 16	Lease Obligations
Note 17	Due to Other Governments
Note 18	Community Services and Beach Special Revenue Funds
Note 19	Commitments Affecting Future Periods
Note 20	Restricted Deposit Held in Lawsuit
Note 21	State of Nevada Tax Abatements Affecting District Revenues
Note 22	Prior Period Adjustments

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2020

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, this General Improvement 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. 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.

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 (all considered Major):

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.

Community Services – providing recreation to approximately 8,200 parcel owners, their guests and visitors.

- Special Revenue Fund – operation of golf, event facilities, downhill skiing, recreation and fitness programs, parks and tennis
- Capital Projects Fund – capital projects related to recreation functions
- Debt Service Fund – debt service related to recreation functions

Beach – providing beach, picnic areas, boat launching and swimming pool programs to approximately 7,700 parcel owners and their guests.

- Special Revenue Fund – operations of beach functions
- Capital Projects Fund – capital projects related to beach functions
- Debt Service Fund – debt service related to beach functions

Proprietary Funds -

Enterprise Funds - The Enterprise Funds are used to account for operations of the District's Utility Departments. **Utility Fund** – providing water, sewer, solid waste and recycling services to approximately 4,100 customers.

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 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, 2019, 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 22, 2019, at a public hearing, the Board adopted a final budget. On or before June 1, 2019 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. The District did not augment its budget for the 2019-20 fiscal year. However, the Board amended the fiscal year 2019-20 budget, in accordance with NRS 354.598005 to re-establish use of separate Capital and Debt funds for Community Services and Beach activities. As a result, budgeted and actual revenues and expenditures were reallocated across the respective funds.

3. The legal level of budgetary control is at the fund level. Appropriations are adopted at the function level. Management has no amendment authority without the District's Board approval. Generally, the expenses in the proprietary funds also may not exceed appropriations. While management has flexibility to change the operating budgets of the proprietary funds but in practice rarely does so. 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.

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 benefitted 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 in 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.

The District has the following recurring fair value measurements as of June 30, 2020:

Certificates of Deposits valued at quoted market prices (Level 1 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.

Grants Receivable. The District has been awarded grants to finance the construction of various utility infrastructures, restoration of a creek zone and to upgrade a ballfield. These funds are earned when requisite construction costs are incurred. The District has recognized funds earned but not collected by a Grants Receivable.

Other Receivables. Accounts receivable reflects service charges to customers and resident for deposits or fees that are earned, but not collected. An allowance for doubtful accounts is considered and at present, the allowance totals \$24,393. 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 Community Services Special Revenue and 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. For the fiscal year ended June 30, 2020 monies within the General Fund fund balance are shown as restricted as a result of a pending settlement agreement related to a property tax dispute files with Washoe County by Incline Village property owners.

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 assets.

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

Activities of the Beach Special Revenue Fund includes 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.

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 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. Estimated lives and capitalization thresholds of major classes of depreciable assets are as follows:

<u>Asset Category</u>	<u>Depreciable Life</u>	<u>Capitalization Threshold</u>
Buildings and Structures	30 - 50 years	\$10,000
Improvements and Infrastructure	10-50 years	\$10,000
Equipment and Vehicles	3-20 years	\$ 5,000

With its location within the Lake Tahoe Basin, Defensible Space is an important function for the District. This is generally accomplished through contracts with the North Lake Tahoe Fire Protection District serving essentially the same geographic area as the District. Defensible Space expenditures range from clearing the understory to major tree removal and fuels reduction. The goal of the program is to create a "halo" around the community restricting the movement of wildfire in or out of the community. The substance of those efforts removes vegetation and other fuels as they accumulate. The degree of work in any given area rotates over time based on conditions as assessed by the Fire District. Much of the funding for the effort comes from other governments on a Federal, State and local level. The IVGID contribution is focused on treatment of District owned parcels. The District budgets to provide resources for its share of contracted expenditures. The work provides an ongoing benefit, but the District expenses all costs as incurred.

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 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 contract 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.

The District's Board of Trustees has adopted Policy 7.1.0 and Practice 7.2.0, establishing policy related to appropriate level of fund balance, as follows:

General Fund - must meet the minimum balance requirements (4.0% of prior year expenditures) required under Nevada Administrative Code Section 354.650.

Special Revenue Funds - 25% of the fiscal years' operating expenditures (based on the current adopted budget) other than capital expenditure and debt service.

Proprietary Fund Types:

- Utilities Operations - 25% of operating expenses for the fiscal year based on the current adopted budget.
- Internal Services - 25% of operating expenses for the fiscal year based on the current adopted budget. (This level of fund balance was not achieved for the fiscal year ending June 30, 2020).

The District first utilizes restricted resources to finance qualifying activities then unrestricted resources, as they are needed when amounts are available for the same use. The District's Governmental fund types first utilizes committed resources as authorized, then assigned and then unassigned when amounts are available for the same use.

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 restricted assets reduced by liabilities related to those assets. 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 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 charges. The charges are based on budgeted expenses. 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. Accounting for Facility Fees

Each year, the District establishes an annual Recreation Facility Fee and Beach Facility Fee to be collected from property owners within the District through a levy placed on the property tax bill and collected on behalf of the District by the Washoe County Treasurer's Office. These fees are established based on the revenues required to support debt, capital expenditure and operations for the District's various recreation and beach facilities. These revenues, combined with service charges collected by the District for facility use and program activities serve to support the operations of the District. These revenues are recorded as general revenues within as opposed to charges for services. The Facility Fees are recorded as revenues to the Community Services Special Revenue Fund and the Beach Special Revenues fund, with subsequent transfers to Capital and Debt fund, as required, to support actual expenditures.

U. Punch Cards Utilized

Under District Ordinance 7, parcel owners may use a portion of the value of their recreation passes 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. Utilization is recognized based on the relationship of privileges used to total facility fee paid by the parcel. Under the 2019-20 budgeted fee structure, this is 85% to Community Services Special Revenue Fund and 15% to the Beach Special Revenue Fund. Contra-revenues related to Punch Card utilization are only recorded on transactions involving Punch Cards with Beach Access. No contra-revenues are recorded for transactions involving Punch Cards with no Beach Access, nor are they recorded for transactions using additional Punch Cards purchased by property owners throughout the year.

DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

2. COMPLIANCE WITH NEVADA REVISED STATUES AND NEVADA ADMINISTRATIVE CODE

The District conforms to all applicable statutory constraints on its financial administration.

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

At year-end, the carrying amount of the District's checking deposits was \$1,843,928 while the bank balance was \$2,028,104. 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 and Cash Equivalents at June 30, 2019 consist of:

Operating Checking Accounts	\$1,843,928
Petty cash and change funds	56,803
Nevada Local Government Investment Pool (average weighted maturity of 130 days)	
General LGIP Account	12,865,999
Utility LGIP Account	5,427,563
US Government Money Market	<u>5,821,441</u>
Total Cash and Cash Equivalents	<u>\$26,015,734</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.

Fair Value Measurements as of June 30, 2020

	Level 1	Total
Certificates of Deposit	\$ 13,728,997	<u>\$ 13,728,997</u>
Interest Bearing Amounts - Investments		13,728,997
LGIP at Net Asset Value (Cash Equivalent)		18,293,562
LGIP Restricted Deposits at Net Asset Value		<u>458,854</u>
Total Fair Value Measurements		<u>\$ 32,481,413</u>

Investment Maturities by Investment Type as of June 30, 2020

	2021	2022	2023	Total
Certificates of Deposit	\$ 8,593,317	\$ 5,135,680	\$ -	\$ 13,728,997
LGIP as a Cash Equivalent	18,293,562			18,293,562
LGIP - Restricted Deposits	458,854			458,854
All Investment Types				<u>\$ 32,481,413</u>

Investment Maturities by Activity as of June 30, 2020

	Governmental Activities	Business Type Activities	Total
Short Term	\$ 4,801,614	\$ 3,791,702	\$ 8,593,316
Long Term	3,598,620	1,537,061	5,135,681
LGIP as a Cash Equivalent	12,865,999	5,427,563	18,293,562
LGIP - Restricted Deposit	136,059	322,795	458,854
Total Investment Activity Type	<u>\$ 21,402,292</u>	<u>\$ 11,079,121</u>	<u>\$ 32,481,413</u>

Interest Rate Risk - 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.

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 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.

4. 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.

On September 13, 2017 the District's Board of Trustees approved a settlement agreement relative to ongoing litigation with a member of the public. Under this agreement, damages awarded by the Washoe County District Court are held in a segregated account in the District's name until the Nevada Supreme Court Appeal is completed. The amount of the deposit was \$242,584 and now stands at \$243,026.

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 \$229,223. 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 \$229,631:

Deposit with State of Nevada for Sales Tax	\$ 6,075
Building Deposit held by Parasol Tahoe Foundation	100
Litigation Damage Deposit held by the District	243,026
LGIP Restricted Deposits (SRF & TRPA)	<u>458,854</u>
Total Restricted Deposits	<u>\$ 708,056</u>

5. CAPITAL ASSETS

Capital Asset activity for the year ended June 30, 2020:

	Balance July 1, 2019 (as restated)	Increases	Decreases	Balance June 30, 2020
Governmental Activities:				
Capital assets, not being depreciated				
Land - General Government	\$ 2,669,904	-	-	\$ 2,669,904
Land - Community Services	11,996,999	\$ 318,574	-	12,315,573
Land - Beach	2,304,850	-	-	2,304,850
Subtotal Land	16,971,753	318,574	-	17,290,327
Construction in Progress - General Government	18,000	276,472	(294,472)	-
Construction in Progress - Community Services	1,488,931	5,122,879	(4,010,660)	2,601,150
Construction in Progress - Beach	360,912	70,512	(57,998)	373,426
Subtotal Construction in Progress	1,867,843	5,469,863	(4,363,130)	2,974,576
Total capital assets, not being depreciated	\$ 18,839,596	\$ 5,788,437	\$ (4,363,130)	\$ 20,264,903
Capital assets, being depreciated				
Buildings and Structures - General Government	891,744	27,469	-	919,213
Buildings and Structures - Community Services	29,635,572	2,481,684	(98,427)	32,018,829
Buildings and Structures - Beach	2,683,716	-	-	2,683,716
Venue Improvements - Community Services	34,320,150	205,291	-	34,525,441
Venue Improvements - Beach	2,235,821	16,926	-	2,252,747
Equipment and Vehicles - General Government	1,647,472	267,007	-	1,914,479
Equipment and Vehicles - Community Services	11,942,698	1,005,119	(596,458)	12,351,359
Equipment and Vehicles - Beach	569,383	41,074	-	610,457
Equipment and Vehicles - Internal Services	253,869	-	-	253,869
Total capital assets, being depreciated	\$ 84,180,425	\$ 4,044,570	\$ (694,885)	\$ 87,530,110
Less accumulated depreciation for:				
Buildings and Structures - General Government	(799,538)	(21,833)	-	(821,371)
Buildings and Structures - Community Services	(14,396,804)	(879,957)	98,425	(15,178,336)
Buildings and Structures - Beach	(1,588,004)	(90,552)	-	(1,678,556)
Venue Improvements - Community Services	(19,645,876)	(902,927)	-	(20,548,803)
Venue Improvements - Beach	(1,446,917)	(97,324)	-	(1,544,241)
Equipment and Vehicles - General Government	(1,220,730)	(281,599)	-	(1,502,329)
Equipment and Vehicles - Community Services	(6,613,170)	(1,155,273)	579,004	(7,189,439)
Equipment and Vehicles - Beach	(295,760)	(49,012)	-	(344,772)
Equipment and Vehicles - Internal Services	(176,961)	(12,561)	-	(189,522)
Total accumulated depreciation	(46,183,760)	(3,491,035)	677,429	(48,997,366)
Total capital assets being depreciated, net	37,996,665	553,535	(17,456)	38,532,744
Governmental Activities Capital Assets, net	\$ 56,836,261	\$ 6,341,972	\$ (4,380,586)	\$ 58,797,647

Business-Type Activities

Utility Capital assets not being depreciated							
Land	\$	6,715,544	-	\$	6,715,544		
Construction in Progress		1,418,053	\$	1,529,939	\$	(1,340,220)	1,607,772
Total utility capital assets, not being depreciated		8,133,597		1,529,939		(1,340,220)	8,323,316
Utility Capital assets, being depreciated							
Buildings and structures		15,503,863		92,969		-	15,596,832
Service infrastructure		113,807,857		791,700		-	114,599,557
Equipment and vehicles		3,696,213		455,550		(269,534)	3,882,229
Total utility capital assets at historical cost		133,007,933		1,340,219		(269,534)	134,078,618
Less accumulated depreciation for:							
Buildings and structures		(7,688,138)		(392,581)		-	(8,080,719)
Service infrastructure		(61,637,155)		(2,743,849)		-	(64,381,004)
Equipment and vehicles		(2,657,952)		(230,931)		235,975	(2,652,908)
Total accumulated depreciation		(71,983,245)		(3,367,361)		235,975	(75,114,631)
Total utility capital assets being depreciated, net		61,024,688		(2,027,143)		(33,559)	58,963,987
Business-Type Activities Capital Assets, net	\$	69,158,285	\$	(497,204)	\$	(1,373,779)	\$ 67,287,303

The District has a number of Construction in Progress projects open as of June 30, 2020. Community Services includes \$251,653 for the Diamond Peak Master Plan, while Beach includes \$216,131 for the Incline Beach Facility Study. The Utility Fund includes \$719,785 for the design phase of the Effluent Export Line that project will be ongoing through at least 2023. 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, 2020 was charged to functions as follows:

Depreciation expenses for the year ended June 30, 2020 were charged to functions as follows:

Governmental Activities:

General Government	\$	303,432
Recreation		2,938,157
Beach		236,888
Internal Services		12,561
Total Depreciation Expense	\$	<u>3,491,038</u>

Business-Type Activities:

Utility Fund Water and Sewer	\$	<u>3,367,361</u>
------------------------------	----	------------------

The District holds a substantial number of land parcels for recreation and public purposes. Approximately 80 parcels were acquired at no cost through a Washoe County tax forfeiture transfer. These lands are not held for the purpose of income or profit, and therefore are not considered an investment.

