
NOTICE OF MEETING

The regular meeting of the Incline Village General Improvement District Board of Trustees will be held starting at 6:00 p.m. on December 14, 2022 in the **Boardroom, 893 Southwood Boulevard**, Incline Village, Nevada.

Public comment is allowed and the public is welcome to make their public comment via telephone (the telephone number will be posted to our website on the day of the meeting). The meeting will be available for viewing at <https://livestream.com/accounts/3411104>.

A. PLEDGE OF ALLEGIANCE*

B.1 ROLL CALL OF TRUSTEES*

B.2. ROLL CALL OF TRUSTEES-ELECT* (*Dave Noble and Raymond Tulloch*)

C. INITIAL PUBLIC COMMENTS* - *Unless otherwise determined, the time limit shall be three (3) minutes for each person wishing to make a public comment. Unless otherwise permitted by the Chair, no person shall be allowed to speak more than once on any single agenda item. Not to include comments on General Business items with scheduled public comment. The Board of Trustees may address matters brought up during public comment at the conclusion of the comment period but may not deliberate on any non-agendized item.*

D. APPROVAL OF AGENDA (*for possible action*)

The Board of Trustees 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 Board of Trustees may make a motion to accept and follow the agenda as submitted/posted.

E. REPORTS TO THE BOARD* - Reports are intended to inform the Board and/or the public.

1. Verbal Presentation by North Lake Tahoe Fire Protection District Fire Chief Ryan Sommers - Public Safety Pier for Washoe County, Tahoe Regional Planning Agency and North Lake Tahoe Fire Protection District
2. Annual Audit Committee Report Follow-Up – Request by Trustee Dent for reconciliation to ACFR 2020/2021 (Presenting Staff Member: Director of Finance Paul Navazio) – **pages 5 - 11**
3. 2022 Season Wrap Up - presented by Director of Golf/Community Services Darren Howard
 - a. Golf and Food and Beverage – Account 320 – **pages 12 - 33**
 - b. Facilities (Weddings and Events) – Account 330 – **pages 34 - 39**
4. District General Manager’s Report – **pages 40 - 80**

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

NOTICE OF MEETING

Agenda for the Board Meeting of December 14, 2022 - Page 2

5. Treasurer's Report - Requesting Trustee: Treasurer Michaela Tonking – *page 81*
 - A. Payment of Bills (*For District payments exceeding \$50,000 or any item of capital expenditure, in the aggregate in any one transaction, a summary of payments made shall be presented to the Board at a public meeting for review. The Board hereby authorizes payment of any and all obligations aggregating less than \$50,000 provided they are budgeted and the expenditure is approved according to District signing authority policy*)
- F. REVIEW OF THE LONG RANGE CALENDAR (*for possible action*) – *pages 82 - 86*
- G. CONSENT CALENDAR (*for possible action*)
 1. **SUBJECT:** Review, discuss and possibly accept the Washoe County Notice of Subaward (Non-Competitive Grant) in the amount of \$250,000 for the purpose of improving the Skate Park (CIP Project 4378BD2202) located at the corner of Southwood and Tahoe Boulevards (Requesting Staff Member: District General Manager Indra Winquest) – *pages 87 - 110*
 2. **SUBJECT:** Review, discuss and possibly accept \$100,000 from Washoe County for the purposes of supporting Youth Programming (\$50,000) and Senior Programming (\$50,000) (Requesting Staff Member: District General Manager Indra Winquest) – *pages 111 - 117*
 3. **SUBJECT:** Review, discuss and possibly authorize the District's General Manager to extend the lease agreement between the Hyatt Corporation and the Incline Village General Improvement District as per the Fifth Amendment document (Requesting Staff Member: Diamond Peak Ski Resort General Manager Mike Bandelin) – *pages 118 - 157*
- H. GENERAL BUSINESS (*for possible action*)
 1. **SUBJECT:** Review and discuss the transmittal of the District's Annual Comprehensive Financial Report (ACFR) for the Fiscal Year ended June 30, 2022 and Related Audit Report(s) (Requesting Staff Member: Director of Finance Paul Navazio along with Jennifer Farr, Partner, Davis Farr, LLP) – *pages 158 - 271*
 2. **SUBJECT:** Receive a project update on the Effluent Pipeline Project **and** review, discuss and possibly authorize approval of a purchase order with Western Nevada Supply to purchase approximately 8,500 lineal feet of competitively bid pipeline materials and appurtenances for the Effluent Pipeline Project not to exceed \$1,402,000, Project: 2524SS1010 – Fund: Utilities; Division: Sewer. (Requesting Staff Member: Director of Public Works Brad Underwood) – *pages 272 - 306*

Recommendation for Action: That the Board of Trustees receive a project update that discusses the following topics: CMAR Process; 90% Opinion of Probable Construction Cost; Independent Cost Estimator Presentation; Granite Construction Presentation; Potential State Route 28 Road Closure; and Project Phasing **and** make a motion to authorize approval of a purchase order with Western Nevada Supply to purchase 8,500 linear feet (LF) of pipeline materials and appurtenances for the Effluent Pipeline Project not to exceed \$1,402,000, Project: 2524SS1010 – Fund: Utilities; Division: Sewer.

NOTICE OF MEETING

Agenda for the Board Meeting of December 14, 2022 - Page 3

3. **SUBJECT:** Review, discuss and possibly approve Resolution Number 1897 concerning the Financing of Sewer Projects for the Incline Village Improvement District; Declaring the Intent to Issue Utility Revenue Bond(s) in the Maximum Amount of \$52,740,000; and authorizing the transmittal of the Resolution to the State Department of Conservation and Natural Resources, Division of Environmental Protection in conjunction with the District's Loan Application from the State Revolving Fund/Clean Water program (Requesting Staff Member: Director of Finance Paul Navazio) – **pages 307 - 318**

Recommendations for Action: That the Board of Trustees adopt Resolution No. 1897 concerning the financing of the Effluent Pipeline Replacement Project:

- a) Declaring the intention to issue Utility Revenue Bonds in the maximum principal amount of \$52,740,000;
 - b) Authorizing reimbursement of costs incurred with respect to the project prior to the issuance of the Bonds for financing the project;
 - c) Authoring the General Manager and Director of Finance to request the State to purchase the Bonds in connection with the loan being sought through the State Department of Conservation and Natural Resources, Division of Environmental Protection, subject to the approval of the loan contract by the Board of Trustees via separate resolution.
4. **SUBJECT:** Review, discuss and possibly provide direction to move forward on the geothermal concept within the District (Requesting Trustee: Chairman Tim Callicrate) – **pages 319 - 370**

Recommendation for Action: That the Board of Trustees make a motion to move forward on the geothermal concept by directing District Legal Counsel to spend the time and resources to review the attached lease agreement.

5. **SUBJECT:** Review, discuss and possibly approve a budget amendment for the Recreation Center Expansion Project (Requesting Staff Member: Director of Finance Paul Navazio) – **pages 371 - 373**

Recommendation for Action: That the Board of Trustees make a motion to authorize Fiscal Year 2022/2023 budget amendment related to the Recreation Center Expansion Project (CIP# BI23350100) to reduce the appropriation provided for in the Fiscal Year 2022/2023 Capital Budget, Recreation Fund (350) in the amount of \$24,346,656 representing unexpended appropriations at project close-out; and reduce the estimated amount of grant revenue included in the Fiscal Year 2022/2023 Capital Budget, Recreation Fund (350) by \$24,303,932, representing grant revenue that will not be billed or collected as a result of termination of the project.

I. MEETING MINUTES (*for possible action*)

1. Meeting Minutes of November 9, 2022 – **pages 374 - 438**

J. FINAL PUBLIC COMMENTS* - Limited to a maximum of three (3) minutes in duration.

K. BOARD OF TRUSTEES UPDATE

L. ADJOURNMENT (*for possible action*)

NOTICE OF MEETING

Agenda for the Board Meeting of December 14, 2022 - Page 4

CERTIFICATION OF POSTING OF THIS AGENDA

I hereby certify that on or before Friday, December 9, 2022 at 9:00 a.m., a copy of this agenda (IVGID Board of Trustees Session of December 14, 2022) was delivered to the post office addressed to the people who have requested to receive copies of IVGID's agendas; copies were e-mailed to those people who have requested; and a copy was posted, physically or electronically, at the following locations in accordance with Assembly Bill 253:

1. IVGID Anne Vorderbruggen Building (893 Southwood Boulevard, Incline Village, Nevada; Administrative Offices)
2. IVGID's website (www.yourtahoeplace.com/Board of Trustees/Meetings and Agendas)
3. State of Nevada public noticing website (<https://notice.nv.gov/>)

/s/ Melissa N. Robertson

Melissa N. Robertson

District Clerk (e-mail: mnr@ivgid.org/phone # 775-832-1268)

Board of Trustees: Tim Callicrate - Chairman, Matthew Dent, Sara Schmitz, Kendra Wong, and Michaela Tonking.

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. IVGID'S agenda packets are available at IVGID's website, www.yourtahoeplace.com; go to "Board Meetings and Agendas".



LONG RANGE CALENDAR

Wednesday, January 11, 2023 at 6 p.m. in the Boardroom at 893 Southwood Boulevard – Regular Board of Trustees Meeting

Items Slated for Consideration

- => Elections of Board Officers (Reference Policy 3.1.0, paragraph 0.8)
=> Audit Committee Appointment for seat being vacated by Trustee Wong effective 12/31/2022 (this seats term will expire February 28, 2023) (see meeting minutes of June 29, 2022)
=> Expectations on Board packets (Requesting Staff Member: District General Manager Indra Winquest)
=> Utility Rates
=> Whistleblower Policy – revisit (requested 8/31/2022 – Trustee Schmitz) last time it came before the Board was 8/10/2021 – must go to the Audit Committee first – Schmitz asked that it come back to the Board in January 2023
=> Meeting Minutes: Do we want our meeting minutes to have more alignment with what is said at the meeting or are these summaries acceptable? (Request by Trustee Schmitz – 11/03/2021)
=> Discussion regarding a Board appointed Advisory Committee on Capital Projects (Policy 3.1.0, paragraph 0.9 and Policy 12.1.0 is the reference to be included)
=> Recreation Center Lockroom Project closeout report (in the GM's Report)
=> LSC Traffic Study at the IVGID Beaches – Final report presentation to the Board of Trustees (study of ingress/egress at the beaches)
=> Ordinance 7 – suggested revisions and setting of public hearing date

Wednesday, January 25, 2023 at 6 p.m. in the Boardroom at 893 Southwood Boulevard – Regular Board of Trustees Meeting

Items Slated for Consideration

- => Budget Workshop #1 – Budget assumptions, program venue budget/financials, facility fee assumptions
=> Fleet Presentation

Wednesday, February 8, 2023 at 6 p.m. in the Boardroom at 893 Southwood Boulevard – Regular Board of Trustees Meeting

- Information to Board regarding design/build process for DP Base Lodge Kitchen Remodel
Accept the Subward Grant from STPUD, Budget Augmentation to reflect the outside funding source, and Award Construction Contract for Crystal Peak Waterline Replacement – PW
Budget Workshop #2 – Venue budgets, preliminary CIP, and preliminary facility fees
Approval of Golf/Facility Rates
Fiscal Year 2022/2023 Second Quarter Budget Update and Expense Projects Report– Presented by Director of Finance Paul Navazio
Fiscal Year 2022/2023 Second Quarter CIP Popular Status Report – Presented by Director of Finance Paul Navazio (11092022 - make sure that each project has a status narrative, carryover data from when, if pushing out, timeframe of when – let us know as soon as possible)
Set May Public Hearing Dates (Recreation Roll, Budget)
List of contracts, etc. that need annual Board Review – District General Manager and Director of Administrative Services – Date Requested 9/21/2021 (will be added to the General Manager's Report)
Approval of Bonds and SRF Loan Documents (Effluent Pipeline)
Amend FY 2022/23 capital budget to reflect financing plan/sources, etc.
Approval of USACE 595 Model Agreement for Grant Funds (Effluent Pipeline and Storage Tank)



LONG RANGE CALENDAR

Wednesday, February 22, 2023 at 6 p.m. in the Boardroom at 893 Southwood Boulevard – Regular Board of Trustees Meeting

Items Slated for Consideration

- 1. Ordinance 7, paragraph 110, annual report due March 1, 2023 (added by Director of Administrative Services Herron 08/01/2022)
- 2. Award Construction Contract for Water Reservoir Coatings and Site Improvements – PW
- 3. Award Construction Contract for Bike Park Improvements – PW
- 4. Award Construction Contract for Wetlands Improvements – PW
- 5. Audit Committee Membership – At Large Member (1) and Trustees (2) (see meeting minutes of June 29, 2022)

Wednesday, March 8, 2023 at 6 p.m. in the Boardroom at 893 Southwood Boulevard – Regular Board of Trustees Meeting

Items Slated for Consideration

- 1. Ordinance 7, An Ordinance Establishing Rates, Rules and Regulations for IVGID Recreation Passes and Recreation Punch Cards by the Incline Village General Improvement District effective June 1, 2022 - Actions on Fees as stated in paragraphs 36, 69, 71 and 81 – do at budget time – PLACEHOLDER – could move to another date
- 2. Budget Workshop #3 – Capital Improvement Plan Update and Final Facility Fees
- 3. Award Design/Build contract for Diamond Peak Kitchen Remodel – PW

Wednesday, March 29, 2023 at 6 p.m. in the Boardroom at 893 Southwood Boulevard – Regular Board of Trustees Meeting

Items Slated for Consideration

- 1. Award CMAR GMP Contract for Effluent Pipeline Phase 2A – PW
- 2. Award CMAR GMP Contract for Effluent Storage Tank – PW
- 4. Award Construction Contract for Mountain Golf Phase 2 and 3 – PW

Wednesday, April 12, 2023 at 6 p.m. in the Boardroom at 893 Southwood Boulevard – Regular Board of Trustees Meeting

Items Slated for Consideration

Board approval of FY 2023/2024 Tentative Budget (Form 4404LGF) (to be filed April 15, 2022)

Wednesday, April 26, 2023 at 6 p.m. in the Boardroom at 893 Southwood Boulevard – Regular Board of Trustees Meeting

Items Slated for Consideration



LONG RANGE CALENDAR

Wednesday, May 10, 2023 at 6 p.m. in the Boardroom at 893 Southwood Boulevard – Regular Board of Trustees Meeting

Items Slated for Consideration

1. Discuss General Manager’s Goals before evaluation occurs (Trustee Dent – 09282022)
2. Public Hearings: FY 2023/24 Recreation Roll; FY 2023/24 Annual Budget
3. Board approval of final FY 2023/2024 Annual Budget (Form 4404LGF) (to be filed with State 06/01/2023) **and** Facility Fees and Recreation Roll
4. Fiscal Year 2022/2023 Third Quarter Budget Update and Expense Projects Report– Presented by Director of Finance Paul Navazio
5. Fiscal Year 2022/2023 Third Quarter CIP Popular Status Report – Presented by Director of Finance Paul Navazio

Wednesday, May 31, 2023 at 6 p.m. in the Boardroom at 893 Southwood Boulevard – Regular Board of Trustees Meeting

Items Slated for Consideration

Wednesday, June 7, 2023 at 6 p.m. in the Boardroom at 893 Southwood Boulevard – Special Meeting of Board of Trustees

1. General Manager’s Performance Evaluation

Wednesday, June 14, 2023 at 6 p.m. in the Boardroom at 893 Southwood Boulevard – Regular Board of Trustees Meeting

Items Slated for Consideration

Wednesday, June 28, 2023 at 6 p.m. in the Boardroom at 893 Southwood Boulevard – Regular Board of Trustees Meeting

Items Slated for Consideration

Wednesday, July 12, 2023 at 6 p.m. in the Boardroom at 893 Southwood Boulevard – Regular Board of Trustees Meeting

Items Slated for Consideration

1. Annual report – PP 141/Resolution 1895 (added by Director of Administrative Services Herron 07/28/2022) – due date is last meeting in July 2023

Wednesday, July 26, 2023 at 6 p.m. in the Boardroom at 893 Southwood Boulevard – Regular Board of Trustees Meeting

Items Slated for Consideration

- Board approval of Annual Indebtedness Report (Form 4410LGF)
- Board approval of 5-Year Capital Plan (Form 4411LGF)



LONG RANGE CALENDAR

Wednesday, August 9, 2023 at 6 p.m. in the Boardroom at 893 Southwood Boulevard – Regular Board of Trustees Meeting

Items Slated for Consideration

1. Finalize General Manager’s goals by the end of August 2023
2. Fiscal Year 2022/2023 Fourth Quarter Budget Update and Expense Projects Report – Presented by Director of Finance Paul Navazio
3. Fiscal Year 2022/2023 Fourth Quarter CIP Popular Status Report – Presented by Director of Finance Paul Navazio

Wednesday, August 30, 2023 at 6 p.m. in the Boardroom at 893 Southwood Boulevard – Regular Board of Trustees Meeting

Items Slated for Consideration

Wednesday, September 13, 2023 at 6 p.m. in the Boardroom at 893 Southwood Boulevard – Regular Board of Trustees Meeting

Items Slated for Consideration

Wednesday, September 27, 2023 at 6 p.m. in the Boardroom at 893 Southwood Boulevard – Regular Board of Trustees Meeting

Items Slated for Consideration

Wednesday, October 11, 2023 at 6 p.m. in the Boardroom at 893 Southwood Boulevard – Regular Board of Trustees Meeting

Items Slated for Consideration

Wednesday, October 25, 2023 at 6 p.m. in the Boardroom at 893 Southwood Boulevard – Regular Board of Trustees Meeting

Items Slated for Consideration

Wednesday, November 8, 2023 at 6 p.m. in the Boardroom at 893 Southwood Boulevard – Regular Board of Trustees Meeting

Items Slated for Consideration

Wednesday, December 13, 2023 at 6 p.m. in the Boardroom at 893 Southwood Boulevard – Regular Board of Trustees Meeting

Items Slated for Consideration



LONG RANGE CALENDAR

Parking Lot Items – To be scheduled

	<i>Items sitting in the parking lot (to be discussed but (a) not yet scheduled for a specific Regular Board Meeting) or (b) a future Board not on this calendar</i>
A	Possible discussion on IVGID needs as it relates to potential land use agreement with DPSEF (Request by Trustee Schmitz – 01/18/2021)
B	Review of service levels – Golf will be coming first
C	Next step on Diamond Peak parking lot/Ski Way – Staff added reminder
D	Request that the Board discuss a strategy for dealing with e-mails and correspondence that the Board receives. Need to have a strategy and approach on who responded – come up with a consensus by the Board on who responds. (Request by Trustee Schmitz – 11/03/2021) Related to Policy 20.1.0. Follow up with District Counsel Nelson
E	Policy 16.1.0 – (requested by Trustee Schmitz – 6/8/2022)
F	Discuss letters of who to contact at our agency regarding communication (Schmitz – 9/28/2022)
G	General Manager’s Evaluation Process (Dent – 09282022) Trustee Tonking volunteered to work on the evaluation process system
H	Discuss General Manager’s Goals weighting (Schmitz – 09282022) Trustee Schmitz volunteered to work on the evaluation tool
I	Discussion regarding the Board of Trustees Handbook (requested 8/31/2022 – Trustee Schmitz, scheduled for 10/12/2022 and deferred by Trustee Schmitz until after the new Board is seated – 10/3/2022)
J	Modifications to current budget to reflect grant funding and cost sharing on Effluent Tank (added by Director of Public Works)
K	Presentation on repair and replace by Fleet and revisit the policy
L	Discuss FlashVote (Trustee Dent 11/09/2022)
M	Discussion and possible action on revising the District’s Gold and Silver Card Program for Employees and past Trustees to no longer allow access to District restricted-access Beaches (Requesting Trustee: Chairman Tim Callicrate) (moved from the 11/9 meeting agenda) – HOLD OFF UNTIL WE GET THE FURTHER INFORMATION FROM OTHERS

*Budget approval is required after the third Monday however whatever date is selected, a 10-day notice must be given. Must accomplish no later than June 1, 2023.