6. ACCRUED PERSONNEL COSTS

The General Fund processes and issues payments for all payroll and most related personnel and benefit costs for all funds of the District. At the time the expenses are incurred, each fund records its appropriate costs. As payments are made, the individual funds provide their share through the pooled cash. This process provides the General Fund with the necessary available financial resources to meet the District wide obligations. Generally, no regular payroll or personnel accruals are recorded to the individual funds. Accruals for special payments, Health Reimbursement Accounts, Sick Leave at Retirement, Workers Compensation and Vacation can appear in individual funds, because they are recognized well in advance of the payment process. The General Fund also maintains any banks accounts specific for payment of benefits.

As a regular course of operations, the payroll including June 30 was paid July 17. The employee benefits earned through June 30 are also funded in the following month. 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 5 eligible employees covered. The District has no other post-employment benefit obligations for health insurance or retirement benefits.

The District offers health reimbursement accounts (HRA) in exchange for the insured accepting a higher deductible or co-insurance. The Plan is administered by the health insurance carrier. The District also has a third party administered flexible spending account (FSA). The District maintains bank accounts exclusively for reimbursements for HRA and FSA transactions.

The District provides Workers Compensation through a risk pooling arrangement funded with quarterly assessments. The fourth quarter is paid in arrears after a payroll verification conducted by the risk pool.

Accrued Personnel Costs as of June 30, 2020:

Current Payroll Liabilities:	Governmental	Business-Type	Total
Accrued Payroll	\$ 635,622	\$ 89,914	\$ 725,536
Taxes Withheld	48,110	-	48,110
Accrued Benefits	30,561	-	30,561
Deferred Comp	17,075	-	17,075
Retirement Plan	47,767	-	47,767
Health Reimbursement Accounts	131,727	-	131,727
Sick Leave Retirement Benefits	143,588	156,908	300,496
Workers Comp Unpaid Assessments	126,073	2,309	128,382
Accrued Vacation	407,284	195,029	602,313
Total Government-wide	\$ 1,587,807	\$ 444,160	\$ 2,031,967

The Government-wide Accrued Personnel Costs could be liquidated within one year and has been classified as current. The following accounts are based on ongoing activity as opposed to a point in time accrual:

Select Benefit Liabilities	Balance	Provisions		Balance
	June 30, 2019	Additions	Payments	June 30, 2020
Health Reimbursement Accts.	\$ 131,190	\$ 54,949	\$ 54,412	\$ 131,727
Sick Leave Retirement Benefit	294,982	40,872	35,358	300,496
Accrued Vacation	593,455	681,199	672,341	602,313

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:

	<u>General</u>	<u>Community Services Special Rev.</u>	<u>Beach Special Rev.</u>	<u>Utility</u>	<u>Total</u>
Billed in advance	\$ 43	\$ 419,429	\$ -	\$167,926	\$ 587,398
Unexpired season passes	-	869,233	-	-	869,233
Internal Gift Cards	-	72,580	-	-	72,580
Total	<u>\$ 43</u>	<u>\$1,361,242</u>	<u>\$ -</u>	<u>\$167,926</u>	<u>\$1,529,211</u>

8. INTERFUND ACCOUNTS AND TRANSFERS

The outstanding balances between funds results mainly from the time lag between the dates that (1) interfund 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, 2020.

Transfers from the General Fund were to return self-insurance resources to the operating funds after first transferred to the General Fund in the prior year, as required by Nevada Revised Statute. The same Statute does not allow the General Fund to redistribute the resources in the same fiscal year as received. Of the \$474,356 received in prior fiscal year, \$300,000 was redistributed in fiscal year 2019-2020.

Transfers for Capital Projects and Debt Service represent revenues from the fund that by statute or budget authority collects the revenue to provide resources for specified functions and transaction types to the fund that will expend them.

Gross Transfers reported on the financial statements as of June 30, 2020 are as follows:

Fund Transfer Out:	Fund Transfer In:								Total Out
	General Fund	Community Services Special Revenue	Community Services Capital Projects	Community Services Debt Service	Beach Special Revenue	Beach Capital Projects	Beach Debt Service	Utility Fund	
Internal Services Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General Fund	-	241,875	-	-	13,125	-	-	45,000	\$ 300,000
Community Services Special Revenue	-	-	3,421,632	384,354	-	-	-	-	\$ 3,805,986
Beach Special Revenue	-	-	-	-	-	82,009	6,289	-	\$ 88,298
Total In	<u>\$ -</u>	<u>\$ 241,875</u>	<u>\$ 3,421,632</u>	<u>\$ 384,354</u>	<u>\$ 13,125</u>	<u>\$ 82,009</u>	<u>\$ 6,289</u>	<u>\$ 45,000</u>	<u>\$ 4,194,284</u>

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, 2020:

<u>Issue</u>	<u>Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount Issued</u>	<u>Principal Outstanding</u>	<u>Current Portion</u>
Governmental Activities:						
General Obligation Revenue Bonds Recreation						
Recreation Facilities and Recreation						
Refunding 2012	07/18/12	09/01/22	2.25%	3,475,000	<u>\$1,137,000</u>	<u>\$368,000</u>
Total Recreation Revenue Supported Debt					<u>\$1,137,000</u>	<u>\$368,000</u>

Business Type Activities Direct Borrowings and Direct Placements:

Utility						
State of Nevada:						
Sewer C32-0204	10/28/02	01/01/23	3.14%	\$1,720,380	\$ 365,370	\$ 118,012
Water IVGID-1	09/09/04	07/01/25	3.08%	1,687,282	570,931	96,792
Sewer CS32-0404 (G.O.)	08/01/06	01/01/26	2.73%	3,000,000	1,141,608	177,630
Water DW-1201 (G.O.)	03/16/12	01/01/32	2.39%	3,000,000	<u>2,007,029</u>	<u>146,273</u>
Total Utility Revenue Supported Debt					<u>\$4,084,938</u>	<u>\$ 538,707</u>
Total Debt – All Activities					<u>\$5,221,938</u>	<u>\$906,707</u>

Long-Term Debt changes for the year:

	<u>Beginning Balance</u>	<u>New Issues</u>	<u>Principal Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
By Activity Type:					
Governmental:					
2012 Recreation	<u>\$1,498,000</u>	<u>\$ -</u>	<u>\$361,000</u>	<u>\$1,137,000</u>	<u>\$368,000</u>
Business Type Direct Borrowings and Direct Placements:					
Sewer C32-0204	479,758	-	114,388	365,370	118,012
Water IVGID-1	664,807	-	93,876	570,931	96,792
Sewer CS32-0404	1,314,494	-	172,886	1,141,608	177,630
Water DW-1201	<u>2,149,867</u>	-	<u>142,838</u>	<u>2,007,029</u>	<u>146,273</u>
Business Type Total	<u>4,608,926</u>	-	<u>523,988</u>	<u>4,084,938</u>	<u>538,707</u>
Total Debt	<u>\$6,106,926</u>	<u>\$ -</u>	<u>\$884,988</u>	<u>\$5,221,938</u>	<u>\$906,707</u>
By Bond Type:					
General Obligation	\$4,962,361	\$ -	\$676,724	\$4,283,637	\$691,903
Revenue	<u>1,144,565</u>	-	<u>208,264</u>	<u>936,301</u>	<u>214,804</u>
Total Debt	<u>\$6,106,926</u>	-	<u>\$884,988</u>	<u>\$5,221,938</u>	<u>\$906,707</u>
Bond discounts	<u>(5,317)</u>	-	<u>2</u>	<u>(5,315)</u>	
Long-term Debt, net	<u>\$6,101,609</u>	<u>\$ -</u>	<u>\$884,986</u>	<u>\$5,216,623</u>	

Future Debt Service Requirements as of June 30, 2020:

Fiscal Year	Debt Supported by <u>Utility Revenue</u>		Debt Supported by <u>Recreation Revenue</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
<u>Ending June 30</u>				
2021	\$ 538,707	\$ 104,428	\$ 368,000	\$ 21,442
2022	553,841	89,291	378,000	13,050
2023	569,405	73,728	391,000	4,399
2024	455,827	58,730	-	-
2025	468,183	46,373	-	-
2026 to 2030	1,123,515	107,706	-	-
2031 to 2032	<u>375,460</u>	<u>11,283</u>	<u>-</u>	<u>-</u>
Total	<u>\$4,084,938</u>	<u>\$ 491,539</u>	<u>\$ 1,137,000</u>	<u>\$ 38,891</u>

At June 30, 2020, principal and interest to maturity paid from pledged future Utility Revenues totals \$4,576,480 and \$1,175,891 paid from pledged Recreation Revenues. For the year ended June 30, 2020, the net pledged revenue was \$1,301,981 for Utility Debt and \$4,262,165 for Recreation Debt.

10. DEFERRED INFLOW OF RESOURCES

The District is holding a deposit of \$243,026 for a damage award as part of ongoing litigation relating to matters asserted by a member of the public. An appeal was filed with Nevada Supreme Court, and a final order was issued in favor of the District in November 2020.

The District has been awarded FEMA/Nevada Department of Emergency Management grants for 2017 damage to the Diamond Peak Maintenance Building for \$38,643 and a portion of the culvert for \$331,019. Review of the final costs and determination of payment is ongoing. These amounts are deferred at the fund level.

11. CAPITAL GRANTS

The District was awarded FEMA/Nevada Department of Emergency Management Grants for 2017 damages to facilities and infrastructure. Final review and payment is ongoing. This year the District received \$160,891 for the Incline Creek Restoration Project from the Nevada Department of Environmental Protection in that was a Federal Grant funded by the EPA. That project also received \$121,109 from the Nevada Division of State Lands. The District also received \$1,355,400 from the Incline Tahoe Foundation for the Incline Park Facility Renovation Project.

12. 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 provides a non-elective contribution of 12.3% 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 45 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 5%. 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 Purchase</u>	<u>Operating Engineers</u>	<u>Employer Section 457</u>	<u>Employee Section 457</u>
2020	\$ 998,451	\$ 39,810	\$ 377,663	\$ 537,568
2019	\$ 985,920	\$ 39,200	\$ 301,368	\$ 527,739

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.

13. SCHEDULE OF INSURANCE COVERAGE AND RISK MANAGEMENT

Insurance Coverage on June 30, 2020 consists of the following:

<u>Type</u>	<u>Carrier/Provider</u>	<u>Amount</u>
Property Liability 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.

14. ASSIGNED FUND BALANCE

As of July 1, 2015, the Board of Trustees established Special Revenue, Capital Project and Debt Service funds for District Community Services and Beach activities. Based on governmental accounting standards the fund balance for the Special Revenue funds are assigned for the purpose of recreation privileges utilizing the assessed facility fee. Furthermore, fund balances within the Community Services Capital Fund and Beach Capital Fund are further assigned for the purpose of future planned capital improvement projects. These funds generally represent revenues collected through the Recreation and Beach Facility fees allocated specifically to capital projects.

The General Fund reflects a restriction of \$1,359,737 to reflect the District's obligation under the terms of settlement of the property tax dispute filed against Washoe County et al, Nevada State Board of Equalization and the Department of Taxation by the Village League to Save Incline Assets, Inc. As the terms of the settlement are finalized, this amount is recorded as a liability at June 30, 2020 in the government-wide Statement of Net Position.

15. RESTRICTED FUNDS

At its meeting of March 3, 2020 the Board of Trustees took action to designate \$9,656,890 for the purpose of earmarking the funds for the Effluent Pipeline Project. On August 12, 2020 the Board designated an additional \$1,912,767 the Effluent Pipeline Project from unexpended appropriations provided for in the FY2019/20 budget. These two Board actions result in a total of \$11,569,657 for this project. The funds designated for the Effluent 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. 54 for “restricted” net position within proprietary funds.