MEMORANDUM

TO: Board of Trustees

FROM: Indra S. Winqest
District General Manager

SUBJECT: Review, discuss and possibly accept the Washoe County Notice of Subaward (Non-Competitive Grant) in the amount of \$250,000 for the purpose of improving the Skate Park (CIP Project 4378BD2202) located at the corner of Southwood and Tahoe Boulevards

DATE: December 14, 2022

I. RECOMMENDATION

That the Board of Trustees makes a motion to accept the Washoe County Notice of Subaward (Non-Competitive Grant) in the amount of \$250,000 for the purpose of improving the Skate Park (CIP Project 4378BD2202) located at the corner of Southwood and Tahoe Boulevards.

II. STRATEGIC PLAN REFERENCES

LONG RANGE PRINCIPLE #5 – ASSETS AND INFRASTRUCTURE

The District will practice perpetual asset renewal, replacement and improvement to provide safe and superior long term utility services and recreation venues, facilities, and services.

LONG RANGE PRINCIPLE #7 - GOVERNANCE

The District is a local agency that delivers exemplary recreational experiences and provides the highest level of water, sewer, and solid waste services while striving for fiscal and environmental sustainability through collaboration, civic participation, and transparency to the greatest extent possible.

1. Continue to create inter-agency partnerships and foster strong collaborative relationships with Local, Regional, County and State agencies.

III. **BACKGROUND**

From the General Manager's Report of September 28, 2022

Washoe County Non-Competitive Grant

The District was notified this past summer that the request for ARPA funding through Washoe County for the effluent pipeline and effluent storage project was declined. Because of this decision, Staff has requested consideration for any other District projects that may be eligible for ARPA funding. Staff is working with Washoe County to bring before the IVGID Board of Trustees an opportunity to accept a non-competitive grant (ARPA Funding) for \$250,000 for a qualified project. This is the amount that Washoe County has authorized to general improvement districts. After evaluating potential projects, Staff has identified the 2022/2023 Board approved CIP Skate Park Improvements Project and Washoe County has agreed that it does fit into the grant requirement specifications.

Staff did look at a variety of projects that fit the grant criteria and identified this project as the one that, in the greatest way, benefits the community. The Skate Park improvement project is currently budgeted for a total of \$190,000 between Fiscal Year 2023 and Fiscal Year 2026. It is likely, based on the current construction environment, that there may be a need for additional budget. In the event that the project were to be less than \$250,000, Staff is clarifying whether the remaining grant funds can be used for other projects as Staff has identified playground replacement projects as potential candidates. The noncompetitive grant went before the Washoe County Commissioners for their approval, at their October 25 meeting where it was approved. Washoe County Staff is now working to complete the subgrant agreement and it will come before the IVGID Board of Trustees on December 14 for acceptance of the Washoe County approved grant funds. As a reminder, the IVGID Board of Trustees at the January 12, 2022 meeting discussed and identified Board priority projects, which included the Skateboard Park project.

This grant request went before the Washoe County Commissioners on October 25, 2022 and below is a reference link to that agenda packet.

October 25, 2022 Meeting Agenda for the Washoe County Commissioners (Pg 6)

https://www.washoecounty.gov/bcc/board_committees/2022/files/agendas/2022-10-25/BCC%20-%2010.25.22.pdf

The grant request was approved at the October 25, 2022 and following is the meeting outcome document from said meeting:

October 25, 2022 Meeting Outcome for the Washoe County Commissioners (#3)

<https://washoelife.washoecounty.gov/washoe-county/top-headlines-from-the-board-of-county-commissioners-meeting-114/>

Also attached is the enabling Washoe County Commissioners Resolution R22-118.

From the General Manager's Report of November 9, 2022

Washoe County Non-Competitive Grant

The District was notified this past summer that the request for ARPA funding through Washoe County for the effluent pipeline and effluent storage project was declined. Because of this decision, Staff has requested consideration for any other District projects that may be eligible for ARPA funding. Staff is working with Washoe County to bring before the IVGID Board of Trustees an opportunity to accept a non-competitive grant (ARPA Funding) for \$250,000 for a qualified project. This is the amount that Washoe County has authorized to general improvement districts. After evaluating potential projects, Staff has identified the 2022/2023 Board approved CIP Skate Park Improvements Project and Washoe County has agreed that it does fit into the grant requirement specifications.

Staff did look at a variety of projects that fit the grant criteria and identified this project as the one that, in the greatest way, benefits the community. The Skate Park improvement project is currently budgeted for a total of \$190,000 between Fiscal Year 2023 and Fiscal Year 2026. It's likely, based on current the current construction environment, that there may be a need for additional budget. In the event that the project were to be less than \$250,000, Staff is clarifying whether the remaining grant funds can be used for other projects as Staff has identified playground replacement projects as potential candidates. The noncompetitive grant went before the Washoe County Commissioners for their approval, at their October 25 meeting where it was approved. Washoe County Staff is now working to complete the subgrant agreement and it will come before the IVGID Board of Trustees on December 14 for acceptance of the Washoe County approved grant funds. As a reminder, the IVGID Board of Trustees, at the meeting of January 12, 2022, discussed and identified Board priority projects, which included the Skateboard Park project. The Board of Trustees will have the ability to discuss further with Staff when placed on an upcoming agenda.

IV. FINANCIAL IMPACT AND BUDGET

Attached is the data sheet included in this year's approved Capital Improvement Project. The proposed project will begin work immediately with design work commencing in December 2022/January 2023. There is a very good possibility that this will result in a design/build process; however, Staff is recommending that the design contract be issued as the first step. This contract is budgeted and will be within the District General Manager's signature authority.

V. ATTACHMENTS

Washoe County Subaward Grant Agreement
Washoe County Commissioners Resolution R22-118
IVGID Datasheet (CIP Project 4378BD2202)

NOTICE OF SUBAWARD

Program Name: IVGID Skate Park Enhancement	Subrecipient Name: Incline Village General Improvement District																
Awarding Agency: Washoe County, Office of the County Manager - Community Reinvestment	Address: 893 Southwood Boulevard, Incline Village, Nevada, 89451																
Address: 1001 E. 9 th Street, Reno NV 89512-0027																	
Performance Period: January 1, 2023 – December 31, 2024	Subrecipient's UEI Number: NRCMTNZ7RLX4																
Purpose of Award: To support the enhancement of Incline Village's Skate Park to allow for additional recreational opportunities in the community.																	
Amount of Award: \$250,000	CFDA#: 21.027																
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">1. Personnel</td> <td style="text-align: right;">\$ _____</td> </tr> <tr> <td>2. Travel</td> <td style="text-align: right;">\$ _____</td> </tr> <tr> <td>3. Supplies</td> <td style="text-align: right;">\$ _____</td> </tr> <tr> <td>4. Equipment</td> <td style="text-align: right;">\$ 35,000</td> </tr> <tr> <td>5. Contractual/Consultant</td> <td style="text-align: right;">\$ 190,000</td> </tr> <tr> <td>6. Other</td> <td style="text-align: right;">\$ 25,000</td> </tr> <tr> <td>7. Indirect %</td> <td style="text-align: right;">\$ _____</td> </tr> <tr> <td>TOTAL</td> <td style="text-align: right;">\$250,000</td> </tr> </table> <p>No indirect allowed</p>	1. Personnel	\$ _____	2. Travel	\$ _____	3. Supplies	\$ _____	4. Equipment	\$ 35,000	5. Contractual/Consultant	\$ 190,000	6. Other	\$ 25,000	7. Indirect %	\$ _____	TOTAL	\$250,000	Disbursement of funds will be as follows: Payment will be made upon receipt and acceptance of an invoice and supporting documentation specifically requesting reimbursement for actual expenditures specific to this subgrant. Total reimbursement will not exceed \$250,000 .
1. Personnel	\$ _____																
2. Travel	\$ _____																
3. Supplies	\$ _____																
4. Equipment	\$ 35,000																
5. Contractual/Consultant	\$ 190,000																
6. Other	\$ 25,000																
7. Indirect %	\$ _____																
TOTAL	\$250,000																
Amount of Federal Funds obligated this Action	\$250,000																
Total Amount of Federal Funds obligated to Subrecipient	\$250,000																
Source of Funds: American Rescue Plan Act State and Local Fiscal Recovery Funds																	
This Award is not for Research & Development	Subaward #: 8																
Federal Awarding Agency: U.S. Treasury Department	Granting Entity (Pass through): Washoe County																
State Pass Through Entity: N/A	Subrecipient: Incline Village General Improvement District																
Washoe County Contact: Carissa Bradley, 775-895-4154 cbradley@washoecounty.gov	Subrecipient Contact: Susan Herron, Susan_Herron@ivgid.org																
Terms and Conditions: <ol style="list-style-type: none"> 1. Expenditures must comply with appropriate state and/or federal regulations, 2. This award is subject to the availability of appropriate funds; and 3. The recipient of these funds must agree to stipulate to the incorporated documents. 																	
Incorporated Documents: <ol style="list-style-type: none"> 1. Notice of Subaward 2. Washoe County Grant Agreement 3. Scope of Work 4. Project Budget 																	

WASHOE COUNTY SUBGRANT AGREEMENT

THIS SUBGRANT AGREEMENT is made effective November 17, 2022, by and between Washoe County, a political subdivision of the State of Nevada (COUNTY), and Incline Village General Improvement District, a quasi-municipal entity established under Nevada Revised Statute, Chapter 318, for the purpose of the managing recreation in Incline Village, Nevada, having a business address located at 893 Southwood Boulevard, Incline Village, Nevada 89451 (SUBGRANTEE).

WITNESSETH:

WHEREAS, the American Rescue Plan Act established the Coronavirus State Fiscal Recovery Fund and Coronavirus Local Fiscal Recovery Fund. Washoe County was awarded a grant of \$91,587,038 in State and Local Fiscal Recovery Funds (SLFRF) from the United States Department of Treasury: and

WHEREAS, the SLFRF allows for the transfer of funds from the COUNTY to quasi-municipal entities, and allows for the provision of assistance to organizations to address the negative economic impacts of the Coronavirus pandemic; and

WHEREAS, the SUBGRANTEE's project is an eligible use for SLFRF funding under Expenditure Category 2.22: Strong Healthy Communities: Neighborhood Features that Promote Health and Safety according to the U.S. Treasury Department's Coronavirus State and Local Fiscal Recovery Funds Final Rule; and

WHEREAS, the SUBGRANTEE's legal status is as a body corporate and politic and a quasi-municipal corporation as provided in NRS 318.015; and

WHEREAS, the mission of the SUBGRANTEE is to continually enhance the reputation of [our] community as an excellent place to live, work, recreate, visit and invest; and

WHEREAS, the impacts from the coronavirus pandemic are far-reaching with negative outcomes which continue to be felt deeply in many sectors of our community. This project will enhance the Incline Village Skate Park and provide for neighborhood features that allow for children and family to recreate safely; and

WHEREAS, in consideration of receipt of this funding, the SUBGRANTEE agrees to abide by the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt of which is hereby acknowledged, and subject to all terms and conditions of this Agreement, the Parties hereto agree as follows:

1. PURPOSE

The intent of this Agreement is to pass through to the SUBGRANTEE SLFRF funding

from the U.S. Treasury to provide funding to enhance the Incline Village Skate Park and provide for neighborhood features that allow for children and family to recreate safely starting January 1, 2023 through December 31, 2024.

2. SUBGRANTEE DUTIES

SUBGRANTEE agrees to perform all duties as described in the Scope of Work attached hereto as Exhibit A.

3. TERM OF AGREEMENT

The term of this Agreement is from January 1, 2023 through December 31, 2024. All required purchases and expenses hereunder shall be completed by December 31, 2024. This Agreement shall become effective once approved by the authorized official of each party.

4. NOTICES

All notices and other communications required or permitted to be provided shall be in writing and may be delivered by hand, facsimile transmission with verification of receipt, or by United States mail, postage prepaid and return receipt requested, addressed to the respective parties as follows:

COUNTY	SUBGRANTEE
Washoe County	Incline Village GID
Carissa Bradley	Susan Herron
Grants and Community Program Analyst	Director of Administrative Services
1001 E. 9 th Street	893 Southwood Boulevard
Reno, NV 89512	Incline Village, NV 89451

Or to such other addresses as any party may designate by notice in accordance with this Section. Notice shall be deemed effective upon hand delivery or facsimile with verification of receipt, or three days after deposit with United States mail postage prepaid and return receipt requested.

5. COMPENSATION

A. During the term of this Agreement, and subject to all terms and conditions set forth herein, the COUNTY shall reimburse SUBGRANTEE for all direct costs incurred consistent with the grant and purposes of this Agreement and the Budget attached hereto and incorporated herein. SUBGRANTEE shall submit to the COUNTY invoices, no more often than monthly, by the tenth of the month. Reimbursement shall not exceed in total by the end of the grant the sum of Two Hundred Fifty Thousand Dollars and 00 cents [\$250,000].

B. PROJECT BUDGET: Eligible costs and expenses are detailed in the budget of allowable expenses set forth in Exhibit B – Project Budget. Budget or program revisions cannot be made without prior approval from COUNTY.

C. FORM OF FINANCIAL BACKUP:

- a) SUBGRANTEE shall be reimbursed after eligible expenses have been incurred and expended under this Agreement in conformance with the terms and conditions of this Agreement.
- b) SUBGRANTEE agrees that all costs of goods and services pursuant to this Agreement, shall be recorded by line item and supported by checks, invoices, contracts, vouchers, orders and other accounting documents evidencing in proper detail the nature and propriety of the respective charges, and that all checks, invoices, contracts, vouchers, orders or other accounting documents which pertain, in whole or in part, to the purchases shall be recorded in a separate fund and accessible to the COUNTY upon three (3) business days advance written notice.
- c) SUBGRANTEE agrees that excerpts or transcripts of all checks, invoices, contracts, vouchers, orders and other accounting documents related to the activity will be provided upon request to COUNTY upon 3 business days written notice.

6. REPORTING

- A. **ACTIVITY REPORTING:** The SUBGRANTEE will provide a brief status update of the program activities outlined in Exhibit A – Scope of Work. The activity report is due on the 10th day of the month, following the end of the quarter.
- B. **FINANCIAL REPORTS:** The SUBGRANTEE will provide a financial report specifically identifying expenses for all cost categories detailed in Exhibit B – Project Budget. The SUBGRANTEE is responsible to ensure that SUBGRANTEE complies with all accounting reporting requirements in federal law and the Nevada Revised Statutes. The financial report is due on the 10th day of the month, following the end of quarter or via draw request on no more than monthly basis.
- C. **CLOSEOUT FINANCIAL REPORTS:** Closeout financial reports and reimbursement requests must be submitted by 90 days from end of period of performance. Documentation to include final financial summary of expenses, and checks, invoices, contracts, vouchers, orders and other accounting documents evidencing in proper detail the nature and propriety of the respective charges.
- D. **ANNUAL AUDIT:** SUBGRANTEE will submit a copy of their annual audit and management letter to COUNTY within 60 days of the audit completion, if the subrecipient is determined to be subject to federal single audit requirements. Audit must comply with all applicable standard accounting practices.

7. MONITORING AND ACCESS TO RECORDS

- A. SUBGRANTEE shall allow duly authorized representatives of the COUNTY to conduct reviews, audit, and on-site monitoring of documents, files, etc. in order to determine:
- Whether the objectives of the project are being achieved;
 - Whether management control systems and internal procedures have been established to meet the objectives of the program;
 - Whether financial operations of the project are being conducted according to generally accepted accounting principles (GAAP);
 - Whether the provisions of Federal and State laws and regulations identified in this Agreement are being followed.
- B. COUNTY will monitor SUBGRANTEE activities to ensure that the federal dollars are used for authorized purposes in compliance with the federal program laws, regulations, and grant agreements, and ensuring that performance goals are achieved. Monitoring activities will occur throughout the grant term and may take various forms such as:
- a. Reporting: Reviewing financial and performance reports submitted by SUBGRANTEE
 - b. Site Visits: Performing visits to SUBGRANTEE offices or project site to review financial records, programmatic records, and observe operations.
 - c. Regular Agreement: Regular agreements with SUBGRANTEE and appropriate inquiries concerning program activities.

Nothing in this subsection or any other provision in this agreement shall relieve SUBGRANTEE of primary responsibility for compliance with all terms of the grant, including all applicable federal, state, and local laws thereto.

- C. Records must be easily retrievable for examination by authorized COUNTY, or Treasury Department administrators, auditors, and other authorized individuals. The awarding agency and the Comptroller General of the United States, or any of their authorized representatives have the right to access any books, documents, papers or other records of grantees and SUBGRANTEES, which are pertinent to a Federal grant, in order to make audit, examinations or excerpts, and transcripts.

8. GENERAL PROVISIONS

- A. COMPLIANCE WITH APPLICABLE LAW AND REGULATIONS:
- a. SUBGRANTEE agrees at all times to comply with all applicable laws, ordinances and regulations of the governmental entities having jurisdiction over matters that are the subject of this Agreement. The SUBGRANTEE agrees to follow all federal, state and local laws

pertaining to the operation of said SUBGRANTEE.

- b. Federal regulations applicable to this award include, without limitation, the following:
 - i. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 C.F.R. Part 200, other than such provisions as Treasury may determine are inapplicable to this Award and subject to such exceptions as may be otherwise provided by Treasury. Subpart F – Audit Requirements of the Uniform Guidance, implementing the Single Audit Act, shall apply to this award.
 - ii. Universal Identifier and active System for Award Management (SAM) registration, 2 C.F.R. Part 25 and pursuant to which the award term set forth in Appendix A to 2 C.F.R. Part 25 is hereby incorporated by reference.
 - iii. Reporting Subaward and Executive Compensation Information, 2 C.F.R. Part 170, pursuant to which the award term set forth in Appendix A to 2 C.F.R. Part 170 is hereby incorporated by reference.
 - iv. OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement), 2 C.F.R. Part 180 (including the requirement to include a term or condition in all lower tier covered transactions (contracts and subcontracts described in 2 C.F.R. Part 180, subpart B) that the award is subject to 2 C.F.R. Part 180 and Treasury’s implementing regulation at 31 C.F.R. Part 19.
 - v. Recipient Integrity and Performance Matters, pursuant to which the award term set forth in 2 C.F.R. Part 200, Appendix XII to Part 200 is hereby incorporated by reference.
 - vi. Governmentwide Requirements for Drug-Free Workplace, 31 C.F.R. Part 20.
 - vii. New Restrictions on Lobbying, 31 C.F.R. Part 21.

B. AMENDMENT & ASSIGNMENT: This Agreement may be amended at any time there is a need, provided both parties agree to the amendment(s) in writing. Any amendment is subject to approval by both of the parties as a condition precedent to its entry into effect. Neither party may assign this Agreement without the express written consent of the other party.

C. RECORDS ADMINISTRATION:

- a. The SUBGRANTEE shall maintain or supervise the maintenance of all records and financial documents sufficient to support compliance with section 601(d) of the Social Security Act. regarding the eligible uses of funds.

- b. The Treasury Office of Inspector General and the Government Accountability Office, or their authorized representatives, shall have the right of access to records (electronic and otherwise) of SUBGRANTEE in order to conduct audits or other investigations.
- c. Records shall be retained by the SUBGRANTEE for five years after all funds have been expended, and the project has been monitored and closed by the COUNTY or until all litigation, claims, or audit findings involving the records have been resolved and final action taken
- d. The SUBGRANTEE agrees to allow Federal auditors, and COUNTY staff access to all the records related to this Agreement, for audit and inspection, and monitoring of services. Such access will be during normal business hours, or by appointment.

D. CONFLICT OF INTEREST:

- A. SUBGRANTEE confirms that no officer, employee or agent of the SUBGRANTEE will participate in the selection or in the award or administration of a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when the officer, employee or agent, any member of his or her immediate family, his or her partner, or an organization that employs or is about to employ any of the above, has a financial or other interest in the firm selected to award.
- B. SUBGRANTEE's officers, employees or agents will neither solicit nor accept gratuities, favor or anything of monetary value from contractors, potential contractors, or parties to sub agreements during office tenure or for one year after the close out of the grant. This stipulation must be included in all other contracts and subcontracts to the grant.

E. INDEPENDENT CONTRACTOR: The SUBGRANTEE shall be an independent contractor, and as such, shall have no authorization, express or implied, to bind the COUNTY to any agreements, settlements, liability, or understanding whatsoever, and agrees not to perform any acts as agent for the COUNTY, unless expressly set forth herein. Compensation stated herein shall be the total amount payable to the SUBGRANTEE by the COUNTY. The SUBGRANTEE shall be responsible for the payment of all taxes and social security amounts due as a result of payments received from the COUNTY for services under this Agreement. Persons employed by the COUNTY and acting under the direction of the COUNTY shall not be deemed to be employees or agents of the SUBGRANTEE. Nothing contained herein shall be construed to mean that the SUBGRANTEE shall be responsible, directly or indirectly, for any taxes incurred by a recipient attributable to the financial assistance received pursuant to this Agreement.

F. **TERMINATION:** In addition to any other provision of this Agreement allowing for termination, this Agreement may be terminated without cause in advance of the specified expiration date, by either party, upon 30 days prior written notice being given the other party. On termination of this Agreement, all accounts and payments will be processed according to the financial arrangements set forth herein for approved services rendered to date of termination. SUBGRANTEE shall be reimbursed all eligible costs, expenses and obligations incurred on or before this 30th day following notice of termination. SUBGRANTEE shall provide no new financial assistance or services following notice of termination of this Agreement.

G. **INSURANCE AND INDEMNIFICATION:**

LIMITED LIABILITY. The parties will not waive and intend to assert available NRS chapter 41 liability limitations in all cases. Contract liability of both parties shall not be subject to punitive damages.

INDEMNIFICATION.

- a. Consistent with the above paragraph of this Contract, each party shall indemnify, hold harmless and defend, not excluding the other's right to participate, the other party from and against all liability, claims, actions, damages, losses, and expenses, including but not limited to reasonable attorneys' fees and costs, arising out of any alleged negligent or willful acts or omissions of the indemnifying party, its officers, employees and agents. Such obligation shall not be construed to negate, abridge, or otherwise reduce any other right or obligation of indemnity which would otherwise exist as to any party or person described in this paragraph.
- b. The indemnification obligation under this paragraph is conditioned upon receipt of written notice by the indemnifying party within 30 days of the indemnified party's actual notice of any actual or pending claim or cause of action. The indemnifying party shall not be liable to hold harmless any attorneys' fees and costs for the indemnified party's chosen right to participate with legal counsel.

H. **EQUAL OPPORTUNITY CLAUSE:** The SUBGRANTEE agrees to abide by the provisions of Title VI and VII of the Civil Rights Act of 1984 (42USC 2000e) which prohibits discrimination against any employee or applicant for employment or any applicant or recipient of services, on the basis of race, religion, color, or national origin; and further agrees to abide by Executive Order No. 11246, as amended, which prohibits discrimination on the basis of sex; 45 CFR 90 which prohibits discrimination on the basis of age; and Section 504 of the Rehabilitation Act of 1973, or the Americans with Disabilities Act of 1990 which prohibits discrimination on the basis of disabilities, or the Nevada Revised Statute (NRS) 613.330 Equal Employment Opportunity.

I. STATUTES AND REGULATIONS PROHIBITING DISCRIMINATION APPLICABLE TO THIS AWARD, INCLUDE, WITHOUT LIMITATION, THE FOLLOWING:

1. Title VI of the Civil Rights Act of 1964 (42 U.S.C. §§ 2000d et seq.) and Treasury's implementing regulations at 31 C.F.R. Part 22, which prohibit discrimination on the grounds of race, color, or national origin under programs or activities receiving federal financial assistance;
2. The Fair Housing Act, Title VIII-IX of the Civil Rights Act of 1968 (42 U.S.C. § 3601 et seq.), which prohibits discrimination in housing on the basis of race, color, national origin, sex, familial status, or disability;
3. Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794), which prohibits discrimination on the basis of handicap under any program or activity receiving or benefitting from federal assistance;
4. The Age Discrimination Act of 1975, as amended (42 U.S.C. §§ 6101 et seq.) and Treasury's implementing regulations at 31 C.F.R. Part 23, which prohibit discrimination on the basis of age in programs or activities receiving federal financial assistance; and
5. The Americans with Disabilities Act of 1990, as amended (42 U.S.C. §§ 12101 et seq.), which prohibits discrimination on the basis of disability under programs, activities, and services provided or made available by state and local governments or instrumentalities or agencies thereto.

J. SEVERABILITY: The Parties intend that every term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law. If any term or provision of this Agreement be finally determined by a court of competent jurisdiction to be void, invalid, unenforceable, or contrary to law, public policy, equity or for any other reason, the offending term or provision shall be modified and limited (or if strictly necessary, deleted) only to the extent required to conform to the requirements of law or a court order, and the remainder of this Agreement shall not be affected thereby but rather shall be enforced to the greatest extent permitted by law.

K. DEBARMENT: The SUBGRANTEE certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction (Agreement), by any governmental department or agency. If the SUBGRANTEE cannot certify this statement, attach a written explanation for review by the COUNTY. The SUBGRANTEE must notify the Award Manager within 30 days if debarred by any governmental entity during the Agreement period.

L. NON-APPROPRIATION OF FUNDS: The SUBGRANTEE acknowledges that the COUNTY may only contract for the payment of federal funds which are actually provided by U.S. Department of the Treasury. If full funding to the

COUNTY is not provided by Treasury as initially expected, or as described herein, the COUNTY, after providing documentary evidence of same, in its sole discretion may terminate this Agreement or proportionately reduce the services and the amount due from the COUNTY upon 30 days written notice without penalty, charge or sanction to County. In the case that funds are not available or are reduced as provided herein, the COUNTY will not be liable for any future commitments, penalties, or liquidated damages claimed by SUBGRANTEE for any reason.

- M. PATENTS, COPYRIGHTS, AND OTHER INTELLECTUAL PROPERTY: SUBGRANTEE represents and warrants to COUNTY that it has obtained all rights, grants, assignments, conveyances, licenses, permissions, and authorizations necessary for or incidental to any materials owned by third parties supplied or specified by it for deliverables under this Agreement, and that the use of any such third party intellectual property does not infringe upon, violate, or constitute a misappropriation of any copyright, trademark, trade secret, or any other proprietary right of any third party. The SUBGRANTEE will release, indemnify and hold the COUNTY, its officers, agents and employees harmless from liability of any kind or nature, including the SUBGRANTEE'S use of any copyrighted or un-copyrighted composition, secret process, patented or un-patented invention, article or appliance, and any other intellectual property furnished or used in the performance of this Agreement.
- N. INELIGIBLE EXPENSES: SUBGRANTEE expenditures under this Agreement determined by audit to be ineligible for reimbursement because they were not authorized by the terms and conditions of the Agreement or that are inadequately documented, and for which payment has been made to the SUBGRANTEE will be immediately refunded to the COUNTY by the SUBGRANTEE; provided that Subgrantee has had an opportunity to provide additional documentation of proper reimbursement. The SUBGRANTEE further agrees that the COUNTY shall have the right to withhold any or all subsequent payments under this Agreement to the SUBGRANTEE until the recoupment of overpayments is made.
- O. PUBLIC INFORMATION: Nevada Revised Statutes Chapter 239 declares certain records and documents to be public documents. Unless documents or records are confidential or privileged, SUBGRANTEE agrees that this Agreement and any records related to the performance of the duties described in this Agreement and which are required to be provided to the COUNTY by this Agreement may be public documents and may be available for distribution. SUBGRANTEE gives the COUNTY express permission to make copies of the Agreement and related documents.

P. PROCUREMENT STANDARDS AND ETHICS: The SUBGRANTEE will adopt procurement standards and code of conduct in keeping with the Federal procurement standards and rules.

Q. DEFAULT, REMEDIES AND TIME TO CURE:

Default and Notice to Cure.

1. Default and Notice to Cure.

- a. A default occurs if there is a material breach of this Agreement as defined herein and which is not cured within the time specified herein.
- b. If either Party to this Agreement believes that a breach under this Agreement has occurred, it shall give the other Party notice in writing and the notified Party shall have fifteen (15) business days to cure the breach. If the notified Party has commenced and is diligently pursuing a cure for the breach, such cure period shall be extended only as reasonably necessary to complete such cure.

c. COUNTY's Remedies. If a default occurs without excuse or discharge and remains uncured after written notice is provided to the SUBGRANTEE thereof and the cure period specified above, has elapsed, the COUNTY may declare a default and exercise any combination of the following remedies to the extent allowed by law or equity, which are cumulative so that the exercise of any one or more of such rights or remedies shall not preclude the exercise, at the same or different times, of any other right or remedy for the same default or any other default:

- i. Seek injunctive and declaratory relief for specific performance of the obligations under this Agreement;
- ii. Bring an action for damages;
- iii. Terminate the Agreement for cause pursuant to subsection 2, below; and/or
- iv. Pursue any other remedy provided for in law or equity.

d. SUBGRANTEE's Remedies. If a default occurs without excuse or discharge remains uncured after written notice is provided to COUNTY and the cure period specified above, has elapsed, the SUBGRANTEE may declare a default and exercise any combination of the following remedies to the extent allowed by law or equity, which are cumulative so that the exercise of any one or more of such rights or remedies shall not preclude the exercise, at the same or different times, of any other right or remedy for the same default or any other default:

- i. Seek injunctive and declaratory relief for specific performance of the obligations under this Agreement; and/or
- ii. Bring an action for damages;

- iii. Terminate the Agreement for cause pursuant to Subsection 2, below; and/or
 - iv. Pursue any other remedy provided in law or equity.
 - e. Waivers. Except as otherwise expressly provided in this Agreement, any failure or delay by any Party in asserting any of its rights or remedies as to any breach or default shall not operate as a waiver of any such breach or default, or of any such rights or remedies, or deprive such Party's right to institute and maintain any actions or pursue any remedies. Waivers are binding on a Party only if expressed in writing, signed by an authorized officer of the waiving Party.
- 2. Termination for Cause. Either Party may terminate this Agreement for cause, effective upon written notice to the other Party (the "Defaulting Party"), if the Defaulting Party:
 - a. Materially breaches this Agreement and such breach is incapable of cure or;
 - b. With respect to a material breach capable of cure, the Defaulting Party does not cure such breach within the cure period provided in Section 8.Q.1 after receipt of written notice of such breach.
 - c. Becomes insolvent or admits its inability to pay its debts generally as they become due;
 - d. Becomes subject voluntarily or involuntarily, to any proceeding under any domestic or foreign bankruptcy or solvency law, which is not fully stayed within ten (10) business days or is not dismissed or vacated within forty-five (45) days after filing;
 - e. Is dissolved or liquidated or takes any corporate action for such purpose;
 - f. Makes a general assignment for the benefit of creditors; or
 - g. Has a receiver, trustee, custodian or similar agent appointed by order of any court of competent jurisdiction to take charge of or of or sell any material portion of its property or business.

R. FORCE MAJEURE: No Party shall be liable or responsible to the other Party nor be deemed to have defaulted under or breached this Agreement for any failure or delay in fulfilling or performing any term of this Agreement, when and to the extent such Party's (the impacted Party) failure or delay was caused by or results from the following force majeure events ("Force Majeure event(s)"):

- Acts of God;

- a. Flood, fire, earthquake or other potential disasters or catastrophes such as epidemics, explosion or pandemics such as COVID-19;

- b. War, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot or other civil unrest;
- c. Government order, law or action;
- d. Embargos or blockades in effect on or after the date of this Agreement;
- e. National or regional emergency;
- f. Strikes, labor shortages or slowdowns or other industrial disturbances; and
- g. Shortage of adequate power or transportation facilities, and other similar events beyond the reasonable control of the impacted Party.

The impacted Party shall give notice within ten (10) days of the force majeure event to the other Party, stating the period of time the occurrence is expected to continue. The impacted Party shall use diligent efforts to end the failure or delay and ensure the effects of such force majeure event are minimized. The impacted party shall resume the performance of its obligations as soon as reasonably practicable after the removal of the cause. In the event that the impacted Party's failure or delay remains uncured for a period thirty (30) consecutive days following written notice given by it under this Section, either Party may thereafter terminate this Agreement upon thirty (30) days written notice.

- S. LAW/ MISCELLANEOUS: This Agreement and the performance of the duties described in the Agreement are governed, interpreted and shall be construed in accordance with Nevada law, without regard to choice of law principles. Each party consents to personal jurisdiction and exclusive venue in the Second Judicial District Court in and for the County of Washoe located in Washoe County, Nevada.
- T. FALSE STATEMENTS: The Parties understand that false statements or claims made in connection with this award may result in fines, imprisonment, debarment from participating in federal awards or contracts, and/or any other remedy available by law.
- U. PUBLICATIONS: Any publications produced with funds from this award must display the following language: "This project is being supported, in whole or in part, by federal funds from the American Rescue Plan Act State and Local Fiscal Recovery Fund awarded to Incline Village General Improvement District by Washoe County passed through from the U.S. Department of the Treasury."
- V. DEBTS OWED THE FEDERAL GOVERNMENT:
 - a. Any funds paid to SUBGRANTEE (1) in excess of the amount to which SUBGRANTEE is finally determined to be authorized to retain under the terms of this award; (2) that are determined by the Treasury Office of Inspector General to have been misused; or (3) that are not repaid by

SUBGRANTEE as may be required by Treasury pursuant to Section 501(d) shall constitute a debt to the federal government.

- b. Any debts determined to be owed the federal government must be paid promptly by SUBGRANTEE. A debt is delinquent if it has not been paid by the date specified in Treasury's initial written demand for payment, unless other satisfactory arrangements have been made. Interest, penalties, and administrative charges shall be charged on delinquent debts in accordance with 31 U.S.C. § 3717 and 31 C.F.R. § 901.9. Treasury will refer any debt that is more than 180 days delinquent to Treasury's Bureau of the Fiscal Service for debt collection services.
- c. Penalties on any debts shall accrue at a rate of not more than 6 percent per year or such other higher rate as authorized by law. Administrative charges, that is, the costs of processing and handling a delinquent debt, shall be determined by Treasury.
- d. Funds for payment of a debt must not come from other federally sponsored programs.