16. LEASE OBLIGATIONS

Revenue:

Miscellaneous revenue includes rent received for cell towers on District property. Under an agreement with American Tower, \$20,685 was paid for a tower at the Mountain Golf Course. The current five-year term is from April 2017 and ends in 2022, with the option for extensions every five years through 2037, cancelable by either party. Rent increases 3% per year. Under an agreement with AT&T \$19,572 was paid for a tower at the Mountain Golf Course. The current five-year term is from October 2015 and ends in 2020, with automatic extensions every five years, through 2035, cancelable by the tenant. Rent increases 3% per year. Under an agreement with AT&T \$64,155 was paid for a tower at Diamond Peak Ski Resort. The current five-year term is from July 2018 ends in 2023, with extensions every five years, cancelable by the tenant, through 2038. Rent increases 3.5% per year. Revenue in the amount of \$11,197 was also received from T-Mobile (assigned to Crown Castle) for a cell tower lease at Diamond Peak Ski Resort. Its term is June 2017 to 2022 with 1 option to renew for 5 years.

	American Tower Lease	AT&T	AT&T	T-Mobile	Parasol Foundation	Reno-Sparks Convention and
FY 2021	\$ 21,305	\$ 20,159	\$ 66,400	\$ 11,197	\$ 1	\$ 1
FY 2022	21,945	20,764	68,724	11,384	1	1
FY 2023		21,386	71,130		1	1
FY 2024		22,028			1	1
FY 2025		22,689			1	1
FY 2026					1	1
FY 2027					1	1
FY 2028					1	1

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 Vist1or Authority for \$1.00 per year.

Expenses:

Golf Cart Lease – In fiscal year 2019/20 the District entered into an Installment Purchase Agreement with PNC Equipment Finance, LLC for a fleet of replacement golf carts for the Mountain Golf Course. The District’s total obligation under this agreement total \$121,605 paid in 48 equal monthly installments. The lease started in July 2020, with the first payment against this obligation made in June 2020 in the amount of \$2,533.

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. The fee amount for the fiscal year ending June 30, 2020 was calculated at \$52,000.

The Utility Fund paid \$4,476 during the year ended June 30, 2020 for a leased copier under an agreement expiring December 2020. The remaining obligation on this lease is \$452.

17. DUE TO OTHER GOVERNMENTS

The Nevada Department of Taxation notified the District of a refund of sales tax due another taxpayer, resulting in reductions of monthly Consolidated Tax Distributions. While the exact amount and terms for the reductions was not determined in 2018, sufficient information was available to arrive at an estimated \$60,000 liability. The refund applied to taxes received over the three years ending in March 2017. The District share of this refund was made through 18 monthly reductions that began with the July 2018 Consolidated Tax Distribution. The first twelve months resulted in \$28,946 applied to the \$60,000. During the current year \$9,102 was applied and the remainder of \$21,952 was recognized as revenue.

The District collects money for boat inspections performed by the Tahoe Regional Planning Agency. The balance owed at the end of the year was \$17,517.

18. COMMUNITY SERVICES AND BEACH SPECIAL REVENUE FUNDS

The District provides recreation functions through two individual special revenue 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 privileges. 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 Services	Paid with Punch Cards	Punch Cards Value Utilized
Community Services Fund:			
Championship Golf	\$ 4,037,096	\$ 25,889	\$ -
Mountain Golf	690,798	4,619	-
Facilities	361,890	-	-
Ski	9,781,499	139,731	-
Community Programming	1,004,900	80,696	-
Parks	32,505	-	-
Tennis	113,786	-	-
Recreation Administration	<u>(590,712)</u>	<u>-</u>	<u>(630,804)</u>
Total	<u>\$15,451,762</u>	<u>\$250,888</u>	<u>\$(630,804)</u>
Beach Fund	<u>\$ 1,619,582</u>	<u>\$483,792</u>	<u>\$(103,876)</u>
District Total		<u>\$734,680</u>	<u>\$(734,680)</u>

19. COMMITMENTS AFFECTING FUTURE PERIODS

General Fund:

The District entered into an unemployment insurance contract with First Nonprofit Companies for total premiums of \$185,000 for calendar year 2020 services. As of June 30, 2020, \$92,500 in quarterly deposits are remaining as a part of the subsequent year's budget.

Capital Improvement Project Budget Carryover:

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 resources become part of Unrestricted Net Position, and are budgeted under cash flow on the State of NV budget forms. Amounts carried over at year-end are:

General Fund	\$ 300,000
Utility Fund	2,533,786
Community Services Fund	2,502,701
Beach Fund	-

Budgeting for the Fiscal Year Ending June 30, 2020:

The District's budgeting for the fiscal year ending June 30, 2020 anticipates a reduction in Net Position caused by completion of capital projects. The identified reductions include; General Fund by \$650,150 including \$300,000 for a new Human Resources Management and Payroll System; Community Services reduction of \$6,127,741 including \$996,630 for the Tennis Center Renovation, \$700,000 for Championship Golf Course Maintenance Building improvements, \$520,000 for Ski Way and Diamond Peak Parking Lot Reconstruction, \$264,864 for Lakeview Ski Lift Improvements, and \$166,395 for the Mountain Golf Cart Path Replacement. The Beach Fund has a reduction of \$454,500 related to work on Burnt Cedar Pool and Incline Beach Facility Improvements.

The District has committed to these contractual arrangements for capital improvement projects:

		Contract Amount	Completed at June 30, 2020	Remaining Commitment
<i>Utility Fund:</i>				
Paso Robles Tank, Inc.	Water Reservoir Safety and Security Improvements	\$ 109,000	\$ -	\$ 109,000
<i>Community Services Capital Fund</i>				
Daniel Fraiman Construction	Tennis Center Renovation Project	709,000	9,680	699,320
Mission Controls, Inc.	Lakeview Chairlift Control Panels	96,800	-	96,800
Cruz Construction	Maintenance Building Drainage & Washpad	475,433	-	475,433

20. RESTRICTED DEPOSIT HELD IN LAWSUIT

The District has been engaged in a lawsuit with an individual over many years. A District Court decision made an award to the District for the recovery of fees. Both the Court decision and the fees awarded are under an appeal. In order to reduce possible longer-term exposure to the individual, the District received \$241,646 on September 14, 2017. These refunds are in a separate money market account and classified as a Deferred Inflow until all appeals under the lawsuit are resolved. The timeframe for a decision is unknown.

21. 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 \$21,199.

22. PRIOR YEAR ADJUSTMENTS

The District’s financial statements for the year ended June 30, 2020 reflect prior year adjustments related to (1) unearned revenues from Golf Passes recorded in the prior year (\$138,505), (2) to re-classify as expenses \$289,660 for selected Construction in Progress items that were reported as assets in the financial statements for the year ended June 30, 2019, as well as (3) reclassify as expense \$514,254 for selected items that were reported as capital assets in the financial statements for the year ended June 30, 2019.

Construction in Progress items reclassified as expense include \$212,044 related to development of a Parks Master Plan and \$77,216 related to improvements planned at Incline Village Ballfield. Management has determined that no future capital asset(s) are expected to be constructed as a result of the preliminary design work that had been included in prior year’s Construction in Progress.

Capital Asset items reclassified as expense include items determined to qualify as reporting as repairs and maintenance, consistent with established Board policy and practices. Examples include pavement maintenance, parking lot repairs, and painting projects. This determination should have been made in prior year(s).

As a result, a total of \$665,009 is recorded as a prior year adjustment in the governmental activities of the government-wide financial statements and a total of \$138,505, is recorded as a prior year adjustment in the Community Services Special Revenue Fund in the governmental funds financial statements.

	Government-wide	Community Services
	<u>Statement of Activities</u>	<u>Special Revenue Fund</u>
Net position / Fund Balance July 1, 2019, as previously reported	\$ 75,655,473	\$ 13,333,953
Prior Period Adjustment – Golf Passes	138,505	138,505
Prior Period Adjustment – Construction in Process	(289,260)	-
Prior Period Adjustment – Capital Assets	<u>(514,254)</u>	<u>-</u>
Net Position / Fund Balance, July 1, 2019, as adjusted	\$ 74,990,464	\$ 13,472,458

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**

		Operating Engineers		
For the year ending June 30:	Number of Participants	Covered Payroll	Required Contributions	
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	
2012	7	395,512	48,648	
2011	7	463,862	57,055	

INCLINE VILLAGE
GENERAL IMPROVEMENT DISTRICT

**SUPPLEMENTARY
INFORMATION**

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Ad valorem taxes	\$ 1,697,807	\$ 1,697,807	\$ 1,706,171	\$ 8,364
Personal Property Tax	12,000	12,000	16,724	4,724
Intergovernmental:				
Consolidated Tax	1,490,692	1,490,692	1,483,309	(7,383)
Local Government Tax Act	249,000	249,000	236,623	(12,377)
Investment income	201,000	201,000	432,643	231,643
Miscellaneous	2,400	2,400	952	(1,448)
Central Services Revenue	1,367,400	1,367,400	-	(1,367,400)
Total revenues	<u>5,020,299</u>	<u>5,020,299</u>	<u>3,876,422</u>	<u>(1,143,877)</u>
EXPENDITURES				
General Government - All Functions:				
Function Summary	<u>5,102,369</u>	<u>5,102,369</u>	<u>2,711,859</u>	<u>2,390,510</u>
Total expenditures	<u>5,102,369</u>	<u>5,102,369</u>	<u>2,711,859</u>	<u>2,390,510</u>
Excess (deficiency) of revenues over expenditures	<u>(82,070)</u>	<u>(82,070)</u>	<u>1,164,563</u>	<u>1,246,633</u>
OTHER FINANCING SOURCES (USES)				
Contingency	(145,000)	(145,000)	-	145,000
Operating Transfers In (Out)	<u>(561,800)</u>	<u>(561,800)</u>	<u>(300,000)</u>	<u>261,800</u>
Net change in fund balance	<u>(788,870)</u>	<u>(788,870)</u>	<u>864,563</u>	<u>1,653,433</u>
Fund Balance, July 1	<u>3,093,112</u>	<u>3,093,112</u>	<u>3,765,586</u>	<u>672,474</u>
Fund balance, June 30	<u>\$ 2,304,242</u>	<u>\$ 2,304,242</u>	<u>\$ 4,630,149</u>	<u>\$ 2,325,907</u>

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual	Variance
	Original	Final		
EXPENDITURES				
General Government:				
General Administration				
Salaries and Wages	\$ 29,160	\$ 29,160	\$ 66,736	\$ (37,576)
Employee Benefits	18,896	18,896	19,225	(329)
Services and Supplies	426,799	426,799	452,000	(25,201)
Capital Outlay	686,445	686,445	12,419	674,026
Subtotal General Administration	<u>1,161,300</u>	<u>1,161,300</u>	<u>550,380</u>	<u>610,920</u>
General Manager				
Salaries and Wages	270,144	270,144	267,179	2,965
Employee Benefits	125,205	125,205	122,377	2,828
Services and Supplies	60,940	60,940	18,110	42,830
Subtotal General Manager	<u>456,289</u>	<u>456,289</u>	<u>407,666</u>	<u>48,623</u>
Trustees				
Salaries and Wages	104,340	104,340	103,469	871
Employee Benefits	32,480	32,480	31,366	1,114
Services and Supplies	79,600	79,600	33,696	45,904
Subtotal Trustees	<u>216,420</u>	<u>216,420</u>	<u>168,531</u>	<u>47,889</u>
Accounting				
Salaries and Wages	592,315	592,315	590,814	1,501
Employee Benefits	286,686	286,686	261,560	25,126
Services and Supplies	79,296	79,296	62,585	16,711
Central Services (Expenditure Offset)	-	-	(519,000)	519,000
Subtotal Accounting	<u>958,297</u>	<u>958,297</u>	<u>395,959</u>	<u>562,338</u>
Information Services				
Salaries and Wages	484,000	484,000	353,682	130,318
Employee Benefits	255,454	255,454	176,980	78,474
Services and Supplies	334,243	334,243	205,317	128,926
Capital Outlay	-	-	267,005	(267,005)
Subtotal Information Services	<u>1,073,697</u>	<u>1,073,697</u>	<u>1,002,984</u>	<u>70,713</u>
Human Resources				
Salaries and Wages	532,660	532,660	547,389	(14,729)
Employee Benefits	307,348	307,348	271,706	35,642
Services and Supplies	134,309	134,309	63,448	70,861
Central Services (Expenditure Offset)	-	-	(848,400)	848,400
Subtotal Human Resources	<u>974,317</u>	<u>974,317</u>	<u>34,143</u>	<u>940,174</u>
Health and Wellness				
Salaries and Wages	16,983	16,983	22,078	(5,095)
Employee Benefits	6,918	6,918	6,776	142
Services and Supplies	21,475	21,475	4,678	16,797
Subtotal Health and Wellness	<u>45,376</u>	<u>45,376</u>	<u>33,532</u>	<u>11,844</u>
Community & Employee Relations				
Salaries and Wages	96,338	96,338	25,284	71,054
Employee Benefits	35,817	35,817	13,656	22,161
Services and Supplies	84,518	84,518	79,724	4,794
Subtotal Comm. Relations	<u>216,673</u>	<u>216,673</u>	<u>118,664</u>	<u>98,009</u>
Function Subtotal	<u>\$ 5,102,369</u>	<u>\$ 5,102,369</u>	<u>\$ 2,711,859</u>	<u>\$ 2,390,510</u>