W. INCREASING SEAT BELT USE IN THE UNITED STATES: Pursuant to Executive Order 13043, 62 FR 19217 (April 8, 1997), SUBGRANTEE should encourage its contractors to adopt and enforce on-the-job seat belt policies and programs for their employees when operating company-owned, rented or personally owned vehicles.

X. REDUCING TEXT MESSAGING WHILE DRIVING: Pursuant to Executive Order 13513, SUBGRANTEE should encourage its employees, subrecipients, and contractors to adopt and enforce policies that ban text messaging while driving, and SUBGRANTEE should establish workplace safety policies to decrease accidents caused by distracted drivers.

Y. PROTECTIONS FOR WHISTLEBLOWERS:

- a. In accordance with 41 U.S.C. § 4712, SUBGRANTEE may not discharge, demote, or otherwise discriminate against an employee as a reprisal for disclosing information to any of the list of persons or entities provided below that the employee reasonably believes is evidence of gross mismanagement of a federal contract or grant, a gross waste of federal funds, an abuse of authority relating to a federal contract or grant, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a federal contract (including the competition for or negotiation of a contract) or grant.
- b. The list of persons and entities referenced in the paragraph above includes the following:
 - i. A member of Congress or a representative of a committee of Congress;
 - ii. An Inspector General;

- iii. The Government Accountability Office;
- iv. A Treasury employee responsible for contract or grant oversight or management;
- v. An authorized official of the Department of Justice or other law enforcement agency;
- vi. A court or grand jury; and/or
- vii. A management official or other employee of SUBGRANTEE, contractor, or subcontractor who has the responsibility to investigate, discover, or address misconduct.
- viii. SUBGRANTEE shall inform its employees in writing of the rights and remedies provided under this section, in the predominant native language of the workforce.

- Z. ENTIRE AGREEMENT: This Agreement, the Notice of Award, and Exhibits A, B and C, constitute the Parties' entire understanding concerning the subject matter of this Agreement and these understandings supersede all prior oral or written understandings or discussions of any kind relating to this subject matter. No modification or amendment to this Agreement shall be binding upon the Parties unless the same is in writing and signed by the respective parties hereto.
- AA. SECTION HEADINGS: The section headings in this Agreement are intended solely for convenience; they are not part of this Agreement and shall not affect its construction.
- BB. WAIVER OF BREACH: Waiver of breach of any provision of this Agreement shall not be deemed a waiver of any other or subsequent breach and shall not be construed to be a modification of the terms of the Agreement unless contained in a written document executed with the same formality and equal dignity herewith and attached to the original Agreement.
- CC. NO THIRD-PARTY BENEFICIARIES: This Agreement is intended for the benefit of the parties hereto and their respective permitted successors and assigns, and is not for the benefit of, nor may any provision hereof be enforced by, any other person.
- DD. LIMITATION OF LIABILITY: COUNTY will not waive and intends to assert available defenses and limitations contained in Chapter 41 of the Nevada Revised Statutes. Contract liability of both parties shall not be subject to punitive damages. Actual damages for the COUNTY's breach of this Agreement shall never exceed the amount of funds that have been appropriated for payment under this Agreement, but not yet paid, for the fiscal year budget in existence at the time of the breach.

- EE. CONSTRUCTION: Each Party has cooperated in the drafting and preparation of this Agreement and, therefore, the Agreement shall not be construed against either Party as its drafter.
- FF. ENFORCEABILITY: This Agreement constitutes the legal, valid, and binding obligations of the Parties enforceable against the Parties in accordance with its respective terms.
- GG. PRONOUNS: All references to the singular shall include the plural and all references to gender shall include the masculine, feminine, as well as the neuter, and vice versa, as the context requires.
- HH. TIME: Time is of the essence with respect to each and every obligation contained herein.
- II. COUNTERPARTS: This Agreement may be signed by the Parties hereto in counterparts with the same effect as if the signatories to each counterpart signed as a single instrument. All counterparts (when taken together) shall constitute an original of this Agreement.
- JJ. SURVIVAL OF TERMS. All sections of this Agreement which by their nature should survive termination will survive termination, including, without limitation, accrued rights to payment, confidentiality obligations, warranty disclaimers, duties of indemnification and limitations of liability.

WASHOE COUNTY

 Eric P. Brown
 County Manager, Washoe County

Date _____

Attest: _____
 Washoe County Clerk

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

 Indra S. Winquest
 District General Manager

Date: _____

EXHIBIT A – SCOPE OF WORK
Incline Village General Improvement District
Skate Park Enhancements

Incline Village GID intends to hire an architect to evaluate the current skate park and design recommendations for improvements. Following these recommendations, IVGID will hire a construction company to install an enhanced skate park that meets the needs of the Incline Village Community.

The objective of this project is to enhance the skate park so that additional skate area can be provided along with beginner elements to better suit the growing number of users the park has.

EXHIBIT B – PROJECT BUDGET

Washoe County will provide funds for the following budget categories.

Incline Village General Improvement District – Skate Park Enhancements

Equipment	\$35,000
Contractual	\$190,000
Other	\$25,000
Total Funds	\$250,000

Changes to the budget must be approved by the Community Reinvestment Manager.

RESOLUTION: R22-118

Authorizing grant of funds to Incline Village General Improvement District

WHEREAS, NRS 244.1505 provides that a Board of County Commissioners may expend money for any purpose which will provide a substantial benefit to the inhabitants of the County and that a board may make a grant of money to certain nonprofit organizations or governmental entities created for religious, charitable or educational purposes; and

WHEREAS, the Board of Commissioners of Washoe County has determined that a certain amount of money is available from the American Rescue Plan Act funds through the Coronavirus State Fiscal Recovery Fund and Coronavirus Local Fiscal Recovery Fund, Assistance Listing #21.027, passed through to Incline Village General Improvement District for the Skate Park Enhancement program will provide a substantial benefit to the inhabitants of Washoe County;

WHEREAS, Incline Village General Improvement District legal status is as a nonprofit corporation created for charitable purposes.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WASHOE COUNTY, that the Board hereby grants to

1. Incline Village General Improvement District, a grant in the amount of \$250,000.
2. The purpose of the SLFRF- ARPA funded program is for skate park enhancements.
3. The maximum amount to be expended from the grant and the conditions and limitations upon the grant are set forth in the Subgrant Agreement.

Adopted this 25th Day of October 2022

Vaughn Hartung, Chairman
Washoe County Commission

ATTEST:

County Clerk



Project Summary

Project Number:	4378BD2202
Title:	Skate Park Enhancement
Project Type:	D - Capital Improvement - Existing Facilities
Division:	78 - Parks Services
Budget Year:	2023
Finance Option:	
Asset Type:	BD - Buildings & Structures
Active:	Yes

Project Description	Conduct an evaluation on the kind of improvements that enhance the skate park.
----------------------------	--

Project Internal Staff	Parks Superintendent, Engineering
-------------------------------	-----------------------------------

Project Justification	The skate park was constructed in 2001 and the sport has evolved tremendously since then. Hire a skate park consultant designer to evaluate the current skate park and make recommend for future improvements. We currently have only three street elements which are not user friendly beginner leveler features. We look to determine the opportunities to use a flat area (5638 square footage) with features that provide additional skate area and beginner elements to better suit the growing number of users the park has. The current skate park design has skaters using much of the flat areas to flow into or out of the bowls, which is in conflict with younger skaters and overall traffic flow. Of the nine surrounding skate parks in the area, Incline Village's is the smallest. Spreading the skaters out will reduce the likelihood of injuries and provide to skaters with a state-of-the-art facility that addresses all ages and skill levels which would also provide for a less congested skating area.
------------------------------	---

Forecast			
Budget Year	Total Expense	Total Revenue	Difference
2023			
Consultant, Design	10,000	0	10,000
Year Total	10,000	0	10,000
2024			
5600 Sq. Feet Concrete Pad	150,000	0	150,000
Year Total	150,000	0	150,000
2025			
Bolt-in skate features	20,000	0	20,000
Year Total	20,000	0	20,000
2026			
Site Furnishing (6 Picnic tables, benches, bear boxes, trash/recycle)	10,000	0	10,000
Year Total	10,000	0	10,000
	190,000	0	190,000

Year Identified	Start Date	Est. Completion Date	Manager	Project Partner
2022	Sep 1, 2022	Oct 31, 2026	Parks Superintendent	

MEMORANDUM

TO: Board of Trustees

FROM: Indra S. Winqest
District General Manager

SUBJECT: Review, discuss and possibly accept \$100,000 from Washoe County for the purposes of supporting Youth Programming (\$50,000) and Senior Programming (\$50,000)

DATE: December 14, 2022

I. RECOMMENDATION

That the Board of Trustees make a motion to accept \$100,000 from Washoe County for the purposes of supporting Youth Programming (\$50,000) and Senior Programming (\$50,000).

II. STRATEGIC PLAN REFERENCES

LONG RANGE PRINCIPLE #7 - GOVERNANCE

The District is a local agency that delivers exemplary recreational experiences and provides the highest level of water, sewer, and solid waste services while striving for fiscal and environmental sustainability through collaboration, civic participation, and transparency to the greatest extent possible.

1. Continue to create inter-agency partnerships and foster strong collaborative relationships with Local, Regional, County and State agencies.

III. BACKGROUND

In May 2022, Washoe County Commissioner Alexis Hill per discussions with the General Manager submitted a request, which is attached hereto, to have \$100,000 included in the Washoe County for Incline Village/Crystal Bay Youth and Senior Programming. The Washoe County Commissioners approved their budget on May 17, 2022, which included this request. IVGID has now sent to Washoe County its invoice, Invoice 4062 attached hereto, for payment. The purpose of this funding is to aid in offsetting the subsidy to these programming areas provided by the Recreation Facility Fee.

Accept the Washoe County Non-Competitive Grant -2-
in the amount of \$250,000 for the purpose of improving
the Skate Park located at the corner of Southwood and Tahoe Boulevards

December 14, 2022

IV. FINANCIAL IMPACT AND BUDGET

Once received, these funds will be credited to appropriate cost centers within the Parks & Recreation Fund.

V. ATTACHMENT

IVGID Invoice 4062 with Washoe County Request Memorandum



IVGID
 893 Southwood Blvd
 Incline Village, NV 89451

Invoice No.	4062
-------------	------

INVOICE

Bill To:

Washoe County
Attn: Dave Solaro, Asst. County Manager
1001 E. 9th St. - Building A
Reno, NV 89511

Date: Dec. 6, 2022

Submit Payment to:
IVGID
Attn: Accounts Payable
893 Southwood Blvd
Incline Village, NV
89451

Date	Description	Unit Price	Total
	MAKE CHECK PAYABLE TO: <u>Incline Village General Improvement District</u>		
5/17/2022	Washoe County Funding in the amount of \$50,000 to support IVGID's Youth Programming for Fiscal Year 2022/2023 (FY July 1, 2022 to June 30, 2023) and \$50,000 to support IVGID's Senior Programming for Fiscal Year 2022/2023 (FY July 1, 2022 to June 30, 2023) and as identified in the attached document from Washoe County, Office of the County Manager, Subject: Fiscal Year 2023 Budget and County Manager's Recommendations, specifically page 2, Non-Position Approvals, 1st line	100,000.00	\$ 100,000.00

PLEASE MAIL CHECK TO:
IVGID
893 SOUTHWOOD BLVD.
INCLINE VILLAGE, NV 89451

ATTN: ACCOUNTS PAYABLE

Subtotal	\$ 100,000.00
Shipping & Handling	
Taxes	
TOTAL	\$ 100,000.00

*Please submit payment within thirty (30) days of receipt of invoice.
 Reference invoice # on check.*



WASHOE COUNTY

OFFICE OF THE COUNTY MANAGER

1001 E. 9th Street
Reno, Nevada 89512
Phone: (775) 328-2000
Fax: (775) 328-2491
www.washoecounty.gov

To: Commissioner Hill

From: Lori Cooke, Budget Manager

Subject: Fiscal Year 2023 Budget and County Manager's Recommendations

Thank you for taking the time to prepare and submit your Fiscal Year 2023 request(s). It cannot be overstated how crucial the service commitment of each Elected Official and Department Head is to everyone who calls Washoe County home and our visitors.

Two years ago, Washoe County, like most local governments, was facing the economic uncertainty and acute fiscal impact resulting from the worldwide COVID-19 pandemic. Accordingly, the County acted quickly and prudently by anticipating revenue losses due to the lockdown, closing of businesses, and spike in unemployment in excess of 19 percent, as well as increased expenditures in response to the public health and safety needs of the community.

Amidst the better than anticipated financial status, challenges remain, including expansion of regional homelessness services, the second year of legally obligated property tax refunds, 2021 Nevada Legislative Session impacts, outstanding impact of Collective Bargaining, and continued restoration of funding reduced/ eliminated in the FY21 budget.

In Fiscal Year 2023, a normalization in revenue growth is anticipated to cover base (existing) budget needs and combined with reallocations of existing budget will provide funding for certain enhancements. The Fiscal Year 2023 General Fund Recommended Budget includes an increase of transfers for capital improvements, maximum statutory contingency budget, funding for services and supplies and personnel cost increases, certain enhancements, and continued expansion of regional homelessness services. These enhancements and program expansions must be sustainable going forward to ensure a structurally balanced budget over the long-term. All Fiscal Year 2023 appropriations will be examined and refined as part of the Final Budget.

As such, the County Manager's Fiscal Year 2023 (FY23) Recommended Budget, scheduled for presentation to the BCC on April 19, 2022, reflects a cautious approach to sustainably enhance services, including legislative mandates and regional homelessness, and accounts for the second year of legal settlement obligation payments. It also adheres to the Board's goals to:

- Maintain Services
- Keep Employees Working
- Use Reserves Wisely

Notable highlights for the FY23 Recommended Budget, for all funds, include:

An additional 93.3 FTEs

- 62.850 General Fund, including
 - AB424 – 25.0
 - Criminal Justice – 18.4
 - Vulnerable Populations – 5.0
 - Central/Regional/Other Services support – 14.45
- 30.47 Other Funds, including
 - Animal Services – 1.0

INTEGRITY COMMUNICATION SERVICE

- Child Protective Services – 12.0
- Health District – 8.47
- Human Services-Homelessness – 3.0
- Regional Communications – 1.0
- Senior Services – 5.0

General Fund Transfers Out of \$108.7 million, supporting:

- Transfer to Capital Projects \$45 million
 - Includes increased FY23 transfer of \$38 million (one-time), to support Infrastructure Scorecard projects. This is the statutory maximum per NRS 354.6117.
- Indigent Fund \$22.1million
- Homelessness Fund \$20.8 million
 - Includes increased FY23 transfer of \$13 million (ongoing), to support programming and other needs.
- Health District \$9.5 million
- Debt Service Fund \$6.2 million
- Senior Services Fund \$3.4 million
 - Includes increased FY23 transfer of \$2 million (ongoing), to support Daybreak & Homemaker programs.
- Roads Fund \$1.2 million
- Child Protective Services Fund \$447 thousand

General Fund Contingency at the NRS allowable 3% of expenditures, or \$11.59 million.

Please remember that due to the high likelihood of impacts from Collective Bargaining, we may need to reach out to departments regarding the County Manager’s recommendations and/or the adopted budget approved by the BCC.

The FY23 Financial Outlook, presented to the BCC on April 12, 2022, Agenda Item #3. The presentation can be found at: https://www.washoecounty.gov/bcc/board_committees/2022/files/Item_3-FY23-Financial-Outlook-Presentation-April-12-2022.pdf.

Please see the FY23 Manager’s Recommendations for your Department or Agency outlined below:

Operating

- Reclassifications (as approved by JEC)
 - None*
- New Positions
 - None*
- Non-position approvals-\$370,000
 - \$100,000 to IVGID to support Senior & Youth Programs
 - \$100,000 to Tahoe Prosperity Center to support Housing Action Plan
 - \$100,000 to Truckee North Tahoe Transportation Mgt. Association to support Pilot Micro transit
 - \$45,000 to support Clean Tahoe Cleanup
 - \$25,000 ongoing Nevada Tahoe Conservation District
 - ❖ *Budget for above items is in Community Support, Fund Center 181-0, Cost Center 181100, G/L account 710400-Payments to Other Agencies*

Capital (CIP)

Below are the FY23 Manager’s Recommendations for Fund 402-0 CIP projects. The CIP Committee went back through any outstanding FY20 and FY21 deferred projects and FY23 submitted projects and prioritized based on safety/health/risk impacts. If your FY23 project is not on the list below, it is not included in the Manager’s Recommendation for FY23. However, some prior year projects are included for the FY22-26 CIP plan, but only new projects are listed below.

If you have any questions on project status, please follow up with Kari Estrada.

Fiscal Year 2023 New Project Recommendations	Estimated Cost
911 Parr HU-9 HVAC Replacement and Re-Roof	1,650,000
HSA Senior Center Building Renovations	1,980,000
County Complex Building B Roof Restoration	213,675
WCSO - Jail Security Control and Communication System Replacement	2,000,000
Juvenile Services Door Security Upgrade/Replacement	865,000
TS - In-Building P25 BDAs Upgrade	892,500
Kids Kottage 2 Roof Replacement	359,625
WC - Workplace of the Future-Pilot	1,770,000
350 S. Center Mechanical Room Roof Replacement	121,000
911 Parr HU 6 Roof Replacement	367,500
Regional Public Safety Training Center HVAC	612,150
Parks - Lemmon Valley Restroom Replacement/Ballfield Improvements	715,000
CSD Jan Evans Parking Lot Drainage Rehabilitation	286,000
Parks - Melio Gaspari Water Park Safety Improvements	495,000
REOC Technology Upgrade	484,694
75 Court St. Historic Exterior Renovation	276,100
Parks - Ranch House Settling Mitigation	144,100
Parks - Virginia Foothills Playground Replacement	440,000
350 S. Center 2nd floor VAV Replacement	247,500
911 Parr Parking Lot Rehabilitation	715,000
Parks - Golden Valley Park Playground Replacement	550,000
911 Parr Elevator Controls	968,000
9th St. Senior Center Flooring Replacement	192,500
911 Parr Wooden Door Replacement - Steel Doors	1,194,600
Major Maintenance Replacement	2,000,000
Library Sierra View Renovations	160,000
Library Sierra View Renovations-non GF	(160,000)
Library Senior Center Renovations	100,000
Library Senior Center Renovations-non GF	(100,000)
WCSO Records_Detention_CAD System	4,000,000
WCSO Records_Detention_CAD System-non GF	(4,000,000)
Total FY23 New Project Recommendations	19,539,944

*Please Note:

- Although the above projects are included in the FY23 Recommended Budget, projects and funding are subject to change. Redirection or deferral of funding may be required based on emergency situations, disasters, material scope changes, etc.
- Please do not begin any work associated with approved projects until contacted by the CIP Management team.
- We only adopt a single year budget but are required to submit a 5-year plan to the State of Nevada. Years 2-5 are submitted to the state as future planned projects but are not guaranteed or approved for funding.