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
COMMUNITY SERVICES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Charges for Services				
Championship Golf	\$ 4,516,321	\$ 4,516,321	\$ 4,070,762	\$ (445,559)
Mountain Golf	678,573	678,573	690,798	12,225
Facilities	420,793	420,793	361,890	(58,903)
Ski	9,222,320	9,222,320	9,781,499	559,179
Community Programming	1,285,209	1,285,209	1,004,900	(280,309)
Parks	62,178	62,178	32,505	(29,673)
Tennis	156,100	156,100	133,786	(22,314)
Recreation Administration	(748,600)	(748,600)	(590,712)	157,888
Facility Fee:				
Championship Golf	976,157	976,157	171,994	(804,163)
Mountain Golf	689,052	689,052	327,607	(361,445)
Facilities	524,992	524,992	131,043	(393,949)
Ski	(336,323)	(336,323)	(1,638,033)	(1,301,710)
Community Programming	1,574,976	1,574,976	1,171,194	(403,782)
Parks	992,563	992,563	728,925	(263,638)
Tennis	196,872	196,872	114,662	(82,210)
Recreation Administration	1,164,826	1,164,826	4,766,675	3,601,849
Operating Grants	17,000	17,000	17,000	-
Capital Grants	623,800	623,800	-	(623,800)
Interfund Services	98,210	98,210	76,558	(21,652)
Intergovernmental Services	23,400	23,400	35,245	11,845
Investment Earnings	50,000	50,000	126,143	76,143
Miscellaneous	110,361	110,361	116,042	5,681
Total revenues	<u>22,298,780</u>	<u>22,298,780</u>	<u>21,630,483</u>	<u>(668,297)</u>
EXPENDITURES				
Culture and Recreation - All Functions:				
Function Summary	<u>27,197,671</u>	<u>17,926,815</u>	<u>16,546,104</u>	<u>1,380,711</u>
Total expenditures	<u>27,197,671</u>	<u>17,926,815</u>	<u>16,546,104</u>	<u>1,380,711</u>
Excess (deficiency) of revenues over expenditures	<u>(4,898,891)</u>	<u>4,371,965</u>	<u>5,084,379</u>	<u>712,414</u>
OTHER FINANCING SOURCES (USES)				
Sale of Assets	-	-	44,639	44,639
Insurance Proceeds	300,000	300,000	243,548	(56,452)
Operating Transfers In	561,800	561,800	241,875	(319,925)
Operating Transfers Out - Capital Projects	-	(8,886,502)	(3,421,632)	5,464,870
Operating Transfers Out - Debt Service	-	(384,354)	(384,354)	-
Net change in fund balance	<u>(4,037,091)</u>	<u>(4,037,091)</u>	<u>1,808,455</u>	<u>5,845,546</u>
Fund Balance, July 1, as reported	13,183,167	13,183,167	13,333,953	150,786
Prior Period adjustment	-	-	138,505	138,505
Fund Balance, July 1, as adjusted	<u>13,183,167</u>	<u>13,183,167</u>	<u>13,472,458</u>	<u>289,291</u>
Fund balance, June 30	<u>\$ 9,146,076</u>	<u>\$ 9,146,076</u>	<u>\$ 15,280,914</u>	<u>\$ 6,134,837</u>

Note: The State Budget Form 4404LGF recognized the Total Facility Fee revenue in the Community Services and Beach fund, while utilizing transfers to the Capital Projects and Debt Service Funds for expenditure by those Funds.

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
COMMUNITY SERVICES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual	Variance
	Original	Final		
EXPENDITURES				
Community Services:				
Championship Golf				
Salaries and Wages	\$ 1,592,508	\$ 1,592,508	\$ 1,511,829	\$ 80,679
Employee Benefits	512,154	512,154	421,675	90,479
Services and Supplies	2,598,977	2,598,977	2,322,114	276,863
Capital Outlay	653,200	-	-	-
Subtotal Championship Golf	<u>5,356,839</u>	<u>4,703,639</u>	<u>4,255,618</u>	<u>448,021</u>
Mountain Golf				
Salaries and Wages	372,113	372,113	320,393	51,720
Employee Benefits	115,629	115,629	96,581	19,048
Services and Supplies	540,135	540,135	543,573	(3,438)
Capital Outlay	2,420,700	-	-	-
Subtotal Mountain Golf	<u>3,448,577</u>	<u>1,027,877</u>	<u>960,547</u>	<u>67,330</u>
Facilities				
Salaries and Wages	89,488	89,488	83,927	5,561
Employee Benefits	47,157	47,157	32,717	14,440
Services and Supplies	412,390	412,390	353,108	59,282
Capital Outlay	180,400	-	-	-
Subtotal Facilities	<u>729,435</u>	<u>549,035</u>	<u>469,752</u>	<u>79,283</u>
Ski				
Salaries and Wages	2,970,495	2,970,495	2,771,784	198,711
Employee Benefits	985,297	985,297	870,179	115,118
Services and Supplies	3,609,576	3,609,576	3,369,561	240,015
Capital Outlay	2,770,850	-	-	-
Subtotal Ski	<u>10,336,218</u>	<u>7,565,368</u>	<u>7,011,524</u>	<u>553,844</u>
Community Programming				
Salaries and Wages	1,164,024	1,164,024	1,054,806	109,218
Employee Benefits	368,533	368,533	323,816	44,717
Services and Supplies	942,566	942,566	810,950	131,616
Capital Outlay	468,650	-	-	-
Subtotal Community Programming	<u>2,943,773</u>	<u>2,475,123</u>	<u>2,189,572</u>	<u>285,551</u>
Parks				
Salaries and Wages	345,389	345,389	301,629	43,760
Employee Benefits	85,289	85,289	64,421	20,868
Services and Supplies	460,601	460,601	477,569	(16,968)
Capital Outlay	1,028,752	-	-	-
Subtotal Parks	<u>1,920,031</u>	<u>891,279</u>	<u>843,619</u>	<u>47,660</u>
Tennis				
Salaries and Wages	139,281	139,281	128,410	10,871
Employee Benefits	29,131	29,131	24,118	5,013
Services and Supplies	102,011	102,011	90,345	11,666
Capital Outlay	1,363,950	-	-	-
Subtotal Tennis	<u>1,634,373</u>	<u>270,423</u>	<u>242,873</u>	<u>27,550</u>
Community Services Administration				
Salaries and Wages	183,759	183,759	141,275	42,484
Employee Benefits	60,652	60,652	50,197	10,455
Services and Supplies	199,660	199,660	381,127	(181,467)
Subtotal Recreation Administration	<u>444,071</u>	<u>444,071</u>	<u>572,599</u>	<u>(128,528)</u>
Community Services Debt Service				
Principal	355,188	-	-	-
Interest	29,166	-	-	-
Subtotal Comm. Services Debt Service	<u>384,354</u>	<u>-</u>	<u>-</u>	<u>-</u>
Function Subtotal	<u>\$ 27,197,671</u>	<u>\$ 17,926,815</u>	<u>\$ 16,546,104</u>	<u>\$ 1,380,711</u>

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
 BEACH SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS
 FOR THE YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Charges for Services				
Culture and Recreation:				
Beach	\$ 1,488,800	\$ 1,488,800	\$ 1,619,582	\$ 130,782
Facility Fees	968,500	968,500	966,817	(1,683)
Investment Earnings	22,500	22,500	28,422	5,922
Total revenues	<u>2,479,800</u>	<u>2,479,800</u>	<u>2,614,821</u>	<u>135,021</u>
EXPENDITURES				
Beach:				
Salaries and Wages	932,898	932,898	801,253	131,645
Employee Benefits	240,804	240,804	185,239	55,565
Services and Supplies	935,488	935,488	771,902	163,586
Capital Outlay	990,050	-	-	-
Debt Service				
Principal	5,812	-	-	-
Interest	477	-	-	-
Total expenditures	<u>3,105,529</u>	<u>2,109,190</u>	<u>1,758,394</u>	<u>350,796</u>
Excess (deficiency) of revenues over expenditures	(625,729)	370,610	856,427	485,817
OTHER FINANCING SOURCES (USES)				
Operating Transfer In -	-	-	13,125	13,125
Operating Transfers Out - Capital Projects	-	(990,050)	(82,009)	908,041
Operating Transfers Out - Debt Service	-	(6,289)	(6,289)	-
Net change in fund balance	<u>(625,729)</u>	<u>(625,729)</u>	<u>781,254</u>	<u>1,406,983</u>
Fund Balance, July 1	<u>1,749,171</u>	<u>1,749,171</u>	<u>1,810,378</u>	<u>61,207</u>
Fund balance, June 30	<u>\$ 1,123,442</u>	<u>\$ 1,123,442</u>	<u>\$ 2,591,632</u>	<u>\$ 1,468,190</u>

Note: The State Budget Form 4404LGF recognized Facility Fee revenue in the Community Services and Beach fund, while utilizing transfers to the Capital Projects and Debt Service Funds for expenditure.

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
COMMUNITY SERVICES CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Sales of Assets and Intangibles	\$ -	\$ -	\$ -	\$ -
Capital Grants	-	-	1,637,399	1,637,399
Total revenues	-	-	1,637,399	1,637,399
EXPENDITURES				
COMMUNITY SERVICES RECREATION:				
Championship Golf	-	653,200	439,872	213,328
Mountain Golf	-	2,420,700	1,592,962	827,738
Facilities	-	180,400	71,584	108,816
Ski	-	2,770,850	792,711	1,978,139
Community Programming	-	468,650	244,815	223,835
Parks	-	1,028,752	1,944,812	(916,060)
Tennis	-	1,363,950	233,778	1,130,172
Comm. Serv. Administration	-	-	(261,503)	261,503
Total expenditures	-	8,886,502	5,059,031	3,827,471
Excess (deficiency) of revenues over expenditures	-	(8,886,502)	(3,421,632)	5,464,870
OTHER FINANCING SOURCES				
Operating Transfers In - Capital Projects	-	8,886,502	3,421,632	(5,464,870)
Total other financing sources	-	8,886,502	3,421,632	(5,464,870)
Net change in fund balance	-	-	-	-
Fund Balance, July 1	-	-	-	-
Fund balance, June 30	\$ -	\$ -	\$ -	\$ -

Note: The State Budget Form 4404LGF recognized Facility Fee revenue in the Community Services and Beach fund, while utilizing transfers to the Capital Projects and Debt Service Funds for expenditure.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
 BEACH CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS
 FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual	Variance
	Original	Final		
EXPENDITURES				
Beach	\$ -	\$ 990,050	\$ 82,009	\$ 908,041
Total expenditures	-	990,050	82,009	908,041
Excess (deficiency) of revenues over expenditures	-	(990,050)	(82,009)	908,041
OTHER FINANCING SOURCES				
Operating Transfers In - Capital Projects	-	990,050	82,009	(908,041)
Total other financing sources	-	990,050	82,009	(908,041)
Net change in fund balance	-	-	-	-
Fund Balance, July 1	-	-	-	-
Fund balance, June 30	\$ -	\$ -	\$ -	\$ -

Note: The State Budget Form 4404LGF recognized Facility Fee revenue in the Community Services and Beach fund, while utilizing transfers to the Capital Projects and Debt Service Funds for expenditure.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
COMMUNITY SERVICES DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual	Variance
	Original	Final		
EXPENDITURES				
Community Services - GO Revenue Supported				
Principal	\$ -	\$ 355,188	\$ 355,188	\$ -
Interest	-	29,166	29,166	-
Total expenditures	-	384,354	384,354	-
Excess (deficiency) of revenues over expenditures	-	(384,354)	(384,354)	-
OTHER FINANCING SOURCES				
Operating Transfers In - Debt Service	-	384,354	384,354	-
Total other financing sources	-	384,354	384,354	-
Net change in fund balance	-	-	-	-
Fund Balance, July 1	-	-	-	-
Fund balance, June 30	\$ -	\$ -	\$ -	\$ -

Note: The State Budget Form 4404LGF recognized Facility Fee revenue in the Community Services and Beach fund, while utilizing transfers to the Capital Projects and Debt Service Funds for expenditure.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
BEACH DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual	Variance
	Original	Final		
EXPENDITURES				
Beach				
Principal	\$ -	\$ 5,812	\$ 5,812	\$ -
Interest	-	477	477	-
Total expenditures	-	6,289	6,289	-
Excess (deficiency) of revenues over expenditures	-	(6,289)	(6,289)	-
OTHER FINANCING SOURCES				
Operating Transfers In - Debt Service	-	6,289	6,289	-
Net change in fund balance	-	-	-	-
Fund Balance, July 1	-	-	-	-
Fund balance, June 30	\$ -	\$ -	\$ -	\$ -

Note: The State Budget Form 4404LGF recognized Facility Fee revenue in the Community Services and Beach fund, while utilizing transfers to the Capital Projects and Debt Service Funds for expenditure.

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
UTILITY FUND - BUDGETARY BASIS
WATER, SEWER AND TRASH ACTIVITIES
SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION -BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021**

	Original & Final Budget	Actual	Variance
REVENUES			
Sales and service fees	\$ 12,307,369	\$ 12,396,967	\$ 89,598
Intergovernmental services	199,200	-	(199,200)
Interfund services	141,400	167,499	26,099
Investment earnings	193,500	298,225	104,725
Total revenues	<u>12,841,469</u>	<u>12,862,691</u>	<u>21,222</u>
EXPENSES			
Wages	2,799,411	2,878,920	(79,509)
Benefits	1,407,335	1,272,562	134,773
Services and supplies	2,106,672	2,297,287	(190,615)
Utilities	929,499	894,515	34,984
Professional Fees	148,600	221,815	(73,215)
Central Services cost	353,700	353,700	-
Defensible Space	100,000	97,876	2,124
Depreciation	3,310,000	3,367,361	(57,361)
Debt service interest	111,838	111,838	-
Total expenses	<u>11,267,055</u>	<u>11,495,874</u>	<u>(228,819)</u>
NONOPERATING ITEMS			
Gain(loss) on sale of assets	-	(22,332)	(22,332)
Transfers In (Out)	-	45,000	45,000
Total Nonoperating items	<u>-</u>	<u>22,668</u>	<u>22,668</u>
Changes in Net Position	<u>\$ 1,574,414</u>	<u>\$ 1,389,485</u>	<u>\$ (184,929)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of Capital Assets - New Projects	<u>\$ 5,861,000</u>	<u>\$ 1,496,380</u>	<u>\$ (4,364,620)</u>
Payments of Principal on Capital Debt	<u>\$ 523,988</u>	<u>\$ 523,988</u>	<u>\$ -</u>

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
INTERNAL SERVICES FUND - BUDGETARY BASIS
(FLEET, ENGINEERING AND BUILDINGS MAINTENANCE
AND WORKERS COMPENSATION ACTIVITIES)
SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020**

	Budget Amounts		Actual	Variance
	Original	Final		
REVENUES				
Services provided by:				
Fleet	\$ 1,148,605	\$ 1,148,605	\$ 1,111,184	\$ (37,421)
Engineering	912,000	912,000	639,450	(272,550)
Buildings Maintenance	1,094,702	1,094,702	873,185	(221,517)
Interfund Services	<u>3,155,307</u>	<u>3,155,307</u>	<u>2,623,819</u>	<u>(531,488)</u>
Total Revenues	<u>3,155,307</u>	<u>3,155,307</u>	<u>2,623,819</u>	<u>(531,488)</u>
EXPENSES				
Wages	1,544,270	1,544,270	1,304,304	239,966
Benefits	799,470	799,470	672,372	127,098
Services and Supplies	777,857	777,857	777,201	656
Utilities	11,520	11,520	11,440	80
Legal & Audit	9,000	9,000	-	9,000
Depreciation	13,560	13,560	12,561	999
Total expenses	<u>3,155,677</u>	<u>3,155,677</u>	<u>2,777,878</u>	<u>377,799</u>
Operating Income (loss)	<u>(370)</u>	<u>(370)</u>	<u>(154,059)</u>	<u>(153,689)</u>
Changes in Net Position	<u>\$ (370)</u>	<u>\$ (370)</u>	<u>\$ (154,059)</u>	<u>\$ (153,689)</u>

INCLINE VILLAGE
GENERAL IMPROVEMENT DISTRICT

**STATISTICAL SECTION
(UNAUDITED)**

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

District-wide Net Position, based on Statement of Net Position

Last Ten Fiscal Years - (unaudited)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental Activities										
Net invested in capital assets	\$ 57,665,962	\$ 56,147,092	\$ 52,880,021	\$ 50,729,901	\$ 48,555,965	\$ 47,729,659	\$ 44,322,574	\$ 42,560,434	\$ 40,313,677	\$ 38,304,227
Restricted	142,135	136,993	183,037	180,564	178,426	187,825	246,604	270,359	955,415	869,013
Unrestricted	21,457,789	19,371,388	18,130,708	16,887,487	13,973,745	9,114,898	10,106,521	9,434,133	6,473,085	5,432,800
Total governmental activities net position	\$ 79,265,886	\$ 75,655,473	\$ 71,193,766	\$ 67,797,952	\$ 62,708,136	\$ 57,032,382	\$ 54,675,699	\$ 52,264,926	\$ 47,742,177	\$ 44,606,040
Business-type activities										
Net invested in capital assets	\$ 63,202,365	\$ 64,549,358	\$ 64,377,397	\$ 59,817,845	\$ 57,974,014	\$ 57,365,832	\$ 56,875,962	\$ 56,144,425	\$ 56,598,673	\$ 53,051,044
Restricted	322,895	316,611	309,344	305,022	226,208	225,435	225,185	224,951	226,777	231,514
Unrestricted	15,172,503	12,442,309	9,971,293	12,536,210	12,026,276	11,228,881	10,113,847	9,197,509	5,554,147	7,552,741
Total business-type activities net position	\$ 78,697,763	\$ 77,308,278	\$ 74,658,034	\$ 72,659,077	\$ 70,226,498	\$ 68,820,148	\$ 67,214,994	\$ 65,566,885	\$ 62,379,597	\$ 60,835,299
Primary government										
Net invested in capital assets	\$ 120,868,327	\$ 120,696,450	\$ 117,257,418	\$ 110,547,746	\$ 106,529,979	\$ 105,095,491	\$ 101,198,536	\$ 98,704,859	\$ 96,912,350	\$ 91,355,271
Restricted	465,030	453,604	492,381	485,586	404,634	413,260	471,789	495,310	1,182,192	1,100,527
Unrestricted	36,630,292	31,813,697	28,102,001	29,423,697	26,000,021	20,343,779	20,220,368	18,631,642	12,027,232	12,985,541
Total primary government net position	\$ 157,963,649	\$ 152,963,751	\$ 145,851,800	\$ 140,457,029	\$ 132,934,634	\$ 125,852,530	\$ 121,890,693	\$ 117,831,811	\$ 110,121,774	\$ 105,441,339

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)**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenses										
Governmental activities:										
General government	\$ 4,098,969	\$ 4,194,237	\$ 3,828,917	\$ 3,814,458	\$ 3,672,661	\$ 3,220,478	\$ 3,189,596	\$ 2,929,928	\$ 3,265,830	\$ 3,882,904
Community Services	19,567,351	20,310,745	18,947,246	18,599,633	17,237,889	15,359,833	15,036,116	14,704,572	14,936,896	15,609,165
Beach	2,010,175	2,141,695	1,848,969	1,802,103	1,689,472	1,517,855	1,363,778	1,144,073	1,145,077	1,267,913
Internal services	-	3,306,507	3,053,400	2,947,302	2,972,060	2,503,958	2,267,111	1,792,260	1,949,861	1,979,196
Interest on long-term debt	29,643	35,017	97,083	160,366	205,263	201,882	252,324	371,938	476,635	437,360
Total governmental activities expenses	25,706,138	29,988,201	27,775,615	27,323,862	25,777,345	22,804,006	22,108,925	20,942,771	21,774,299	23,176,538
Business-type activities:										
Utilities	11,495,874	10,428,137	10,113,371	9,729,775	9,781,165	9,442,666	9,029,675	8,480,954	8,404,350	8,568,015
Interest on long-term debt	-	126,351	140,463	154,186	167,530	180,505	193,123	186,608	178,631	207,139
Total business-type activities expenses	11,495,874	10,554,488	10,253,834	9,883,961	9,948,695	9,623,171	9,222,798	8,667,562	8,582,981	8,775,154
Total primary government expenses	37,202,012	40,542,689	38,029,449	37,207,823	35,726,040	32,427,177	31,331,723	29,610,333	30,357,280	31,951,692
Program Revenues										
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	1,074,000	924,154
Charges for services										
Community Services	15,597,229	17,765,644	14,743,788	16,820,165	15,596,222	10,485,799	10,634,172	10,900,298	10,435,232	11,629,020
Beach	1,619,582	1,492,687	1,266,613	1,065,015	1,002,518	989,602	1,032,621	980,240	568,277	445,307
Capital Grants	1,654,399	-	-	-	-	-	-	-	-	-
Internal Services	-	3,304,862	3,190,849	3,114,747	2,935,521	2,560,122	2,280,296	2,045,412	1,891,200	1,964,322
Total governmental activities revenues	18,871,210	23,732,593	20,295,250	22,177,127	20,657,261	15,136,523	15,016,085	14,926,150	13,968,709	14,962,803
Business-type activities:										
Charges for services										
Utilities	12,564,466	12,785,742	11,925,557	11,813,169	11,158,119	10,851,123	10,434,118	9,767,475	9,127,955	8,485,161
Operating Grants and Contributions	-	1,440	-	-	-	-	-	-	-	-
Total business-type activities revenue	12,564,466	12,787,182	11,925,557	11,813,169	11,158,119	10,851,123	10,434,118	9,767,475	9,127,955	8,485,161
Total primary government revenue	31,435,676	36,519,775	32,220,807	33,990,296	31,815,380	25,987,646	25,450,203	24,693,625	23,096,664	23,447,964
Net (Expense)/Revenue										
Governmental activities	(6,834,928)	(6,255,608)	(7,480,365)	(5,146,735)	(5,120,084)	(7,667,483)	(7,092,840)	(6,016,621)	(7,805,590)	(8,213,735)
Business-type activities	1,068,592	2,232,694	1,671,723	1,929,208	1,209,424	1,227,952	1,211,320	1,099,913	544,974	(289,993)
Total primary government net (expense)/revenue	(5,766,336)	(4,022,914)	(5,808,642)	(3,217,527)	(3,910,660)	(6,439,531)	(5,881,520)	(4,916,708)	(7,260,616)	(8,503,728)
General Revenues and Other Changes in Net Position										
Governmental activities										
Taxes										
Property taxes	1,722,896	1,622,486	1,546,575	1,476,148	1,498,519	1,377,337	1,293,676	1,307,715	1,325,436	1,094,166
Combined taxes	1,719,933	1,690,222	1,637,250	1,484,830	1,487,986	1,369,950	1,277,567	1,205,091	1,106,183	1,101,055
Facility Fees - Community Services	5,774,067	5,787,078	5,799,206	5,973,914	5,995,248	6,018,616	6,024,564	5,962,384	5,919,707	6,067,022
Facility Fees- Beach	966,817	969,332	972,316	775,537	777,574	778,149	780,716	775,102	899,565	783,029
Investment earnings	587,208	563,685	175,122	83,842	150,795	124,306	103,106	88,116	193,562	102,384
Miscellaneous	384,429	204,245	190,578	310,425	299,355	120,134	170,981	63,692	127,338	306,352
Grants and contributions	-	267	558,128	132,055	586,361	235,674	(407)	1,137,270	1,369,936	2,126,748
Transfers	(45,000)	(120,000)	-	-	-	-	-	-	-	-
Accounting Adjustments	-	-	-	-	-	-	(146,589)	-	-	1,787,393
Total governmental activities other changes	11,110,350	10,717,315	10,879,175	10,236,551	10,795,838	10,024,166	9,503,614	10,539,370	10,941,727	13,368,149
Business-type activities										
Investment earnings	298,225	282,484	77,280	60,132	154,162	81,996	61,007	55,666	86,010	151,646
Capital Grants and contributions	-	-	199,934	425,509	-	329,705	461,994	2,013,853	912,933	1,220,938
Miscellaneous	(22,332)	15,066	50,020	17,730	42,764	(34,499)	(4,712)	17,856	381	7,756
Transfers	45,000	120,000	-	-	-	-	-	-	-	-
Accounting Adjustments	-	-	-	-	-	-	(81,501)	-	-	334,217
Total business-type activities other changes	320,893	417,550	327,234	503,371	196,926	377,202	436,788	2,087,375	999,324	1,714,557
Change in Net Position										
Governmental activities	4,275,422	4,461,707	3,398,810	5,089,816	5,675,754	2,356,683	2,410,774	4,522,749	3,136,137	5,154,414
Business-type activities	1,389,485	2,650,244	1,998,957	2,432,579	1,406,350	1,605,154	1,648,108	3,187,288	1,544,298	1,424,564
Total primary government	\$ 5,664,907	\$ 7,111,951	\$ 5,397,767	\$ 7,522,395	\$ 7,082,104	\$ 3,961,837	\$ 4,058,882	\$ 7,710,037	\$ 4,680,435	\$ 6,578,978