SUMMARY OF FY23 BUDGET AND COUNTY MANAGER'S RECOMMENDATIONS

FY23 General Fund Requests:

Total FY23 General Fund Requests from operational departments:

- \$35.1 million (net) additional funding
- Additional 142.1 FTEs
- Position Reclassifications impacting multiple incumbents

Total FY23 General Fund Recommendations for operational departments:

- \$26.1 million (net) additional funding
- Additional 62.85 FTEs
- Position reclassifications impacting multiple incumbents

Other FY23 General Fund Recommendations:

- \$45 million transfer to Capital Projects (reinstates transfer, which was \$-0- in FY21 and \$7 million in FY22)
- \$22 million funding for Incline Village Settlement Payment
- \$20.8 million transfer to Homelessness Fund
- \$11.6 million Contingency
- \$2 million increased transfer to Senior Services Fund to support Daybreak & Homemaker programs
- \$1 million increase of Stabilization Reserve

FY23 Other Fund(s) Requests:

Total FY23 Other Fund Requests from operational departments:

- \$2.3 million (net) additional funding
- Additional 41.0 FTEs
- Position Reclassifications impacting multiple incumbents

Total FY23 Other Fund Recommendations for operational departments:

- \$1.9 million (net) additional funding
- Additional 30.47 FTEs
- Position reclassifications impacting multiple incumbents

FY23 CIP Requests:

Total FY23 CIP Requests:

- Almost \$43 million requested
- 46 Projects
- Total FY23-27 request = \$243.9 million, not including estimates for Downtown Reno

Total FY23 CIP Recommended:

- \$51.1 million in total project funding
- \$45 million General Fund transfer to CIP

MEMORANDUM

TO: Board of Trustees

THROUGH: Indra S. Winqest
District General Manager

FROM: Mike Bandelin
Diamond Peak General Manager

SUBJECT: Review, discuss and possibly authorize the District's General Manager to extend the lease agreement between the Hyatt Corporation and the Incline Village General Improvement District as per the Fifth Amendment document

DATE: December 14, 2022

I. RECOMMENDATIONS

That the Board of Trustees makes a motion to authorize the District's General Manger to extend the lease agreement between the Hyatt Corporation and the Incline Village General Improvement District as per the Fifth Amendment document for a term extending through May 31, 2023 at a lease payment structure of 10% of gross sales each calendar month throughout the term of the lease.

II. DISTRIC STRATEGIC PLAN

Long Range Principle #1 – Service – The District will provide superior quality service through responsible stewardship of District resources and assets with an emphasis on the parcel owner and customer experience.

III. BACKGROUND

The District has been operating the Sport Shop located in the Hyatt Regency Lake Tahoe through a lease agreement beginning in September of 2010. The lease agreement, including amendments have been approved by the District's Board of Trustees at regularly scheduled Board of Trustees meetings during the following dates: September 2010, May 2012, May 2016 and May 22, 2019. The term of the agreements have been agreed upon and executed through additional amendments for a period of three years terms throughout the tenure of the relationship. The Sport Shop provides services and sales including ski lift tickets,

equipment rental and ski/snowboard lesson products. Staff will note that all products sold at the location are rack rate and there are no discounts afforded or applied to guests of the Hyatt Regency Lake Tahoe

In accordance with Board Policy 3.1.0., 0.15 Consent Calendar, this item is included on the Consent Calendar as it is routine business of the District and within the currently approved District Budget.

IV. DISCUSSION

District Staff and the Hyatt Corporation Staff began discussions on creating a new amendment to the agreement during the spring of 2022 ahead of the term expiration date of May 31, 2022. The change in ownership of the Hyatt Lake Tahoe delayed the conversations until October 2022. Staff will note that the proposed Fifth Amendment to the Lease states that the lease will extend through May 31, 2023. Hyatt Staff has expressed that the reduced term of the agreement from three years to one winter season is primarily due to an undetermined space allocation as the Hyatt continues to work through remodeling concepts and phases that may or may not include Sport Shop retail space in the future.

Provided that this recommendation is approved by the Board of Trustees, Staff intends to work with the Hyatt Staff to provide a recommendation to pursue an extension to the agreement to include the period of November 1, 2023 through May 31, 2024.

Staff will also note that the Fourth Amendment to the Agreement (included in the attachments) was agreed too and executed to revise the terms as the District intended to no longer operate the Sport Shop during the summer months.

VI. FINANCIAL IMPACT AND BUDGET

The operation of the Sport Shop is included in the 340 Ski Fund Fiscal Year 2022/23 approved operating budget. The Hyatt Shop budget includes all revenues and expenses related to the operation including the funding for Rental and Lease to the Hyatt at 10% of gross sales on a monthly basis per the agreement.

VII. ALTERNATIVE

The Board of Trustees may choose not approve the proposed Fifth Amendment to the Lease agreement with the Hyatt Corporation and the District will not operate the Sport Shop.

VIII. BUSINESS IMPACT

This item is not a "rule" within the meaning of Nevada Revised Statutes, Chapter 237, and does not require a Business Impact Statement.

IX. ATTACHMENT

Lease documents including amendments

LEASE

THIS LEASE made and entered into this 1st day of ~~August~~^{September}, 2010, but effective as of June 1, 2010, by and between Hyatt Corporation, as agent of Hyatt Equities, L.L.C., a Delaware limited liability company, d/b/a Hyatt Regency Lake Tahoe, Resort & Spa (hereinafter called "Lessor") and Incline Village General Improvement District, a political subdivision of the state of Nevada d/b/a Diamond Peak Ski Resort (hereinafter called "Lessee"):

WITNESSETH

WHEREAS, Lessor operates a hotel (herein called the "Hotel"), known as the Hyatt Regency Lake Tahoe, Resort & Spa, located at 1111 Country Club Drive, Incline Village, Nevada 89451.

WHEREAS, Lessee has an address of 893 Southwood Blvd., Incline Village 89451, and;

WHEREAS, Lessor desires to lease, and Lessee desires to hire, space in the Hotel for the operation of a first-class sport shop for the term and upon the terms herein provided;

NOW, THEREFORE, Lessor hereby leases to Lessee, and Lessee hereby hires from Lessor, those premises within the Hotel comprising 1040 square feet, more or less, located as shown in Exhibit A hereto, which premises, together with any improvements heretofore or hereafter made thereon and thereto and any appurtenances thereunto belonging, are herein referred to as the "Premises." The roof and perimeter walls of the Premises and the area above, outside and between the same are not demised hereunder and the use thereof, together with the right to install, maintain, use, repair and replace pipes, ducts, conduits, wires and structural elements leading through the Premises are hereby reserved unto Lessor.

TO HAVE AND TO HOLD the Premises for the term, at the rentals and upon the terms, covenants and conditions hereinafter set forth:

1. Exhibits.

There is attached hereto and hereby made a part hereof a Plot Plan, marked Exhibit A, showing the location of the Premises.

2. Term.

2. Term.

(a) The original term of this Lease shall commence on June 1, 2010 (the "Commencement Date") and shall terminate on May 31, 2013 (the "Original Expiration Date").

(b) The term "lease year" refers to any twelve (12) month period within the term hereof, commencing on June 1, 2010 and ending on May 31, 2013 (the "Term") provided, that, in the event of an early termination of this Lease, the last lease year shall end on the date of such termination and commence on the immediately preceding May 31, 2013.

(c) Provided that Lessee is not then, or has not been, in default under the terms of this Lease, Lessee shall have the right and option (the "Renewal Option"), by a notice given to Lessor not later than sixty (60) prior to the end of the then current term to extend the term of this Lease for a period three (3) years ending May 31, 2016 (the "Renewal Term") at a rental set forth in a rental agreement executed between the parties not later than sixty (60) days (which date is herein referred to as the "Upset Date") and otherwise upon the terms, covenants and conditions herein contained. In the event that the parties shall have failed by the Upset Date to execute and deliver a rental agreement setting forth the rental payable during the Renewal Term, then the Renewal Option shall forthwith expire and the term hereof shall terminate on the Original Expiration Date with the same force and effect as if such Renewal Option had not been exercised (Renewal Term together with Term referred to as "Term").

3. Use of Premises.

(a) The Premises shall be used for the purpose of operating a first-class sport shop and for no other purpose. Included in the allowed use is advertising, promoting and selling Diamond Peak ski tickets, packages, other related ski services, soft goods, recreation center services, tennis, golf, and, related soft goods and mountain bike rentals (collectively, the "Services") to Lessor's guests and clients, and Lessee accepts and agrees to provide such Services. Lessee shall not be permitted to sell any food or beverages throughout the Term.

(b) Lessee shall not use the Premises or permit the use thereof for any illegal purpose or in a manner conflicting with any applicable law, ordinance, rule or regulation of any governmental authority having jurisdiction, or in any manner which would vitiate the insurance or increase the rate of insurance on the Premises or the Hotel; nor commit or suffer to be committed any waste or nuisance upon the Premises; nor shall Lessee use the Premises, or permit the use thereof, in violation of Lessor's reasonable rules and regulations as such may exist from time to time. Lessee shall conduct business in the Premises in a dignified and orderly manner and shall maintain sufficient staff and high quality of service. In this connection, Lessee agrees that it will not keep in its employ at, in or about the Premises any employee who shall, upon reasonable non-discriminatory grounds, be objected to by Lessor, and to cause its employees to conform to the reasonable rules and regulations of Lessor established from time to time by Lessor for the conduct of, and in relation to, the employees of the tenants of the Hotel.

(c) Prices charged for services rendered on the Premises shall be competitive with prices charged by other first-class sport shops in the area.

(d) Lessee shall permit Hotel guests to charge purchases from the Premises to such guests' Hotel accounts providing the following steps shall have taken place:

(i) Lessee shall examine the guests' Hotel passport.

(ii) Lessee shall receive telephone verification of the guests' registration at the Hotel and authorization from the Front Office Cashier for such guests to charge purchases from the Premises to the guests' Hotel accounts.

(iii) After proper verification and authorization as hereinabove provided, Lessee shall record sales transactions on the Premises' standard sales checks and shall submit copies of such sales checks to the Hotel Front Desk on a same-day basis as such sales transactions take place. Lessee's standard sales checks shall include the name and room number of the Hotel guest and the total amount of all purchases.

(iv) Once a month during the term of the Lease, Lessee shall submit to Lessor a statement describing all purchases made by Lessor's guests which are charged to such guests' Hotel accounts for the preceding month.

(v) It is understood and agreed between the parties that any amounts disputed by the Hotel guest or amounts deemed by the Hotel Controller to be uncollectible shall be deducted by Lessor from the payment to Lessee for the following month or months. Lessor agrees to pursue the collection of all unpaid amounts (except disputed amounts) in accordance with the Hotel's usual and normal collection procedures and any amounts thus collected shall be applied to Lessor and Lessee's outstanding balances on a prorated basis.

(e) If any governmental license or permit including, without limitation, any use permit and/or certificate of occupancy for Lessee's lease of the Premises, shall be required for the proper and lawful conduct of Lessee's business or other activity carried on in the Premises or if a failure to procure such a license or permit might or would in any way affect the operations of the Hotel, then Lessee, at its expense, shall duly procure and thereafter maintain such license or permit and submit the same to inspection by Lessor. Lessee, at its sole cost and expense, shall at all times comply with the requirements of each such license or permit.

4. Condition of Premises.

Lessee's taking possession of the Premises shall be conclusive evidence of Lessee's acceptance thereof in good order and satisfactory condition. Lessee agrees that no representations respecting the condition of the Premises, and that no promises to decorate, alter, repair or improve the Premises, either before or after the execution hereof, have been made by Lessor or its agent to Lessee unless the same are contained herein and made a part hereof.

5. Rent.

(a) In respect of each month during the term hereof, Lessee agrees to pay to Lessor, without demand and without deduction or set-off of any amount for any reason whatsoever, at the times and in the manner hereinafter provided, rent for the Premises as follows: Lessee shall pay in advance, on or before the first day of each calendar month included in the term hereof, a guaranteed minimum rental per month in the "applicable amount" hereinafter in this subparagraph (a) provided. If this Lease shall commence on a day other than the first day of the month or terminate on a day other than the last day of the month, as appropriate, then the guaranteed minimum rental for the first or last partial month, if any, as applicable, shall be equitably prorated. The "applicable amount" shall be equal to ten percent (10%) of Lessee's gross sales (the "Base Amount") for each calendar month throughout the Term.

The following provisions shall apply in respect of such annual percentage rental and the payment thereof:

(1) The term "gross sales" for any period as used herein shall (subject to the exclusions hereinafter set forth) mean the gross amount, determined on the accrual method of accounting, derived by Lessee during such period in respect of all sales made and all services rendered in, upon or from the Premises or in, upon or from the Hotel (including delivery of goods to the Hotel or Hotel guests from outside the Hotel) and, in case of sales made or services rendered on credit, whether or not payment be actually made therefor; the gross amount derived by Lessee during such period from sales made or services rendered pursuant to orders received in the Premises, though filled elsewhere; and the gross amount of any and all other sources of income derived during such period from business conducted upon the Premises, including the gross sales, as herein defined, of sublessees, licensees and concessionaires pursuant to permitted subleases and concessions. The amounts of all sales and excise taxes and any other taxes measured by Lessee's gross sales or gross business receipts which are required to be accounted for and paid by Lessee to any governmental authorities are excluded from Lessee's gross sales (as said term is used herein).

For the purpose of accounting to Lessor there shall be deducted from Lessee's gross sales the following items (but only to the extent the same have been included in such gross sales): (i) the amount of any actual refunds or credits made by Lessee for returned merchandise, the amount whereof had theretofore been included by Lessee in Lessee's gross sales; (ii) the selling price of merchandise returned for an equal amount of merchandise in exchange. No deduction shall be allowed for disputed, uncollected or uncollectible credit accounts.

(2) If Lessee shall at any time cause an audit of its business conducted on the Premises to be made by a public accountant or certified public accountant, it shall furnish Lessor with a copy of such audit without any cost or expense to Lessor. With respect to any lease year or lease years as to which Lessor is entitled to question the sufficiency of any rental payment relating thereto under the provisions of subdivision (5), Lessor may, if it so desires, cause an audit of the business of Lessee conducted on the Premises to be made by a certified public accountant of its own selection, and shall furnish Lessee a copy of such audit. If such audit shall disclose an overpayment or underpayment of the guaranteed minimum rental for such lease year or lease years, proper adjustment shall forthwith be made between Lessor and Lessee to correct any such overpayment or underpayment. Moreover, if, as a result of such audit, the statements of gross sales and receipts for any such lease year previously submitted by Lessee to Lessor shall be found to be less by two percent (2%) or more than the amount of Lessee's gross sales and receipts shown by such audit, Lessee shall pay the cost of such audit; otherwise, the cost of such audit shall be paid by Lessor.

(3) Lessee shall cause to be kept and maintained upon the Premises or elsewhere in the City of Incline Village, Nevada full and complete and proper books, records and accounts (including sales checks and other original sales records, and cash register tapes and reports) of Lessee's gross sales (as defined in subdivision (1) of this subparagraph), both for cash and on credit, and full and complete records and accounts of all authorized exceptions and deductions therefrom. Such books, records and accounts, including any sales tax and excise tax reports which Lessee is required to furnish to any

government or governmental agency, shall, upon reasonable notice to Lessee, be made available during all business hours for inspection in Incline Village by Lessor's duly authorized agents and auditors, at no cost or expense to Lessor, and such books, records and accounts shall be made, kept and maintained in accordance with good accounting practices.

(4) The acceptance by Lessor of any money paid by Lessee as rental for the Premises as shown by any statement furnished by Lessee shall not be an admission of the accuracy of such statement or the sufficiency of such rental payment, and Lessor shall be entitled at any time within one (1) year after the receipt of any such rental payment to question the sufficiency of the amount thereof and/or the accuracy of the statement or statements furnished by Lessee to justify the same. For the purpose of enabling Lessor to check the accuracy of any such statement or statements and the sufficiency of any rental payments made in accordance therewith Lessee shall, for such period of one (1) year, keep safe and intact all of its books, records, accounts and other data (including sales checks and other original sales records and cash register tapes and reports) which in any manner bear upon, or are required to establish in detail, its gross sales and any authorized exceptions and deductions therefrom, and, upon request, shall make the same available to Lessor, its auditors, representatives or agents, for examination at any time during such one (1) year period.

(b) Each payment of or on account of rent to be paid under this Section, as well as any other sums to be paid by Lessee to Lessor hereunder, shall be paid to Lessor at its address then in effect for the receipt of notices hereunder by Lessor, or at such other place as Lessor may from time to time designate in a notice to Lessee.

(c) Rent shall be defined in this Lease as guaranteed minimum rental, which sums shall be payable in the manner provided in this Lease. All other sums of money or charges required to be paid by Lessee under this Lease shall be due and payable ten (10) days after demand, without any deductions or set off whatsoever. Lessee's failure to pay any such amounts or charges when due shall carry

with it the same consequences under Section 22 hereof as Lessee's failure to pay rent. All such amounts or charges shall be payable to Lessor at the place where the guaranteed minimum rental is payable.

(d) If Lessee shall fail to pay, when the same is due and payable, any guaranteed minimum rental or any annual percentage rental or other amounts or charges to be paid to Lessor by Lessee, as provided in this Lease, such unpaid amount shall bear interest from the due date thereof to the date of payment at the rate of eighteen percent (18%) per annum, with respect to corporate or limited partnership Lessees, and at the highest contract rate permitted by law with respect to Lessees who are natural persons.

6. Lessor's Obligations.

(a) Lessor agrees to advertise and promote Diamond Peak in its Stay and Ski Packages or similar packages as well as in its marketing and advertising materials, in connection with Lessor's ski advertising and its regular resort marketing efforts.

(b) Lessor agrees to advertise and promote Championship and Mountain Golf Courses and the Tennis Center in its Stay and Play packages or similar packages as well as in its marketing and advertising materials, in connection with Lessor's seasonal advertising and its regular resort marketing efforts.

(c) Lessor agrees to have Diamond Pete, the Diamond Peak mascot, visit and participate in the Camp Hyatt on select weekends and holidays during the Term, as determined by Lessor.

(d) Hyatt agrees that the Diamond Peak shuttle from the Hotel to Diamond Peak runs every half hour beginning at 8:30 a.m. until 1:00 p.m. Return shuttles from Diamond Peak to the Hotel begin at 2:00 p.m. and continue every half hour thereafter until 5:00 p.m.

(e) Lessor will provide Lessee with an end of the season report on the Stay & Ski packages and Stay and Play packages at the end of each season.

7. Hours of Operation and No Abandonment.

Lessee agrees not to abandon or vacate the Premises during the term hereof, and, except when and to the extent that the Premises are untenable by reason of damage by fire or other casualty, Lessee shall use and continuously operate for retail sales purposes all of the Premises other than such minor portions thereof as are reasonably required for storage and office purposes; to use such storage and office space only in connection with the business conducted by Lessee in the Premises; to furnish and install all trade fixtures which shall at all times be suitable and proper for carrying on Lessee's business; to carry a full and complete stock of seasonable merchandise offered for sale at competitive prices; to maintain adequate trained personnel for efficient service to customers; to open for business and remain open during the entire Lease Term at times mutually agreed upon by Lessor and Lessee and shall be in accordance with the season, i.e. ski, golf, recreation, etc. Keys to the leased premises shall be maintained by representatives authorized by Lessee and Lessor respectively.

8. Common Areas and Facilities.

(a) Lessor shall make available from time to time such areas and facilities of common benefit ("Common Areas") to the tenants and occupants of the Hotel as Lessor shall deem appropriate. Lessor shall operate, manage, equip, light, insure, secure, repair and maintain the Common Areas for their intended purposes in such manner as Lessor shall in its sole discretion determine, and may from time to time change the size, location and nature of any Common Areas and may make installations therein and move and remove such installations.

(b) Lessee and its permitted sublessees, licensees and concessionaires, officers, employees, agents, customers and invitees shall have the nonexclusive right, in common with Lessor and all others to whom Lessor has or may hereafter grant rights, to use the Common Areas as designated from time to time by Lessor to the extent necessary and related to the lease of the Premises, subject to such reasonable regulations as Lessor may from time to time impose including the designation of specific areas in which cars owned by Lessee, its permitted sublessees, licensees and concessionaires, officers, employees, agents,

customers and invitees must be parked. Lessee agrees to abide by such regulations and to use its best efforts to cause its permitted sublessees, licensees and concessionaires, officers, employees, agents, customers and invitees to conform thereto. Lessor may at any time close temporarily any Common Area to make repairs or changes to prevent the acquisition of public rights in such area or to discourage noncustomer parking; and may do such other acts in and to the Common Areas as in its judgment may be desirable to improve the convenience thereof. Lessee shall upon request furnish to Lessor the license numbers and description of the vehicles operated by Lessee and its permitted sublessees, licensees and concessionaires, officers, agents and employees. Lessee shall not at any time interfere with the rights of Lessor and other tenants, its and their permitted sublessees, licensees and concessionaires, officers, employees, agents, customers and invitees, to use any part of the parking areas and other Common Areas.

9. Utilities.

Lessor shall furnish without cost to Lessee the levels of heat, air conditioning and electricity for the Premises as provided to the Common Areas of the Hotel. Lessee shall pay for all water, if any, and all janitorial, scavenger and other services supplied to or for the benefit of the Premises, provided that Lessor may, at its option, supply any such services to Lessee and other tenants of the Hotel, in which case Lessee shall pay its prorata share of the cost of the services so supplied by Lessor. Lessor shall not be liable for any stoppage or interruption in the supply of the aforementioned utilities to the Premises in the event and whenever the same is due to fire or other casualty, strikes, lockouts, riots, breakdown in service, necessary repairs or any other cause beyond the reasonable control of Lessor. Lessor shall at all times maintain such level of heat to the Premises as may be necessary to keep the Premises at a proper temperature, if applicable.

10. Repair.

Lessee, at its sole cost and expense and free from mechanics liens, shall keep and maintain the Premises (including plate glass) and all appurtenances thereto installed by Lessee for the use or use in connection with the Premises, in good sanitary order, condition and repair, ordinary wear and tear, damage by fire, acts of God, or by the elements excepted, Lessee hereby waiving all right to make repairs at the expense of Lessor as provided in any applicable statute now or hereafter in force. Lessee agrees, at its sole cost and expense, and free of mechanics liens, to make any and all improvements, alterations, repairs and changes in, to and upon the Premises required by any and all laws, ordinances, rules or regulations of all governmental authorities and officials having jurisdiction thereof when, and if, required due to the use made of the Premises by Lessee. Lessee further agrees, at all times during the term hereof, to keep and maintain in clean condition and good order and repair all furniture, furnishings, fixtures and equipment (herein collectively called the "Fixtures and Equipment") then required for the operation of the Premises as a first-class sport shop and to make such replacements as shall be required from time to time, such replacements to be of at least equal quality as the items replaced. Lessee agrees to surrender the Premises to Lessor at the expiration or sooner termination of the term hereof in as good condition and repair as when first received, ordinary wear and tear, damage by storm, fire, lightning, earthquake or other casualty alone excepted.

11. Lessee's Improvements: Interior Design, etc.

(a) Lessee shall construct all leasehold improvements and install all furniture, fixtures and equipment, including interior decoration, in the Premises which may be required for the operation of Lessee's business. Lessee shall bear the cost of such construction of leasehold improvements and the installation of furniture, fixtures and equipment, including the interior decoration. All construction and installation of furniture, fixtures and equipment are hereinafter referred to as "Lessee's work." Lessee shall, at its sole cost and expense, promptly prepare, or cause to be prepared by an architect or designer approved by Lessor, and submit to Lessor for its approval, Drawings and Final Drawings and Specifications for

Lessee's work, which Drawings and Final Drawings and Specifications shall conform to Lessor's design criteria for the entire Hotel. Lessor agrees not to withhold unreasonably its approval of Lessee's architect or designer. Lessor, however, reserves the right to withhold its approval of such Drawings and Final Drawings and Specifications submitted by Lessee if, in Lessor's sole opinion, such Drawings and Final Drawings and Specifications do not conform to the design criteria and style of the Hotel as determined by reference to the design, drawings, specifications, construction and decor of the Hotel. Lessee, at its sole cost and expense, shall obtain all permits required for the performance of Lessee's work and shall perform, or cause to be performed, such work in a first-class manner, in accordance with such Final Drawings and Specifications approved by Lessor prior to the commencement of such work; in compliance with Lessor's customary and usual insurance and other requirements therefor; and free from any liens imposed upon the Hotel or any part thereof, and in such manner as to cause no interference with the operations of the Hotel. The Lessee's work shall be completed and the Premises shall be opened for business to the public not later than ninety (90) days from the date when the Premises shall be available to Lessee for the performance of Lessee's work.

Lessee shall have the right to enter the Premises prior to the commencement of the term for the purpose of fixturing and otherwise preparing the Premises for the conduct of Lessee's business therein. Such entry by Lessee on the Premises shall be subject to all the terms, covenants and conditions of this Lease, except, however, the covenants relating to payment of rent and other charges and must be coordinated with Lessor and Lessor's contractors and agents, and all work done by Lessee on the Premises must be done in such a manner as not to unreasonably interfere with Lessor's use of and work on the Hotel.

(b) Any changes or alterations of the interior design, decor, furnishings, trade fixtures, and other decorating of or for the Premises must be first submitted to Lessor for approval, which approval shall not be unreasonably withheld, before installation thereof by Lessee, and such installation shall be at Lessee's expense and shall be completed free of any liens. On written request by Lessor, all parts of the interior of the Premises shall be painted, varnished, or otherwise redecorated at Lessee's own expense at least once during the term hereof.

(c) In the event that during the term of this Lease, a renovation of the Hotel is scheduled, or other similar business reason should occur, the Lessor shall have the right to relocate Lessee to a substantially similar area of the Hotel.

12. Advertising Signs; Solicitation of Business.

All signs are subject to the approval of Lessor, which approval shall not be unreasonably withheld, and Lessee must obtain such approval in writing prior to installation. Lessee shall remove Lessee's signs from the Premises at the expiration or sooner termination of the term hereof. All expenses of installing and removing such signs shall be the sole responsibility of Lessee.

Lessee further agrees not to issue or circulate any advertising matter in the Hotel or transact or solicit business in any part of the Hotel without the prior written consent of Lessor, which consent shall be at Lessor's sole discretion.

13. Removal of Trash.

Lessee, at its expense, shall keep the Premises clean, both inside and outside, and remove all trash, garbage and other refuse from the Premises. Lessee agrees to keep all accumulated rubbish in covered containers and to have the same removed regularly. In the event Lessee fails to keep the Premises in proper condition, Lessor may cause the same to be done for Lessee; and Lessee hereby agrees to pay the expense hereof as additional rent on demand.

14. No Obstruction.

Lessee shall neither encumber nor obstruct the area adjoining the Premises (including the adjoining sidewalks or arcades) nor allow the same to be obstructed or encumbered in any manner, and shall keep said area or any part thereof free of ice, snow, rubbish and dirt. Lessee shall not place, or cause to be placed, any merchandise, vending machines or anything else on said area or said sidewalks, if any, or the exterior of the Premises, without the written consent of the Lessor first obtained.

15. Destruction of Premises.

If, as a result of a casualty, the Premises are totally destroyed or the Hotel shall be damaged or destroyed to the extent of twenty-five percent (25%) of the replacement cost thereof, then this Lease, at the option of Lessor, shall terminate as of the date of such destruction, and rental shall be accounted for as between Lessor and Lessee as of that date. If the Premises are damaged but not wholly destroyed by any such casualty or the Hotel shall be damaged or destroyed to an extent less than that indicated in the preceding sentence, then the guaranteed minimum rental (but not the annual percentage rental, or any installment thereof) shall abate in such proportion as the use of the Premises has been made impossible and Lessor shall, at its option, to the extent practicable and to the extent sufficient insurance proceeds are available, restore the Premises to substantially the same condition as before such damage, whereupon full rental shall resume; further, in such event, Lessee shall, at its expense, and in a timely manner, restore or replace the Fixtures and Equipment and any additions thereto or replacements thereof made prior to such casualty.

16. Indemnification.

Lessee agrees to defend, indemnify and to hold Hyatt Corporation and Hyatt Equities, L.L.C., a Delaware limited liability company and its members and their employees and agents harmless at all times during the term hereof from and against any and all liability, loss, cost, damage or expense (including attorneys' fees) for, or which may arise out of, Lessee's leasing, use, maintenance and operation of the Premises, including, without limitation, (i) any damage to or destruction of any goods, wares, merchandise or personal property of any and all kinds and character in or upon the Premises, however caused or occasioned, excepting the gross negligence or willful misconduct of Lessor, its agents or employees, (ii) any bodily injuries to or the death of any person or persons upon the Premises and Lessee's employees working at the Premises and occupancy of all portions of the Hotel to which such employees are permitted access while in the course of their employment, however caused or occasioned, excepting the gross negligence or willful misconduct of Lessor, its agents or employees, and (iii) any violation by Lessee

or its agents or assigns of any term or provision of this Lease. This Section shall survive the termination or expiration of the Lease.

17. Insurance.

Lessee agrees to maintain during the term hereof, at Lessee's sole expense, with financially responsible insurance carriers authorized to do business in the State of Nevada and approved by Lessor (such approval not to be unreasonably withheld) the following insurance coverages in the respective minimum amounts indicated:

(a) Fire and extended coverage insurance on all Fixtures and Equipment used in connection with the operation of the Premises, Betterments and Improvements and other Personal Property of Lessee including merchandise and stock for the full insurable value thereof existing from time to time.

(b) Comprehensive general and automotive liability insurance against damages and liability (including attorneys' fees) on account of its leasing or use of the Premises, or any property damage, or any injuries to or the death of any persons however occasioned in or about the Premises (and as respects Lessee's employees working at the Premises and occupants of all portions of the Hotel to which said employees are permitted access) in the minimum amount of five million dollars (\$5,000,000.00) for injuries to or the death of any one or more persons in any one accident and/or for damage to property. Such comprehensive general liability and automobile insurance shall be endorsed to include every aspect of Lessee's business operation, including liquor liability, and shall insure the performance by Lessee of the indemnity agreement set forth in Section 15 of this Lease and shall include hazards of premises, operations, independent contractors, contractual liability, products liability and personal injury.

(c) Workers' compensation in statutory amounts and employer's liability or similar insurance as required by law.

(d) Lessee shall observe and comply with the requirements of all policies of insurance of Lessor and Lessee at any time in force with respect to the Premises or any part thereof. All policies required to be carried hereunder (except Workers' Compensation insurance) shall name «insured» and any

other parties as requested by Lessor as additional insureds; such insurance shall be primary and not contributory with Lessor's insurance. All such policies of insurance, to the extent obtainable, shall provide that the same shall not be cancelled or changed without prior written notice thereof to Lessor at least thirty (30) days prior to the effective date of such cancellation or change. Prior to the commencement of the term hereunder, and from time to time during the term hereof, Lessee shall furnish to Lessor certificates of insurance evidencing continuously current compliance with the provisions of this paragraph.

Lessee shall pay all costs, expenses, claims, fines, penalties and damages (including reasonable attorneys' fees) that may in any manner arise out of or be imposed because of the failure of Lessee to comply with the provisions of this Section 16, and in any event agrees to indemnify Lessor against all such liability. Lessee shall promptly give notice to Lessor of any notice of violation received by Lessee.

(e) This Section shall survive the termination or expiration of the Lease.

18. Compliance with Laws.

Lessee understands and agrees that Lessee's performance of any and all services performed pursuant to this agreement shall, at Lessee's expense, fully comply with all federal, state and/or local laws, rules, regulations and ordinances which may govern or regulate such services. Lessee further agrees, at Lessee's own expense, to be solely responsible for compliance with all federal, state, and local laws, rules, regulations, and ordinances that apply to Lessee's employment status or Lessee's employment relationship with others.

19. Condemnation.

If the whole of the Premises, or such portion thereof as shall make the Premises unusable for the purposes herein rented, be condemned by any legally constituted authority for any public use or purpose, then and in either event, the term hereof shall cease from the time when possession thereof is taken by such authority; and rental shall be accounted for as between Lessor and Lessee as of that date. Such termination, however, shall be without prejudice to the rights of either Lessor or Lessee to recover compensation and damage caused by condemnation from the condemnor. It is further understood and

agreed that neither Lessee nor Lessor shall have any rights in any award made to the other by any condemnation authority.

20. Assignment and Subletting.

(a) Lessee shall not, without the prior written consent of Lessor, assign this Lease or any interest therein or sublet the Premises, or any part thereof, or permit the use of the Premises by any party other than Lessee, and in the case of any such assignment or subletting to which Lessor shall have consented, a copy of the instrument of assignment or subletting shall be delivered to Lessor promptly upon the making of such assignment or upon such subletting. The sale, issuance or transfer, at any time, of any voting capital stock of Lessee (if Lessee is then a corporation) which results in a change in the voting control of Lessee shall be deemed to be an assignment of this Lease within the meaning of this Section 19. Consent to any assignment, subrent or sublease shall not be deemed to be a consent to any subsequent assignment, subrent or sublease; and all subsequent assignments, subrentals or subleases shall be made likewise only on the prior written consent of Lessor. If Lessor shall consent to an assignment, the assignee of Lessee shall, in writing, assume the obligations of Lessee hereunder, so as to become directly liable to Lessor for all such obligations. Such assumption shall be incorporated in the instrument of assignment, a copy of which shall be delivered to Lessor. No sublease, subrental or assignment by Lessee shall relieve Lessee of any liability hereunder. In the event that Lessor approves Lessee's assignment or subletting of the Lease, Lessee shall pay to Lessor a fee of five hundred dollars (\$500.00) for the processing by Lessor of the necessary documents.

(b) Without limiting the other instances in which it may be reasonable for Lessor to withhold its consent, Lessor and Lessee acknowledge that it shall be reasonable for Lessor to withhold its consent in the following instances: (i) if, at the time consent is requested or at any time prior to the granting of consent, Lessee is in default under this Lease or would be in default under this Lease but for the pendency of any grace or cure period under Section 21 below; (ii) if, in Lessor's reasonable judgment, the quality or character of the business to be conducted in the Premises is or may be adversely affected during

the term of this Lease as a result of the transaction for which consent is requested; (iii) if, in Lessor's reasonable judgment, the financial worth of a proposed assignee or sublessee does not meet the credit standards applied by Lessor for other tenants under leases with comparable terms, or the experience of the proposed transferee, assignee, sublessee, licensee or concessionaire in the type of business conducted in the Premises is not at least equal to that of Lessee, or its reputation for business integrity and quality of operations is not excellent; and (iv) in the case of a subletting, if the subletting is of less than the entire Premises.

(c) Lessor, at any time, and from time to time, may make an assignment of its interest in this Lease, and, in the event of such assignment and the assumption by the assignee of the covenants and agreements to be performed by Lessor herein, Lessor and its successors and assigns (other than the assignee of this Lease) shall be released from any and all liability hereunder.

21. Removal of Trade Fixtures.

Upon the expiration or sooner termination of the term hereof, Lessee may (if not in default hereunder), and upon written request of Lessor shall, remove all easily removable Fixtures and Equipment and supplies owned by Lessee which Lessee has placed in the Premises, provided Lessee shall restore the Premises to the same condition as when first received, ordinary wear and tear, damage by fire, acts of God, or by the elements excepted. Any personal property of Lessee not removed within five (5) days following such expiration or termination shall, at Lessor's option, become the property of Lessor.