Source: District Comprehensive Annual 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)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Fund										
Non-spendable	\$ 159,611	\$ 196,742	\$ 224,707	\$ 213,462	\$ 268,005	\$ 218,623	\$ 237,021	\$ 191,780	\$ 174,157	\$ 504,077
Restricted	1,359,737	-	-	-	-	-	-	-	52,000	-
Committed	-	-	-	-	400,000	400,000	400,000	400,000	400,000	-
Unassigned	3,110,801	3,568,844	3,098,079	1,648,787	1,151,988	882,664	754,000	294,887	357,734	111,697
Total General Fund	\$ 4,630,149	\$ 3,765,586	\$ 3,322,786	\$ 1,862,249	\$ 1,819,993	\$ 1,501,287	\$ 1,391,021	\$ 886,667	\$ 983,891	\$ 615,774
Community Services										
Special Revenue Fund										
Non-spendable	\$ 503,176	\$ 936,311	\$ 868,600	\$ 878,949	\$ 751,640	\$ 660,409	\$ 658,053	\$ 705,131	\$ 685,798	\$ 474,069
Restricted	141,135	135,993	78,157	77,136	76,674	86,421	86,332	87,261	101,617	130,467
Assigned - operations	14,636,603	12,261,649	9,053,712	9,364,056	7,026,514	4,610,925	5,279,561	5,275,226	3,949,021	3,752,098
Capital Projects - Assigned	-	-	2,327,477	2,423,806	2,061,541	-	-	-	-	-
Debt Service - Assigned	-	-	51,553	27,394	2,111	-	-	-	-	-
Total Comm. Services	\$ 15,280,914	\$ 13,333,953	\$ 12,379,499	\$ 12,771,341	\$ 9,918,480	\$ 5,357,755	\$ 6,023,946	\$ 6,067,618	\$ 4,736,436	\$ 4,356,634
Beach										
Special Revenue Fund										
Non-spendable	\$ -	\$ 34,532	\$ 47,075	\$ 30,328	\$ 19,614	\$ 23,520	\$ 19,328	\$ 17,222	\$ 18,265	\$ -
Restricted	1,000	1,000	1,000	1,000	-	-	-	-	-	-
Assigned - operations	2,590,632	1,774,846	1,330,016	1,038,909	1,040,136	1,084,266	1,652,877	1,514,417	1,467,463	1,177,762
Capital Projects - Assigned	-	-	85,740	5,155	20,379	-	-	-	-	-
Debt Service - Assigned	-	-	4,606	3,104	1,572	-	-	-	-	-
Total Beach	\$ 2,591,632	\$ 1,810,378	\$ 1,468,437	\$ 1,078,496	\$ 1,081,701	\$ 1,107,786	\$ 1,672,205	\$ 1,531,639	\$ 1,485,728	\$ 1,177,762

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)**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues										
Taxes	\$ 3,478,074	\$ 3,323,633	\$ 3,174,544	\$ 2,960,847	\$ 2,984,992	\$ 2,747,287	\$ 2,571,243	\$ 2,512,806	\$ 2,431,619	\$ 2,195,221
Charges for Services	17,105,010	19,241,331	15,993,401	17,886,620	16,598,740	11,458,401	11,560,555	11,783,415	10,925,809	11,990,328
Facility Fees	6,740,884	6,797,896	6,737,396	6,754,489	6,760,224	6,796,765	6,805,280	6,737,486	6,819,272	6,850,050
Central Services Charges		1,169,400	1,094,000	1,177,200	1,123,000	1,101,000	1,068,996	1,000,200	1,074,000	924,154
Operating and Capital Grants	1,654,399	17,000	17,000	17,000	19,880	17,000	106,238	97,123	77,700	84,000
Investment Earnings	587,208	563,325	161,551	81,366	115,690	99,634	78,855	65,199	54,112	66,872
Miscellaneous	193,552	114,779	111,495	198,729	516,763	116,224	111,315	72,307	75,468	29,818
Total Revenues	29,759,127	31,227,364	27,289,387	29,076,251	28,119,289	22,336,311	22,302,482	22,268,536	21,457,980	22,140,443
Expenditures										
General Government:										
General Fund - current	2,432,435	3,933,149	3,586,203	3,603,667	3,510,247	3,139,473	3,059,518	2,907,061	2,874,413	2,943,084
Capital Outlay	279,424	121,257	113,813	148,435	79,331	644,383	84,849	46,452	9,953	211,657
Recreation:										
Community Services - current	16,546,104	17,288,580	16,137,428	15,919,959	14,853,575	13,019,001	12,742,330	12,458,356	12,577,779	13,185,666
Community Services - Capital Projects	5,059,031	6,043,500	3,905,926	3,633,210	2,344,198	2,832,606	2,266,640	2,094,299	2,785,667	7,058,131
Community Services - Debt Service	384,354	381,401	1,285,340	1,284,257	1,283,074	1,761,635	1,758,931	2,239,198	2,271,093	2,352,479
Beach - current	1,758,394	1,906,516	1,619,746	1,587,259	1,493,554	1,368,428	1,226,285	1,026,756	1,028,133	1,147,809
Beach - Capital Projects	82,009	284,298	221,248	256,161	319,152	695,822	167,375	550,397	7,196	138,173
Beach - Debt Service	6,289	6,241	6,237	6,215	6,189	276,005	277,192	133,177	133,893	245,237
Total Expenditures	26,548,040	29,964,942	26,875,941	26,439,163	23,889,320	23,737,353	21,583,120	21,455,696	21,688,127	27,282,236
Other Financing Sources (Uses)										
Transfers In	-	474,356	800,000	-	-	-	-	-	-	-
Transfer (Out)	(45,000)	(120,000)	-	-	-	-	-	-	-	-
Sale of assets	44,639	40,159	88,415	141,216	37,016	3,910	67,213	(8,615)	51,531	273,969
Insurance Proceeds	243,548	50,300	-	-	-	-	-	-	-	-
Capital Grants	-	31,958	156,775	113,615	586,361	235,674	(407)	1,137,270	1,369,936	2,126,748
Washoe Co Tax Refund	-	-	-	-	-	-	-	(694,817)	(280,460)	-
Total Other Sources (Uses)	243,187	476,773	1,045,190	254,831	623,377	239,584	66,806	433,838	1,141,007	2,400,717
Net Changes in Fund Balance	\$ 3,454,274	\$ 1,739,195	\$ 1,458,636	\$ 2,891,919	\$ 4,853,346	\$ (1,161,458)	\$ 786,168	\$ 1,246,678	\$ 910,860	\$ (2,741,076)

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 Year Ended	Taxable Real Property Assessed Value	Direct Tax Rate	Estimated Actual Value	Ratio Of Total Assessed Value To Total Estimated Actual Value
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%
2012	1,368,961,464	0.1129	3,911,318,469	35%
2011	1,448,979,941	0.0806	4,139,942,689	35%

SOURCE: State of Nevada Department of Taxation

(Washoe County implemented a County-wide 15% reduction of assessed valuation in 2010)

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Direct and Overlapping Tax Districts Last Ten Fiscal Years Ended June 30 (unaudited)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Incline Village GID-Direct	\$ 0.1267	\$ 0.1224	\$ 0.1182	\$ 0.1183	\$ 0.1269	\$ 0.1157	\$ 0.1105	\$ 0.1153	\$ 0.1129	\$ 0.0806
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	0.6291	0.6291	0.6291	0.6291	0.6291	0.6291	0.6291	0.6414	0.5525	0.5389
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	\$ 3.4560	\$ 3.4517	\$ 3.4475	\$ 3.4476	\$ 3.4562	\$ 3.4450	\$ 3.4398	\$ 3.4569	\$ 3.3656	\$ 3.3197

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 of Parcels	2020 Assessed Value	% of Total Assessed Value	2011 Assessed Value	% of Total Assessed Value	Rank
Top Ten (Current Year):							
Hyatt Equities LLC	Hotel/Casino	2	\$ 28,991,586	1.69%	\$ 22,195,078	1.53%	1
Cascade Beach LLC	Residential Property	2	13,232,589	0.77%			
Tahoe Estates LLC	Residential Property	2	12,780,397	0.74%	6,453,389	0.45%	9
1145 Lakeshore Boulevard	Residential Property	1	10,846,470	0.63%	2,979,856	0.21%	
Ponderosa Ranch LLC	Residential Property	22	10,647,365	0.62%	10,761,996	0.74%	3
Lakeshore Trust	Residential Property	1	8,887,047	0.52%	7,640,049	0.53%	5
SF Pacific LLC	Residential Property	1	8,725,747	0.51%	4,218,975	0.29%	
Nevada Pacific Development Corp.	Residential Property	32	7,903,851	0.46%			
HTS Ground Lake Tahoe INC	Residential Property	60	6,948,428	0.40%	5,334,121	0.37%	6
KWS Nevada Residential LLC	Residential Property	3	6,607,828	0.38%	5,382,782	0.37%	7
In Prior Top Ten:							
David A Duffield Trust	Residential Property	11			7,809,849	0.54%	4
Lacey Family Trust/1041 Realty Trust	Residential Property	1			5,317,696	0.37%	8
			<u>\$ 115,571,308</u>	<u>6.73%</u>	<u>\$ 78,093,791</u>	<u>5.39%</u>	
Total IVGID Community			<u>\$ 1,717,224,973</u>	<u>100.00%</u>	<u>\$ 1,448,979,941</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)**

Fiscal Year Ending June 30,	Net Levy Roll	Current Tax Collected	Percent of Levy Collected	Delinquent Tax Collected	Total Cumulative Taxes Collected	Total Taxes Collected as a % of Net Levy Roll
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%
2012	422,799	416,849	98.59%	5,947	422,796	100.00%
2011	458,717	451,994	98.53%	6,720	458,714	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 Year Ended	<u>Governmental-Type Activities:</u>			<u>Business-Type Activities:</u>			Gross Bonded Debt	Percentage Payable by Property Taxes	Percentage Payable by Pledged Revenues	Population	Debt Per Capita
	G. O. & Revenue Pledged	General Obligation Only	Total	Revenue Pledged	General Obligation	Total					
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
2012	5,495,000	5,195,000	10,690,000	2,435,281	3,495,379	5,930,660	16,620,660	0%	100%	9087	1,829
2011	6,045,000	6,520,000	12,565,000	2,597,909	3,483,477	6,081,386	18,646,386	0%	100%	9087	2,052

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 Obligation Indebtedness	Presently Self-Supported General Obligation Indebtedness	Percent Applicable * Incline Village	As of June 30, 2020 Applicable Net Debt
Washoe County	\$ 120,853,000	\$ 36,421,000	9.869%	\$ 8,332,592
Washoe County School District	1,035,502,000	-	9.869%	102,193,670
State of Nevada	1,283,145,000	349,439,000	1.391%	12,984,468
Total	2,439,500,000	385,860,000		123,510,730
Incline Village GID	6,101,609	6,101,609		-
Total	\$ 2,445,601,609	\$ 391,961,609		\$ 123,510,730
Applicable Net Debt June 30:				
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
2012				94,180,056

*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 Year	Utility Service Charges	Less: Operating Expenses	Other Revenues (Expenses)	Net Available Revenue	Debt Service	Debt Service Coverage
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
2012	9,127,955	5,839,109	86,391	3,375,237	1,010,929	3.34
2011	8,485,161	5,845,108	159,402	2,799,455	1,013,922	2.76

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 Year	Operating Revenues	Less: Operating Expenses	Other Revenues (Expenses)	Net Available Revenue	Debt Service	Debt Service Coverage
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
2012	17,771,350	13,605,912	153,785	4,319,223	2,385,541	1.81
2011	18,867,490	13,871,398	335,293	5,331,385	2,586,856	2.06

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 Type Debt Service Expenditures	Business Type Debt Service Expenditures	Total District Debt Service Expenditures	Total Governmental Type Expenditures	Total Business Type Expenses	Ratio Debt Service to Governmental Type Expenditures	Ratio Debt Service to Business Type Expenses
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%
2012	2,385,541	1,010,929	3,396,470	21,688,127	8,404,350	11.00%	12.03%
2011	2,586,856	1,013,922	3,600,778	27,282,236	8,568,015	9.48%	11.83%

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 Ending June 30,	Assessed Valuation	Debt Limit	Outstanding and Proposed General Obligation Debt	Additional Statutory Debt Capacity
2020	\$ 1,717,224,973	\$ 858,612,000	\$ 5,341,010	\$ 853,270,990
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
2012	1,368,961,464	684,480,732	16,620,660	667,860,072
2011	1,448,979,941	724,489,971	18,646,386	705,843,585

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 Income²</u>	<u>Housing Units</u>	<u>Occupied Housing Units</u>	<u>Housing Seasonal Use</u>	<u>Reno-Sparks Unemployment Rate²</u>
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%
2012	9087						12.0%
2011	9087						13.0%
2000 ¹	9952	42.1	\$36,658	7,664	4,176	2,957	4.0%

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 Past Years as Available (unaudited)**

Employer	Ranking by Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	
HYATT LAKE TAHOE RESORT	1	1	1	1	1	1	1	1	1	1
INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT	2	2	2	2	2	2	2	2	2	2
GRAND LODGE CASINO AT HYATT (and predecessors)	3	3	3	4	4	5		5	5	5
TAHOE BILTMORE	4	4	4	7			3	8	6	
SIERRA NEVADA COLLEGE	5	5	5	3	3	4	4	3	3	
RALEY'S	6	6	6	9	6	6	6	9	7	
NORTH LAKE TAHOE FIRE PROTECTION DISTRICT	7	7	8	8	8	9	7		9	
TAHOE FOREST HOSPITAL HEALTH	8	8	9		10	10	9	10	10	
WASHOE COUNTY SCHOOL DISTRICT	9	9	10							
ASSOCIATED SIERRA NORTH	10	10					10			
CRYSTAL BAY CLUB CASINO			7	5	7		5	6	4	
ACE TOTAL SERVICES INC (Excel)				6	5	3		7	8	
KELLY BROTHERS PAINTING INC.				10	9	8				
CAL_NEVA LODGE							8			
Single Residence Project Employers:										
BOC-NEVADA, INC.								4		
BLUE ROCK DEVELOPMENT						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)**