22. Default.

It is mutually agreed that (i) in the event Lessee shall default in the payment of rent herein reserved, when due, and shall fail to cure such default within ten (10) days after written notice thereof from Lessor, or (ii) if Lessee shall be in default in any of the terms or provisions of this Lease, other than the provisions requiring the payment of rent, and shall fail to cure such default within thirty (30) days after the date of receipt of written notice of default from Lessor, or (iii) if Lessee is adjudicated bankrupt, or (iv) if a permanent receiver is appointed for Lessee's property and such receiver is not removed within sixty (60)

days after written notice from Lessor to Lessee to obtain such removal, or (v) if, whether voluntarily or involuntarily, Lessee takes advantage of any debtor relief proceedings under any present or future law, whereby the rent or any part thereof is, or is proposed to be, reduced or payment thereof deferred, or (vi) if Lessee makes an assignment for the benefit of creditors, or (vii) if Lessee's effects should be levied upon or attached under process against Lessee, and such levy or attachment is not satisfied or dissolved within thirty (30) days after written notice from Lessor to Lessee to satisfy or dissolve the same, then, in any of said events, Lessor (in addition to any and all other rights or remedies of Lessor hereunder or provided by law, all of which shall be cumulative, and no one of which shall be exclusive of any other right or remedy) shall have the immediate right of re-entry, without liability for trespass or forcible entry or detainer, and may remove all persons and property from the Premises; such property may be removed and stored in a public warehouse or elsewhere at the cost of, and for the account of, Lessee. Should Lessor elect to re-enter, as herein provided, or should it take possession pursuant to legal proceedings or pursuant to any notice provided for by law, Lessor may either terminate this Lease or may, from time to time, without terminating this Lease, re-let the Premises or any part thereof for such term or terms (which may be for a term extending beyond the term of this Lease) and at such rent and upon such other terms and conditions as Lessor, in Lessor's discretion, may deem advisable; upon each such re-letting Lessee shall be liable to pay to Lessor, in addition to any indebtedness other than rent due hereunder, the amount, if any, by which the minimum annual rentals reserved in this Lease for the period of such re-letting (up to, but not beyond, the term of this Lease) shall exceed the amount agreed to be paid as rent pursuant to such re-letting for the period thereof, which rents received by Lessor from such re-letting shall be applied: first, to the payment of any indebtedness, other than rent due hereunder from Lessee to Lessor; and second, to the payment of rent due and unpaid hereunder, and the residue, if any, shall be held by Lessor and be applied in payment of future rent as the same may become due and payable hereunder. If Lessee has been credited with any rent to be received by such re-letting hereinabove and such rent shall not be promptly paid to Lessor by the new lessee, or if such rents received from such re-letting during any month be less than that to be paid during

such month by Lessee hereunder, Lessee shall pay any such deficiency to Lessor. Such deficiency shall be calculated and paid monthly. No such re-entry or taking possession of the Premises by Lessor shall be construed as an election on its part to terminate this Lease unless a written notice of such intention be given to Lessee or unless the termination thereof be decreed by a court of competent jurisdiction. Notwithstanding any such re-letting without termination, Lessor may at any time thereafter elect to terminate this Lease for such previous breach. Should Lessor at any time terminate this Lease following an Event of Default hereunder, in addition to any other remedy Lessor may have, Lessor may recover from Lessee the amount of the rent and charges equivalent to the rent reserved in this Lease for a period of sixty (60) days following such termination over the amount of rental derived from the operation of the Premises whether Lessor shall or shall not re-let the Premises during such sixty (60) day period.

23. Lessor's Right of Entry.

Lessor may post on the Premises "For Rent" signs on any date preceding the expiration of the term hereof by ninety (90) days or less. Lessor may enter the Premises at reasonable hours to exhibit the same to prospective tenants and to make repairs required of or permitted to be made by Lessor under the terms hereof or to make repairs to the Hotel, or to inspect the Premises for the purpose of determining if Lessee is complying with the requirements of this Lease.

24. Lessor's Right to Collect Rent.

The termination of this Lease at or prior to the expiration of the term hereof, by lapse of time or otherwise, shall not affect Lessor's right to collect rent for the period prior to such termination.

25. Subordination.

Lessee's rights hereunder shall be subject to any bona fide mortgage or deed of trust to secure a debt which now affects or which may subsequently affect the Hotel and shall be subject to the terms and conditions of any lease of the Hotel or portion thereof through which Lessor has derived possessory rights to the Premises and of any other leases or other matters affecting title to which any such lease is subject.

Lessee shall execute and deliver whatever instruments may be required for such purposes, and in the event Lessee fails to do so within ten (10) days after demand in writing by Lessor, Lessee does hereby make, constitute and irrevocably appoint Lessor as its attorney-in-fact and in its name, place and stead so to do. Further, if any financing institution requires any modifications of the terms and provisions of this Lease as a condition to such financing as Lessor may desire, then Lessee shall execute and deliver such modification as may be required for such purposes, and in the event Lessee fails to do so within ten (10) days after demand in writing by Lessor, Lessee does hereby make, constitute and irrevocably appoint Lessor as its attorney-in-fact and in its name, place and stead so to do. Such modification or modifications shall not affect any of the provisions of the Lease relating to the amount of guaranteed minimum rental and percentage rental, if any, reserved, reducing the purposes for which the Premises may be used, the size and/or location of the Premises, the duration and/or Commencement Date of the terms, or reducing the improvements to be made by Lessor to the Premises prior to delivery of possession.

26. No Levy, etc.

This Lease shall create the relationship of lessor and lessee between Lessor and Lessee; no estate shall pass out of Lessor; Lessee's interest in the Premises shall not be subject to levy, sale or other involuntary assignment.

27. Hold Over.

If Lessee remains in possession of the Premises after the expiration of the term hereof without any express agreement of the parties, Lessee shall be a tenant at will at twice the guaranteed minimum rental, and there shall be no renewal of this Lease by operation of law.

28. Attorneys' Fees.

In case suit shall be brought for an unlawful detainer of the Premises, for the recovery of any rent due under the provisions of this Lease, or because of the breach of any other covenant herein contained on the part of Lessor or Lessee to be kept or performed, the party prevailing in such suit shall be entitled to reasonable attorneys' fees to be paid by the unsuccessful party, which fees shall be fixed by the court.

29. Cumulative Remedies.

All rights, powers and privileges conferred hereunder upon the parties hereto shall be cumulative and shall be in addition to every other right, power, privilege and remedy existing in law or at equity.

30. Mechanic's Lien.

Lessee shall not suffer any mechanic's lien to be filed against the Premises or the Hotel by reason of any work, labor, services or materials performed at or furnished to the Premises, to Lessee, or to anyone holding the Premises through or under the Lessee. If any such mechanic's lien shall at anytime be filed, Lessee shall forthwith cause the same to be discharged of record by payment, bond, order of a court of competent jurisdiction or otherwise, but Lessee shall have the right to contest any and all such liens, provided security satisfactory to Lessor is deposited with it. If Lessee shall fail to cause such a lien to be discharged within thirty (30) days after being notified of the filing thereof and before judgment or sale thereunder, then, in addition to any other right or remedy of Lessor, Lessor may, but shall not be obligated to, discharge the same by paying the amount claimed to be due or by bonding or other proceeding deemed appropriate by Lessor, and the amount so paid by Lessor and/or all costs and expenses, including reasonable attorneys' fees, incurred by Lessor in procuring the discharge of such lien, shall be deemed to be additional rent together with interest thereon as provided in Section 5(d) and shall be due and payable by Lessee to Lessor on the first day of the next following month.

31. Notice.

All notices, demands, requests or other communications required or permitted hereunder shall be in writing and shall be deemed to have been duly given if either (i) personally served, or (ii) sent by regular mail, three (3) days after being deposited at the Post Office or sent registered or certified mail, postage prepaid, in any event addressed to the party intended at its address set forth below (or such other address as such party may designate by notice given to the other party in the manner provided in this Section): If to Lessor, at Lessor's office at the Hotel, Attention: General Manager; and if to Lessee, at the Premises, attention: General Manager, 893 Southwood Blvd., Incline Village, NV, 89451.

32. No Waiver.

No failure of Lessor to exercise any power given to Lessor hereunder, or to insist upon strict compliance by Lessee with Lessee's obligations hereunder, and no custom or practice of the parties at variance with the terms hereof shall constitute a waiver of Lessor's right to demand exact compliance with the terms hereof.

33. Time of Essence.

Time is of the essence of this Lease.

34. Lessor's Right to Rearrange Hotel.

Lessor shall have the right, from time to time, to make changes, alterations or improvements (including rearrangements of space) in the Hotel or any part thereof, including the Hotel lobby and the Hotel shop area so long as the Premises or the entrances thereto and exits therefrom are not materially and adversely affected thereby. Lessor reserves the right to impose reasonable restrictions as to the loading and unloading of merchandise, supplies or equipment by Lessee.

35. Definitions.

"Lessor," as used in this Lease, shall include the original lessor and its assigns or other successors in interest with respect to the Premises. "Lessee," as used in this Lease, shall include the original lessee, and, if the original lessee's interest in this Lease shall be validly assigned, shall include also lessee's assignees.

36. Entire Agreement.

This Lease contains the entire agreement of the parties hereto; and no representations, inducements, promises or agreements, oral or other, between the parties not embodied herein, shall be of any force or effect except as embodied herein or otherwise set forth in writing and executed by the parties hereto. All terms in this Lease are deemed to be material.

37. Trade Name.

Lessee acknowledges that the names "Hyatt", "Regency", "Park", "Grand" and "Andaz" and the Hyatt crest are the exclusive property of Lessor. Lessee agrees not to use the name "Hyatt", "Regency", "Park", "Grand" or "Andaz" or any name which includes the word "Hyatt", "Regency", "Park", "Grand" or "Andaz" or the Hyatt crest or any logo or design which includes the Hyatt crest without the prior consent, in writing, of Lessor. If Lessor shall have given its consent to the use by Lessee of any such name or any such crest, logo or design, then upon the termination of this Lease, whether by lapse of time or any other reason whatsoever, Lessee shall cease to use, and shall thereafter refrain from using, any such name, crest or design. The provisions of this Section shall survive the expiration or earlier termination of the term hereof.

38. Lessee's Covenants.

Lessee represents, warrants and covenants that (i) it is duly licensed to do business in the State of Nevada, (ii) it has full power and authority to enter into this Lease, and (iii) it has no knowledge of any threatened, pending or ongoing claims or litigation which may materially and adversely affect its ability to perform its obligations under the Lease.

Lessee further covenants, warrants and represents that by executing this Lease and by the operation of the Premises under this Lease, it is not violating, has not violated and will not be violating any restrictive covenant or agreement contained in any other lease or contract affecting the Lessee or any affiliate, associate or any other person or entity with whom or with which Lessee is related or connected financially or otherwise. Lessee hereby covenants and agrees to indemnify and save harmless Lessor, any future owner of the fee or any part thereof, and any mortgagee thereof against and from all liabilities, obligations, damages, penalties, claims, costs and expenses, including attorneys' fees, paid, suffered or incurred by them or any of them as a result of any breach of the foregoing covenant. Lessee's liability under this covenant extends to the acts and omissions of any subtenant, and any agent, servant, employee or licensee of any subtenant of Lessee.

39. Verification.

At any time during the term of this Lease, Lessee shall, at the request of Lessor, acknowledge and deliver to Lessor without charge, a duly executed recordable certificate prepared by Lessor, certifying that this Lease is valid and subsisting and in full force and effect and that Lessor, at the time, is not in default under any of the terms or provisions of this Lease.

40. Brokers.

Lessee covenants, represents and warrants that no realtor, broker or agent was involved in the negotiations leading to the execution of this Lease or brought it about either directly or indirectly except Hyatt Corporation. Lessee agrees to indemnify, defend and hold Hyatt Corporation and Hyatt Equities, L.L.C., a Delaware limited liability company and its member harmless from and against any and all expenses or costs (including, without limitation, attorneys' fees) caused by any broker claiming to have dealt with Lessee.

41. Governing Laws.

The rights and obligations of the parties under this Lease shall be governed by the laws of the State of Nevada.

42. Headings.

The Headings used in this Lease are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Lease nor the intent of any provision thereof.

43. Meals.

Lessee's employees may use Lessor's cafeteria located in the Hotel for meals, provided that Lessee purchases from Lessor one (1) meal ticket in the amount of five and 00/100 dollars (\$5.00), for every meal provided for each of the Lessee's employees. Lessor maintains the complete discretion as to the food offerings provided in the cafeteria or whether to offer meals at all; furthermore, the cost of the ticket shall be determined solely by Lessor in its reasonable discretion. Lessee and its agents and employees may not otherwise access the Hotel cafeteria without a ticket for each meal served.

44. Discounts.

(a) Lessee shall provide Lessor with four (4) Diamond Peak transferable season passes for use by Lessor's employees and/or Lessor's guest for Term of the Lease. Upon termination of this Lease, Lessor will return the four (4) passes to Diamond Peak.

(b) Lessee agrees that Lessor's employees can ski or snowboard as Diamond Peak for Ten and 00/100 Dollars (\$10.00) Monday through Friday, and Twenty and 00/100 Dollars (\$20.00) Saturday and Sunday with the exception of specified holiday or blackout periods as determined by Lessee. Such employees must be currently employed by Lessor to receive this discount and may only use the discount for themselves. Lessor employees must present a "Hyatt" ID and current pay stub (within 14 days) to receive this discount. This discount does not apply to guests, friends or family of the Lessor employee and each employee is limited to one (1) lift ticket per day. Upon termination of this agreement, Lessor employees will no longer receive this discount.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals as of the day and year first hereinabove set forth.

LESSOR:

LESSEE

Hyatt Corporation, as agent of Hyatt Equities, L.L.C.,
a Delaware limited liability company, d/b/a
Hyatt Regency Lake Tahoe, Resort & Spa

Incline Village General Improvement District

By: [Signature] 9/7/10
Its: General Manager

By: _____
Its: _____

Reviewed and approved
as to form:

[Signature]
William B. Horn
IVGID General Manager

INCLINE VILLAGE GENERAL
IMPROVEMENT DISTRICT

[Signature]
Gene Brockman
Chairman, Board of Trustees

[Signature]
Ed Youmans
Diamond Peak Ski Resort Manager

[Signature]
Charles Weinberger
Secretary, Board of Trustees

[Signature]
T. Scott Brooke
IVGID General Counsel



June 14, 2012

Hyatt Regency Lake Tahoe
Country Club Drive
Incline Village, Nevada 89451

Attention of Mr. Fred Findlen

Subject: Contract Change Approved by the Incline Village General Improvement District Board of Trustees on May 30, 2012

Dear Fred:

Pursuant to the approval made by the Incline Village General Improvement District Board of Trustees, on May 30, 2012, at a regularly scheduled Board of Trustees meeting, I am extending the lease with the Hyatt Equities LLC for a period of three years (extending through May 31, 2016) as prescribed in paragraph 2. Term, subparagraph (c).

If you would kindly execute one copy of this letter, in the space shown below, and return it to my attention, it would be most appreciated.

Thank you very much for your continued support of the Incline Village General Improvement District and we are looking forward to our continued successful partnership.

Sincerely,

William B. Horn
General Manager



Accepted on behalf of Hyatt Equities, LLC



 6/27/12

Fred Findlen
General Manager, Hyatt Regency Lake Tahoe

ADMINISTRATIVE OFFICES • 895 SOUTHWOOD BOULEVARD • INCLINE VILLAGE, NV 89451
PH: (775) 832-1100 FX: (775) 832-1122 • WWW.YOURTAHOEPLACE.COM

FIRST AMENDMENT TO AGREEMENT

THIS FIRST AMENDMENT TO AGREEMENT is made as of the 18th day of May, 2016 by and between Hyatt Corporation, as agent of Hyatt Equities, L.L.C., a Delaware limited liability company d/b/a Hyatt Regency Lake Tahoe Resort, Spa and Casino (hereinafter called "Hyatt") and Incline Village General Improvement District, a political subdivision of the state of Nevada d/b/a Diamond Peak Ski Resort (hereinafter called "Lessee").

WITNESSETH:

WHEREAS, Hyatt and Lessee entered into that certain Agreement, effective as of June 1, 2010 (the "Lease"), which provides for Lessee to Lease space in the Hotel for the operation of a first class sport shop ("Lease") at the Hyatt Regency Lake Tahoe Resort, Spa and Casino (the "Hotel"); and.

NOW, THEREFORE, the parties hereto amend the Agreement by this instrument as follows:

1. Term. The term of the Lease will be extended to May 31, 2019. Provided that Lessee is not then, or has not been, in default under the terms of this Lease, Lessee shall have the right and option (the "Renewal Option"), by a notice given to Lessor not later than sixty (60) prior to the end of the then current term to extend the term of this Lease for a period three (3) years ending May 31, 2012 (the "Renewal Term").
2. Discounts. Section 44 (b) will be deleted in its entirety.
3. Room Charges. Section 3(d)(ii) will be replaced in its entirety with the following: A list of in-house guests will be provided to the Lessee by the Lessor to verify the guests' hotel registration. A list of guests that do not have room charging privileges will also be provided on a daily basis.

Except as herein expressly modified, the Lease shall remain in full force and effect, subject to all terms and conditions contained therein.

IN WITNESS WHEREOF, this First Amendment has been executed by Hyatt and Lessee as of the day and year first hereinabove set forth.

Hyatt Corporation, as agent of Hyatt Equities, L.L.C., a Delaware limited liability company d/b/a Hyatt Regency Lake Tahoe Resort, Spa and Casino

By: 

Name: Fred Findlen

Title: General Manager

Incline Village General Improvement District, a political subdivision of the state of Nevada d/b/a Diamond Peak Ski Resort

By: 

Name: Steven J. Pinkerton

Title: General Manager

SECOND AMENDMENT TO LEASE AGREEMENT

THIS SECOND AMENDMENT TO AGREEMENT is made as of the 30th day of May, 2019 by and between Hyatt Corporation, as agent of Hyatt Equities, L.L.C, a Delaware limited liability company d/b/a Hyatt Regency Lake Tahoe Resort, Spa and Casino (hereinafter called "Hyatt") and Incline Village General Improvement district, a political subdivision of the state of Nevada d/b/a Diamond Peak Ski Resort (hereinafter called "Lessee").