<u>Budget year ending June 30</u>		<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Golf	Seasonal/Part Time Positions	123.0	122.8	113.8	117.9	105.2	107.2	97.5	103.5	72.3	68.5
	Season/Part Time FTE	40.6	41.2	38.4	38.4	35.0	37.0	35.3	36.8	27.4	29.1
	Full Time FTE	7.0	11.4	11.6	11.0	7.9	7.2	6.7	6.8	6.99	8.1
	Total FTE	47.6	52.6	50.0	49.4	42.9	44.2	42.0	43.6	34.39	37.16
Facilities	Seasonal/Part Time Positions	0.3	0.3	0.3	0.3	1.7	1.7	16.5	2.0	1.8	1.5
	Season/Part Time FTE	0.5	0.2	0.1	0.1	1.2	1.2	3.6	1.0	1.0	0.7
	Full Time FTE	2.0	1.2	1.3	1.2	1.1	1.1	3.4	2.0	1.1	1.0
	Total FTE	2.5	1.4	1.4	1.3	2.3	2.3	7.0	3.0	2.1	1.8
Ski	Seasonal/Part Time Positions	282.0	285.7	281.5	273.5	254.0	254.0	247.0	193.0	216.0	225.0
	Season/Part Time FTE	73.4	57.7	54.4	50.6	46.7	46.0	49.6	33.6	41.8	39.3
	Full Time FTE	13.0	16.7	16.4	15.2	14.5	14.4	11.7	9.8	12.8	9.6
	Total FTE	86.4	74.4	70.8	65.8	61.2	60.4	61.3	43.4	54.6	48.9
Parks & Recreation	Seasonal/Part Time Positions	91.5	91.5	91.5	91.0	102.3	103.4	94.3	101.8	100.9	103.3
	Season/Part Time FTE	21.5	23.9	24.9	24.8	25.0	25.5	25.9	27.7	28.4	28.6
	Full Time FTE	13.1	11.0	10.1	10.1	10.1	9.8	9.0	11.8	11.8	12.3
	Total FTE	34.6	34.9	36.0	35.9	35.1	35.3	34.9	39.5	40.4	40.9
Marketing	Seasonal/Part Time Positions	1.0	1.0	2.0	2.0	2.0	2.0	0.0	2.0	2.0	2.0
	Season/Part Time FTE	0.3	0.1	0.3	0.3	0.3	0.3	0.0	0.7	0.7	0.7
	Full Time FTE	3.0	3.1	2.8	2.8	2.9	2.9	3.0	2.0	3.0	3.0
	Total FTE	3.3	3.2	3.1	3.1	3.2	3.2	3.0	2.7	3.7	3.7
Food & Beverage	Seasonal/Part Time Positions	After 2013 Included in Ski & Golf							57.0	59.0	53.0
	Season/Part Time FTE								14.4	14.3	18.1
	Full Time FTE								4.0	5.0	5.3
	Total FTE								18.4	19.3	23.4
Other Recreation	Seasonal/Part Time Positions	4.8	4.8	4.8	4.8	4.8	2.8	0.8	3.1	3.2	3.2
	Season/Part Time FTE	1.1	1.8	1.8	1.8	1.8	1.4	0.1	1.1	1.6	1.6
	Full Time FTE	1.4	1.4	1.4	0.9	1.0	1.6	1.6	1.8	2.4	1.4
	Total FTE	2.5	3.2	3.2	2.7	2.8	3.0	1.7	2.9	4.0	3.0
Total Community Service	Seasonal/Part Time Positions	502.6	514.3	502.0	497.5	467.9	469.0	456.1	462.4	456.1	459.5
	Season/Part Time FTE	137.4	126.2	121.6	117.7	109.6	111.1	114.5	115.3	116.4	116.1
	Full Time FTE	39.5	41.7	40.9	38.5	34.7	34.1	35.4	38.2	41.7	41.2
	Total FTE	176.9	167.9	162.5	156.2	144.3	145.2	149.9	153.5	158.1	157.2
Beach	Seasonal/Part Time Positions	93.0	109.5	97.4	99.0	96.9	94.0	89.0	88.1	90.6	86.6
	Season/Part Time FTE	20.7	21.2	18.7	18.4	18.0	17.3	14.3	13.2	12.4	11.2
	Full Time FTE	1.5	4.6	3.9	3.9	4.0	3.0	2.8	2.1	2.5	3.1
	Total FTE	22.2	25.8	22.6	22.3	22.0	20.3	17.1	15.3	14.9	14.3
Administration	Seasonal/Part Time Positions	4.0	4.0	4.0	0.0	1.0	1.0	2.0	2.0	3	4.0
	Season/Part Time FTE	0.8	1.1	1.5	0.0	0.5	0.4	0.4	0.3	0.9	1.2
	Full Time FTE	23.0	22.2	21.8	22.8	22.7	20.7	22.6	20.7	20.2	21.2
	Total FTE	23.8	23.3	23.3	22.8	23.2	21.1	23.0	21.0	21.1	22.4
Engineering	Seasonal/Part Time Positions	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
	Season/Part Time FTE	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.2
	Full Time FTE	4.8	4.8	3.8	3.8	3.8	2.8	2.8	2.8	2.8	2.8
	Total FTE	5.1	5.1	4.1	4.1	4.1	3.1	3.1	3.1	3.1	3.0
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	6.0	6.0	6.0	6.0	6.0
	Total FTE	7.0	7.0	7.0	7.0	7.0	6.0	6.0	6.0	6.0	6.0
Buildings	Seasonal/Part Time Positions	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
	Season/Part Time FTE	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
	Full Time FTE	6.0	6.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0
	Total FTE	6.5	6.5	5.5	5.5	5.5	5.5	4.5	4.5	4.5	4.5
Utilities	Seasonal/Part Time Positions	4.0	4.0	5.0	5.0	5.0	3.0	3.0	2.0	2.0	1.0
	Season/Part Time FTE	3.1	2.4	3.4	3.4	3.3	1.2	1.0	0.7	0.7	0.0
	Full Time FTE	31.1	32.2	31.2	31.2	31.2	31.2	31.2	30.2	31.2	31.3
	Total FTE	34.2	34.6	34.6	34.6	34.5	32.4	32.2	30.9	31.9	31.3
District Wide	Seasonal/Part Time Positions	605.6	633.8	610.4	603.5	572.8	569.0	552.1	556.5	553.7	561.1
	Season/Part Time FTE	162.8	151.7	146.0	140.3	132.2	130.8	131.0	130.3	131.2	129.2
	Full Time FTE	112.9	118.6	113.6	112.2	108.4	102.8	104.8	104.0	108.4	109.6
	Total FTE	275.7	270.3	259.6	252.5	240.6	233.6	235.8	234.3	239.6	238.8

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	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Water	Locations	4,272	4,269	4,270	4,251	4,243	4,234	4,229	4,223	4,217	4,217
Sewer	Locations	4,182	4,180	4,178	4,160	4,152	4,144	4,139	4,124	4,121	4,118
Refuse	Locations	4,384	4,345	4,345	4,338	4,177	4,162	4,138	4,151	4,149	4,233
Championship Course	Rounds played	23,446	21,650	23,139	21,353	22,881	23,142	23,784	23,744	22,860	20,417
Mountain Course	Rounds played	15,912	16,062	17,111	15,209	15,687	14,983	14,570	13,129	13,556	13,386
Beach	Individual visits	191,073	192,321	189,291	186,146	171,772	172,628	173,963	165,089	165,387	155,671
Tennis	Individual visits	11,837	13,082	13,630	14,683	14,823	14,129	13,337	13,009	14,398	14,080
Skier	Individual visits	99,424	130,922	120,847	160,613	167,064	84,568	93,935	103,397	98,818	131,371
Recreation Center	Individual visits	94,499	129,831	123,561	121,598	115,662	126,799	130,887	125,294	124,356	119,459

SOURCE: Incline Village General Improvement District

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

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

Program	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Ski	\$ (41)	\$ 29	\$ (83)	\$ (36)	\$ 13	\$ (27)	\$ (20)	\$ (88)	\$ (35)	151
Tennis	24	20	20	18	16	9	21	6	18	15
Parks	124	118	117	117	97	108	86	102	200	120
Recreation Center	285	262	268	269	197	241	204	241	112	118
Championship Golf	119	98	97	83	126	81	75	87	47	30
Mountain Golf	84	63	62	54	69	31	29	40	20	22
Beaches	125	125	125	100	100	100	100	100	115	100
Youth	25	25	26	26	24	21	20	15	25	22
Seniors	21	21	20	20	19	12	19	16	20	23
Adult Programs	-	-	-	-	-	1	1	2	2	3
Catering	-	-	-	-	-	-	(13)	(8)	26	(2)
Facilities	64	57	56	57	47	46	52	35	33	48
Reserves for Recreation	-	-	-	-	-	-	49	75	40	-
Golf/Tennis/Ski Bonds	-	-	-	-	-	85	85	85	85	85
Ski Lodge Bond	-	-	110	110	110	110	110	110	110	110
Defensible Space	-	12	12	12	12	12	12	12	12	12
Coverage sales	-	-	-	-	-	-	-	-	-	(27)
Other/Unclassified	-	-	-	-	-	-	-	-	-	-
Total	\$ 830	\$ 830	\$ 830	\$ 830	\$ 830	\$ 830	\$ 830	\$ 830	\$ 830	\$ 830
 Total Collected (in 1,000's)	 \$ 6,741	 \$ 6,758	 \$ 6,746	 \$ 6,747	 \$ 6,746	 \$ 6,746	 \$ 6,742	 \$ 6,737	 \$ 6,819	 \$ 6,850

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.

Coverage sales in 2011 relate to the specific application of proceeds designated to reduce capital costs in Community Service venues.

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 Year 6/30	Water Monthly Base Rate	Consumption Rate Per 1,000 gallons	Sewer Monthly Base Rate	Consumption Rate Per 1,000 gallons
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
2012	27.62	1.28	39.31	2.60
2011	27.89	1.24	37.52	2.50

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)

Fiscal Year	Residential	Commercial	Total
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
2012	626	312	938
2011	620	239	859

Source: IVGID Utilities Billing Department

INCLINE VILLAGE
GENERAL IMPROVEMENT DISTRICT

COMPLIANCE SECTION



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

893 Southwood Blvd., Incline Village, NV 89451

(775) 832-1100

www.YourTahoePlace.com



STEVE SISOLAK
Governor
JAMES C. DEVOLLO
Chair, Nevada Tax Commission
MELANIE YOUNG
Executive Director

STATE OF NEVADA
DEPARTMENT OF TAXATION

Web Site: <http://tax.nv.gov>
1550 College Parkway, Suite 115
Carson City, Nevada 89706-7937
Phone: (775) 684-2000 Fax: (775) 684-2020

RENO OFFICE
4600 Kietzke Lane
Building L, Suite 235
Reno, Nevada 89502
Phone: (775) 687-9999
Fax: (775) 688-1303

LAS VEGAS OFFICE
Grant Sawyer Office Building, Suite 1300
555 E. Washington Avenue
Las Vegas, Nevada 89101
Phone: (702) 486-2300 Fax: (702) 486-2373

HENDERSON OFFICE
2550 Paseo Verde Parkway, Suite 180
Henderson, Nevada 89074
Phone: (702) 486-2300
Fax: (702) 486-3377

December 23, 2020

COMMITTEE ON LOCAL GOVERNMENT FINANCE
REQUEST FOR APPEARANCE

CERTIFIED MAIL: 9171 9690 0935 0010 7740 59

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
ATTN: PAUL NAVAZIO, DIRECTOR OF FINANCE
893 SOUTHWOOD BOULEVARD
INCLINE VILLAGE, NV 89451

ZOOM MEETING

Date and Time of Meeting: January 28, 2021, 9:00 a.m.

In compliance with the Governor's Emergency Directive #006 (dated March 22, 2020) and Emergency Directive #026 (dated June 29, 2020), the meeting may be conducted by electronic communications. You may participate by using Zoom or by telephone:

Please click the link below to join the webinar:

<https://us02web.zoom.us/j/84764421320>

Or iPhone one-tap:

US: +13462487799,84764421320# or +16699009128,84764421320#

Or Telephone: Dial (for higher quality, dial a number based on your current location):

US: +1 346 248 7799 or +1 669 900 9128 or +1 253 215 8782 or +1 312 626 6799 or +1 646 558 8656 or +1 301 715 8592

Webinar ID: 847 6442 1320


International numbers available: <https://us02web.zoom.us/j/84764421320>

A representative from Incline Village General Improvement District is requested to appear by teleconference before the Committee on Local Government Finance (Committee) at the date and time above regarding the following:

1. Discussion and review of IVGID's request to transition from Special Revenue accounting, back to Enterprise Fund accounting for the District's Community Service and Beach Funds as reversed beginning in 2015/16 Budget
2. Discussion regarding required valuation of Capital Assets, prior to any proposed transition starting FY 21/22 Budget
3. Discussion from current Independent Auditor regarding proposed transition back to Enterprise accounting from Special Revenue Fund accounting for the Community Service and Beach Funds

The Committee requests that any additional materials regarding this agenda item be received in the office of the Department at least 5 working days prior to the scheduled meeting to allow the Department and Committee Members an opportunity for review.

If you have any questions, please feel free to call Kelly Langley at 775-684-2073.


Jeffrey Mitchel, Deputy Director
Department of Taxation

MINUTES

AUDIT COMMITTEE MEETING OF DECEMBER 19, 2020 Incline Village General Improvement District

The Audit Committee meeting of the Incline Village General Improvement District was called to order by Audit Committee Chairman Matthew Dent on Wednesday, December 19, 2020 at 12 noon at the Boardroom located at 893 Southwood Boulevard, Incline Village, Nevada. This meeting was conducted virtually via Zoom.

A. ROLL CALL OF THE AUDIT COMMITTEE MEMBERS*

On roll call, present were Matthew Dent (Trustee, Chair), Cliff Dobler (At-Large Member), Sara Schmitz (Trustee), Raymond Tulloch (At-Large Member). Derrek Aaron (At-Large Member) was absent.

Also present was Staff member Director of Finance Paul Navazio.

There were no members of the public present (State of Nevada, Executive Directive 006, 016, 018, 021, 026, and 029).

B. PUBLIC COMMENTS*

Linda Newman said welcome Jim! Thank you for sharing your weekend with us. I would also like to express my gratitude to Audit Committee Chair Dent and Trustee Treasurer Schmitz for exercising leadership to secure the independent expert resources our District requires to evaluate the District's contested accounting and reporting practices. Our community appreciates every member of this Committee for volunteering your time, energy, efforts and talents to improve Board oversight and establish financial accountability. Everything you do improves our District's governance and performance. For more than five years, Mr. Dobler and I have documented the District's improper accounting and reporting practices. We have made every attempt to get the previous Audit Committee, Senior Management and the Auditor to take corrective action. With the exceptions of our reports requiring restatement of the 2016 CAFR and requiring prior period adjustments in the 2019 CAFR to reverse the improper transfers between funds which violated Nevada statutes, we were met with silence or outright denials. As a consequence, false and misleading financial information has been provided to the State, the Board, our citizens and our lenders for the past five years. The Moss Adams Draft report and their expected redlined corrections evaluating four key accounting and reporting concerns is a first step toward acknowledging that the District's accounting and reporting practices are wrong and need to be changed. We were glad to see Moss Adams also confirmed the inaccurate reporting in the Government wide Statement of Activities which was another key report which we

provided There remains additional reports on improper reporting and disclosure in past CAFR's which we hope will be reviewed by Moss Adams. The next step is to implement those changes, address all outstanding accounting and reporting issues and put all of this behind us. As we look to a brighter future, may you all enjoy a healthy and happy Holiday Season and an exceptional New Year!

Audit Committee Chairman Dent said thank you to Staff for taking time out of your schedule on Saturday as well as the Audit Committee members present.

C. APPROVAL OF AGENDA (for possible action)

Audit Committee Chairman Dent asked for any changes; none were made so the agenda is approved as submitted.

D. GENERAL BUSINESS ITEMS (for possible action)

D.1. Review, discuss, and provide feedback regarding the Moss Adam's DRAFT Report addressing concerns as it relates to evaluation of certain accounting and reporting matters (Presentation by Moss Adams Auditor Jim Lanzarotta)

Audit Committee Chairman Dent gave a brief overview of how we got to where we are today and laid out the format for today's meeting. Audit Committee Chairman Dent confirmed that each Audit Committee Member had a chance to discuss the draft report with Mr. Lanzarotta prior to this meeting. Jim Lanzarotta, from Moss Adams, gave his presentation in which he confirmed he has spoken to most of the attendees. Mr. Lanzarotta said he has prepared a redlined version which he will be sharing today.

Enterprise fund reporting for recreational activities
Starting on agenda packet page 8

Audit Committee At-Large Member Dobler thanked Mr. Lanzarotta for spending three and a half hours with him the other night going over this document. Audit Committee At-Large Member Dobler then made several observations regarding the topic to which Mr. Lanzarotta responded. Audit Committee At-Large Member Tulloch made several observations about full accrual accounting as well as capital project accounting to which Mr. Lanzarotta responded. Audit Committee Member Schmitz discussed observations regarding meeting a 20% requirement as well as asked questions about revising past CAFR's. Mr. Lanzarotta responded.

Central Services Cost Allocations
Agenda packet page 13

Mr. Lanzarotta began with an overview. Audit Committee Member Schmitz asked a question about identification of items by our external auditor. Audit Committee At-Large Member Dobler made several observations about not abiding by the law. Mr. Lanzarotta responded. Audit Committee At-Large Member Tulloch asked about interfund charges; Mr. Lanzarotta responded. Audit Committee Member Schmitz asked a question about the NRS and how it addressed central service cost allocations for one type of fund but not another. Mr. Lanzarotta responded.

Punch Card Accounting
Agenda packet page 23

Mr. Lanzarotta began with an overview. Audit Committee Member Schmitz asked if our external auditor should have identified that the financial reporting was unusual and that our policies might be lacking in clarity; Mr. Lanzarotta responded that it could have been because of dollar values not being material and just because something is unusual it doesn't make it wrong. Audit Committee At-Large Member Tulloch made several remarks about capitalization and Mr. Lanzarotta stated that he did not research the Effluent Export Pipeline project and provided explanation on the various remarks made. Audit Committee At-Large Member Dobler also made several remarks regarding capitalization and expensing items to which Mr. Lanzarotta provided a response.

Punch Card Accounting
Agenda packet page 18

Mr. Lanzarotta gave an overview. Audit Committee At-Large Member Dobler made several comments regarding funds and transfers.

Next Steps

Audit Committee Chairman Dent said with the time remaining that he would like to have a discussion about what the next steps are. He sees that we need to have further evaluation, we have all been very vocal about our policies and them being poorly written. Should the current auditor have caught these; he thinks they should have and that this has been going on

for five years. The question is how do we move forward and what are the next steps. Audit Committee At-Large Member Dobler said that he and Ms. Newman have submitted 24 points and we have done 4 of those points but that we don't know the resolution of the remaining 20 points so he would like to know about the remaining 20 points and that he would suggest expanding Moss Adams scope of work to look at those 20 points. Audit Committee At-Large Member Tulloch said that he sees two aspects – first is number one is to stop the bleeding and get things moving forward so the most pressing thing is to move to enterprise fund accounting and get that achieved for 2021/2022 going forward. The other one is capital expenditures and, in reality, the only place to capitalize is in the Utility Fund. The other funds are cash and should be expensed. He agrees that there is a lot of work to be done and that there are things to fix going forward and that if we can find the time, we can fix the older items. Audit Committee Member Schmitz said that she is glad to hear that the team is doing change and that she sees a four pronged approach – the first is to continue to make adjustments and corrections for this year's CAFR; second, enlist assistance of Moss Adams to help us to fine tune our policies and do so with understanding of best practices; third, Audit Committee Chairman Dent and Director of Finance Navazio to work with external auditor to see if any action is needed from the past; and fourth, enlist the services to Moss Adams to review the other concerns. Audit Committee Chairman Dent said he agrees with all comments made and knows that Staff is working on making changes and appreciate those efforts. There are several things we need to tackle – policies, not the first one. Trying to figure out the other 20 points, believe we have the authority to expand their scope through the District General Manager so we can expand that. The first thing that needs to happen is to correct the wrongs of the past. He would like to ask that one of the Audit Committee members draft up a scope of work and then we want to hire Moss Adams or someone else to help with us the policies and that should be the focus on the Board. Audit Committee Member Schmitz said she wanted to be more specific about policies as she was not trying to do a broad brush but focus on policies on capitalization to get some clarity on that one. Audit Committee At-Large Member Tulloch said he agrees with Audit Committee Member Schmitz as it is the Board's responsibility and the Audit Committee needs to make a strong recommendation and the fact that Moss Adams is familiar, he would suggest adding to the Moss Adams scope of work for proforma policies. Audit Committee At-Large Member Dobler said he went through the other 20 points and there are 8 that are huge. One of them has to do with compliance of Board policy, in talking with Jim for 3.5 hours, and correct him if wrong, what is so badly needed is policies regarding

commitments. He was told we are doing resolutions to commit funds but he doesn't know where they are. Our biggest and strongest weakness, and not done by management, is good policy. It has got to be a separate one and need a company to do that for us as we have been talking about it for quite a while. Mr. Lanzarotta said it seems to him and he is just providing some advice, based on what he is hearing, put the 20 points in buckets and the buckets that have to do with notes and reports, get a firm that will have the technical chops and discuss some room for improvement and that should get taken care of with your new auditor. Then there is a bucket that is a change to financial statements. Financial policies are an area of concern and should be tackled. Some of them should be taken care with next auditing firm and your Director of Finance is probably going to address. Audit Committee Chairman Dent said that some of the 20 points are going to be addressed as he has discussed them with Director of Finance. District General Manager Winqest said that he agrees with the recommendations made and Staff is not being resistant to this as a lot of this was expected. He has made it clear that he was ready to move back to enterprise fund accounting and the main thing on this was to get past the point that the District was doing something illegal. Still have questions on capitalization which we can address offline. On additional scope, we didn't budget for this, so he will want to make sure that Staff will be covered and will be talking to legal counsel. We need to have the full Board of Trustees weigh on this additional scope and likes the idea of putting the 20 points into buckets. Thank you to all and want to put all of this behind us. Director of Finance Navazio said thank you to all and asked if there was a desire to close this scope of work? He also reminded this committee there are two other things to keep in mind – anticipate having CAFR ready for their next meeting and then to the Board at the end of January and also are in the process of reviewing proposals for new audit firm. The District has received three proposals that this committee will be reviewing in January and a recommendation will go to the Board in February and award in March and figure out how that works with this work and any future work by Moss Adams and keep everything moving forward. Audit Committee At-Large Member Dobler said the Moss Adams report was not to determine illegality and legality as that can only be determined by the courts. Audit Committee Member Schmitz said so the next step is the report being finalized and presented to the Board of Trustees, do we have that scheduled? Audit Committee Chairman Dent said no as he wanted to give this feedback to Moss Adams and make sure there was nothing wrong and the next step is for Moss Adams to come forward with his final report and then send to the Board of Trustees for their review. The Board of Trustees tasked us with

looking at 20 points. Audit Committee Member Schmitz asked if you can share the redlined report with the Audit Committee and then get it back to you? Director of Finance Navazio asked Mr. Lanzarotta if he got what he needed to finalize the report as it is important to have a clear path. Mr. Lanzarotta said he has what he needs, is very impressed with the accounting knowledge, and that he will read it over one more time and confirmed that it is appropriate to send it in redline version. Audit Committee At-Large Member Dobler said regarding punch card accounting, there are two critical footnotes in the financial statements that are not addressed which he thinks are critical because when transferring between two separate funds, it is important to be disclosed what was happening. Unless it is in the report, you don't think that is appropriate. Mr. Lanzarotta said what was transferred was transparent and that he didn't have time to look and compare with financials versus the budget so he didn't finish that and he suspects there is not a huge difference between those so he is not sure where to go with that. Audit Committee At-Large Member Dobler said he would like to talk more offline. Mr. Lanzarotta said he understands, from a policy standpoint, but doesn't know where to go with it. Audit Committee Chairman Dent said Audit Committee At-Large Member Dobler can follow up with that offline.

E. APPROVAL OF MEETING MINUTES (for possible action)

E.1. Audit Committee Meeting Minutes of November 19, 2020

Audit Committee Member Schmitz said that the meeting minutes need to be updated as she feels we need to understand who was asking the questions so she has requested that section to be updated. Audit Committee At-Large Member Dobler said at the end of page 13, agenda packet page 40, he said he didn't know what they meant as he didn't challenge anything. Audit Committee Chairman Dent asked Mr. Dobler to get with the District Clerk and make his changes and then he said that the meeting minutes of November 19, 2020 are approved as revised.

F. PUBLIC COMMENTS*

Linda Newman said this has been an excellent meeting and she has a couple of comments; first, she supports most of Moss Adams recommendations along with those proposed by Trustees Dent, Schmitz, Mr. Dobler and Mr. Tulloch. Mr. Dobler and I will be providing Moss Adams with a revised memo of their draft review of the punch card accounting and provide some additional material and clarification.

She would also like to that the District may be considering bonding for the Utility Fund and the beaches and shouldn't there be the impetus to restate the financials so that we have a green light with future bond underwriters? Also, the current policies have been written by management staff and the Board has historically rubber stamped these less robust policies. She recommends that the outside consultant, whether it is the new independent auditor or another independent firm be brought in to execute viable, clear and more robust policies for management to follow and the Board to oversee. There was a statement made by Jim about the Department of Taxation somehow being an enforcement agency, however, they are really not. They rely upon the opinions of the independent, external auditor and rarely, if ever, get involved in an enforcement of inaccurate or incorrect information. The same is true for when the District submits their budget. The Department of Taxation focuses on the law and the forms being accurately completed. They don't historically verify the accuracy of the information. She also wants to raise the issue of the lack of internal controls. It remains the fault lines in having a solid foundation in moving forward and she once again requests the engagement of an independent expert to develop the District's internal controls. Merry Christmas and Happy New Year to all.

G. ADJOURNMENT (for possible action)

The meeting was adjourned at 2:47 p.m.

Respectfully submitted,

Susan A. Herron
District Clerk

Attachments*:

*In accordance with NRS 241.035.1(d), the following attachments are included but have neither been fact checked or verified by the District and are solely the thoughts, opinions, statements, etc. of the author as identified below.