WITNESSETH:

WHEREAS Hyatt and Lessee entered into a certain Agreement, effective as of June 1, 2010 (the "Lease"), which provides for the Lessee to Lease space in the Hotel for the operation of a first class sport shop ("Lease") at the Hyatt Regency Lake Tahoe Resort, Spa and Casino (the "Hotel"); and.

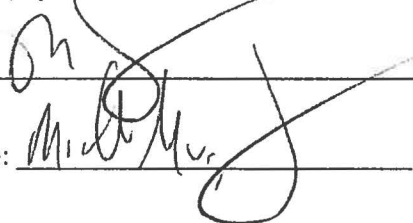
NOW, THEREFORE, the parties hereto amend the Agreement by this instrument as follows:

1. Term. The term of the Lease will extend to May 31, 2022.

Except as herein expressly modified, the Lease shall remain in full force and effect, subject to all terms and conditions contained therein.

IN WITNESS WHEREOF, this Second Amendment has been executed by Hyatt and Lessee as of the day and year first hereinabove set forth.

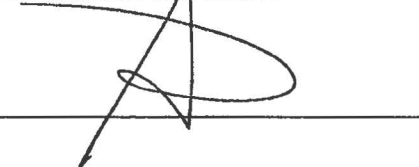
Hyatt Corporation, as an agent of Hyatt Equities, L.L.C., a Delaware limited liability company d/b/a Hyatt Regency Lake Tahoe Resort, Spa and Casino

By: 
Name: _____

Title: _____

Title: _____

Incline Village General Improvement District, a political subdivision of the state of Nevada d/b/a Diamond Peak Resort

By: 
Name: Steven J. Pinkerton

IVGID District General Manager

THIRD AMENDMENT

SECOND AMENDMENT TO AGREEMENT

THIS SECOND AMENDMENT TO AGREEMENT (the "2nd Amendment") is made as of the 17 day of June 2020, by and between Hyatt Corporation, as agent of Hyatt Equities, L.L.C., a Delaware limited liability company d/b/a Hyatt Regency Lake Tahoe Resort, Spa and Casino (hereinafter called "Hyatt") and Incline Village Improvement District, a political division of the state of Nevada, d/b/a Diamond Peak Ski Resort (hereinafter called "Lessee").

WITNESSETH:

WHEREAS, Hyatt and Lessee entered into that certain Agreement, effective as of June 1, 2010, [First Amendment, dated May 18, 2016; as amended] (the "Agreement"), which provides for Lessee to lease space in the Hotel for the operation of a first class sport shop ("Lease") at the Hyatt Regency Lake Tahoe Resort, Spa and Casino (the "Hotel"); and

WHEREAS, the parties desire to amend the Agreement to revise the term.

NOW, THEREFORE, the parties hereto amend the Agreement by this instrument as follows:

Term: Operations will be suspended for the Summer and Fall 2020 season and lessee will vacate the premise. Lessee shall re-occupy the agreed upon lease location for the Winter 2020/2021 season, no earlier than October 1, 2020 and no later than November 22, 2020.

Except as herein expressly modified, the Agreement shall remain in full force and effect, subject to all terms and conditions contained therein.

IN WITNESS WHEREOF, this Second Amendment has been executed by Hyatt and Lessee as of the day and year first hereinabove set forth.

Hyatt Corporation, as agent of Hyatt Equities, L.L.C., a Delaware limited liability company d/b/a Hyatt Regency Lake Tahoe Resort, Spa and Casino

By: _____

Name: Michael Murchy

Title: General Manager

Incline Village Improvement District, a political division of the state of Nevada, d/b/a Diamond Peak Ski Resort

By: _____

Name: DARREN HOWARD

Title: DIRECTOR OF GOLF & COMMUNITY SERVICES

FOURTH AMENDMENT TO AGREEMENT

THIS FOURTH AMENDMENT TO AGREEMENT (the "Fourth Amendment") is made as of the 16 day of September 2020, by and between Hyatt Corporation, as agent of Hyatt Equities, L.L.C., a Delaware limited liability company d/b/a Hyatt Regency Lake Tahoe Resort, Spa and Casino (hereinafter called "Hyatt") and Incline Village Improvement District, a political division of the state of Nevada, d/b/a Diamond Peak Ski Resort (hereinafter called "Lessee").

WITNESSETH:

WHEREAS, Hyatt and Lessee entered into that certain Agreement, effective as of June 1, 2010, (the "Agreement"), as amended by that certain First Amendment, dated May 18, 2016 (the "First Amendment"), that certain Second Amendment, dated May 30, 2019 (the "Second Amendment"), that certain Third Amendment, dated June 17, 2020 (noted in error as "Second Amendment") which provides for Lessee to lease space in the Hotel for the operation of a first class sport shop ("Lease") at the Hyatt Regency Lake Tahoe Resort, Spa and Casino (the "Hotel"); and

WHEREAS, the parties desire to amend the Agreement to revise the term.

NOW, THEREFORE, the parties hereto amend Section 2(b) of the Agreement by this instrument as follows:

"(b) During each calendar year of the Term, Lessee's operations will exist for the winter season, November 1st through April 30th. Lessee will temporarily vacate the Premises May 1st through October 31st of each calendar year throughout the Term. Lessee shall ensure that the Premises is returned to its prior condition by April 30th of each year. Failure to do so shall be a breach of this Lease and subject to all applicable provisions of this Lease, including Section 27."

Except as herein expressly modified, the Agreement shall remain in full force and effect, subject to all terms and conditions contained therein.

IN WITNESS WHEREOF, this Fourth Amendment has been executed by Hyatt and Lessee as of the day and year first hereinabove set forth.

Hyatt Corporation, as agent of Hyatt Equities, L.L.C., a Delaware limited liability company d/b/a Hyatt Regency Lake Tahoe Resort, Spa and Casino

Incline Village Improvement District, a political division of the state of Nevada, d/b/a Diamond Peak Ski Resort

By:  _____

Name: Michael Murphy

Title: General Manager

By:  11/12/20 _____

Name: Indra Winquest

Title: General Manager

FIFTH AMENDMENT TO LEASE

THIS FIFTH AMENDMENT TO LEASE AGREEMENT (this “Agreement”) is dated December 15, 2022 but deemed effective as of June 1, 2022 (the “Effective Date”) by and between Incline Village General Improvement District, a political subdivision of the state of Nevada d/b/a Diamond Peak Ski Resort (“Lessee”), and HYATT CORPORATION, as agent of Incline Hotel, LLC, a Delaware limited liability company (or its predecessors-in-interest), d/b/a/ Hyatt Regency Lake Tahoe Resort, Spa & Casino (“Lessor”).

WITNESSETH:

WHEREAS, Lessor and Lessee are parties to that certain Agreement, effective as of June 1, 2010, (the “Agreement”), as amended by that certain First Amendment, dated May 18, 2016 (the “First Amendment”), that certain Second Amendment, dated May 30, 2019 (the “Second Amendment”), that certain Third Amendment, dated June 17, 2020 (noted in error as “Second Amendment”), and that certain Fourth Amendment, dated September 16, 2020 (the “Fourth Amendment”) which provides for Lessee to lease space in the Hotel for the operation of a first class sport shop (the “Lease”) at the Hyatt Regency Lake Tahoe Resort, Spa and Casino (the “Hotel”); and

WHEREAS, the parties desire to amend the Agreement and extend the term.

AGREEMENTS:

NOW, THEREFORE, the parties hereto amend the Agreement by this instrument as follows:

1. Term. The term of the Lease will be extended through and including May 31, 2023.
2. Use of Premises. The parties hereto amend Section 3(a) of the Agreement by this instrument as follows:
 - (a) The Premises shall be used for the purpose of operating a first-class sport shop and for no other purpose. Included in the allowed use is advertising, promoting and selling Diamond Peak ski tickets, packages, other related ski services, and soft goods (collectively, the “Services”) to Lessor’s guests and clients, and Lessee accepts and agrees to provide such Services. Lessee shall not be permitted to sell any food or beverages throughout the Term.

3. Effect of this Agreement. Except as specifically amended by the provisions of this Agreement, all of the terms and provisions in the Lease are ratified and shall continue to govern the rights and obligations of the parties thereunder, and all provisions and covenants of the Lease shall remain in full force and effect as stated therein. This Agreement and the Lease shall be construed as one instrument. In the event of any conflict between this Agreement and the Lease, the terms and provisions of this Agreement shall control and shall be paramount, and the Lease shall be construed accordingly. The terms, provisions and covenants of this Agreement shall

inure to the benefit of and be binding upon the parties to this Agreement and their respective successors in interest and assigns. The terms and conditions of this Agreement may not be modified, amended, altered or otherwise affected except by instrument in writing executed by Lessee and Lessor. THIS AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN LESSEE AND LESSOR WITH RESPECT TO THE TERMS AND CONDITIONS OF THIS INSTRUMENT, AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS BETWEEN OR AMONG LESSEE AND LESSOR THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN OR AMONG LESSEE AND LESSOR.

4. Miscellaneous.

- (a) This Agreement shall be construed according to the laws of the State of Nevada.
- (b) Each of Lessee and Lessor represents, warrants and agrees that all recitals set forth above in this Agreement are true and correct, and all such recitals are ratified, adopted and restated as part of the instrument which is evidenced by and effected by this Agreement.
- (c) Each of Lessee and Lessor warrants to the other that all consents and/or approvals required (including from all of its members, to the extent applicable) for its execution, delivery and performance of this Agreement have been obtained and that it has the right and authority to enter into and perform its covenants contained in this Agreement and in the Lease.
- (d) If any term or provision of this Agreement, or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Agreement, or the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby. Each provision of this Agreement shall be valid and shall be enforceable to the extent permitted by law.
- (e) This Agreement may be executed in multiple counterparts, each of which for all purposes is deemed an original, and all of which constitute collectively but one instrument.

[SIGNATURES APPEAR ON FOLLOWING PAGE(S)]

IN WITNESS WHEREOF, Lessee and Lessor have executed this Agreement effective as of the date first set forth above.

LESSEE:

Incline Village General Improvement District, a political subdivision of the state of Nevada d/b/a Diamond Peak Ski Resort

By: _____
Name: _____
Its: _____

LESSOR:

HYATT CORPORATION, as agent of Incline Hotel, LLC, a Delaware limited liability company, d/b/a/ Hyatt Regency Lake Tahoe Resort, Spa & Casino

By: _____
Name: _____
Its: _____

MEMORANDUM

TO: Board of Trustees

THROUGH: Indra Winqest
District General Manager

FROM: Paul Navazio
Director of Finance

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

DATE: December 14, 2022

I. BACKGROUND

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

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

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

II. DISCUSSION

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

AUDIT RESULTS

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

2022-001 – Journal Entries Detected During the Audit –

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

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

2022-002 – Physical Inventory Observation

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

2022-003 – Timely Preparation of Bank Reconciliations

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

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

CHANGE IN ACCOUNTING PRACTICES

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

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

FINANCIAL HIGHLIGHTS

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

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

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

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

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

Audit Committee Review

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

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

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

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

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

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

NEXT STEPS

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

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

Website Link to Policy 15.1.0: https://www.yourtahoeplace.com/uploads/pdf-ivgid/15_1_0_Audit_Committee_Charter_Eff_06-29-2022.pdf)

Attachments:

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



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2022

PREPARED BY: DEPARTMENT OF FINANCE & ACCOUNTING



TABLE OF CONTENTS



FISCAL YEAR ENDED JUNE 30, 2022

INTRODUCTORY SECTION

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

FINANCIAL SECTION

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

BASIC FINANCIAL STATEMENTS

Government-wide Statements:

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

Fund Financial Statements:

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

REQUIRED SUPPLEMENTARY INFORMATION

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

SUPPLEMENTARY INFORMATION

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

TABLE OF CONTENTS



FISCAL YEAR ENDED JUNE 30, 2022

STATISTICAL SECTION (UNAUDITED)

District-Wide Net Position..... 61

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

Fund Balances of Governmental Funds 63

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

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

Direct and Overlapping Tax Districts 66

Principal Property Taxpayers 67

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

Ratios of Outstanding Debt by Type 69

Outstanding Overlapping General
Obligation Indebtedness 70

Utility Fund Net Pledged Revenues..... 71

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

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

Statutory Debt Limitation..... 74

Demographic Statistics..... 75

Principal Employers 76

Position and Full Time Equivalent
Personnel Summary 77

User Statistics..... 78

Budgeted Facility Fees per parcel..... 79

Water and Sewer Single Family Base Rates 80

Water Sold by Customer Type..... 81

COMPLIANCE SECTION

Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of
Financial Statements Performed in Accordance with
Government Auditing Standards 83



INTRODUCTORY SECTION



December 14, 2022

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

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

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

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

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

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

Profile of the District

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

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

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

Local Economic Condition and Outlook

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

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

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

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

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

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

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

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

Financial Initiatives

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

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

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

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

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

Awards

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

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

Acknowledgments

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

Indra S. Winqest
General Manager
Incline Village General Improvement District

Paul Navazio
Director of Finance
Incline Village General Improvement District



INCLINE VILLAGE AND CRYSTAL BAY COMMUNITIES

IVGID BOARD OF TRUSTEES

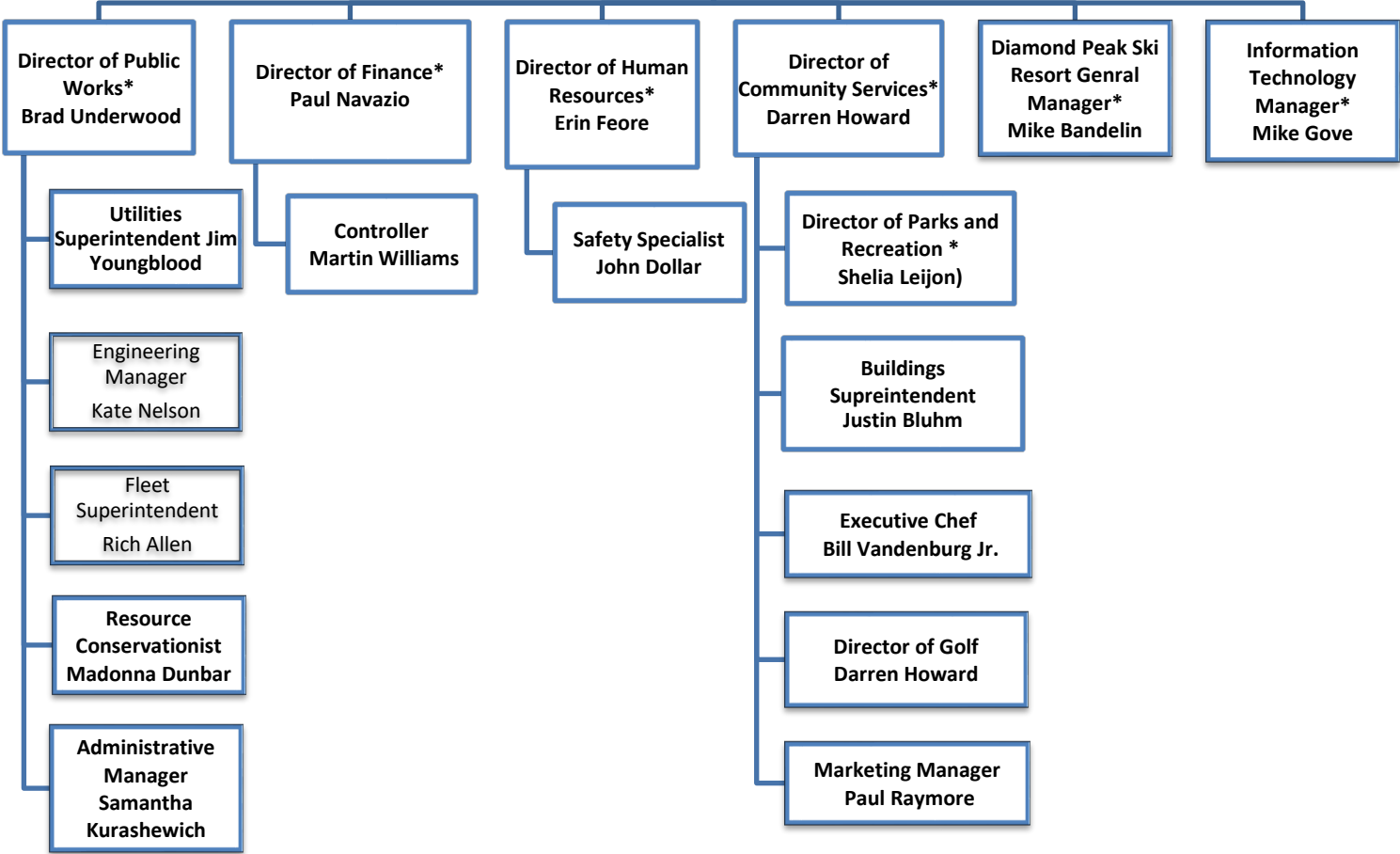
Tim Callicrate Matthew Dent Michaela Tonking Sara Schmitz Kendra Wong
 Term Expires 2022 Term Expires 2024 Term Expires 2024 Term Expires 2024 Term Expires 2022

District General Counsel*
(Contract Position)

General Manager*
Indra S. Winquest

Executive Assistant/District Clerk *
Susan Herron

Communications Coordinator
Kari Ferguson



* Members of the Senior Team



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Incline Village General Improvement District
Nevada**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

INCLINE VILLAGE
GENERAL IMPROVEMENT DISTRICT

FINANCIAL SECTION

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

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

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

Emphasis of Matters

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

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

Supplementary Information

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

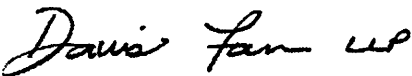
The *budgetary comparison schedules* are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the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

Other Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Irvine, California
December 5, 2022

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

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

FINANCIAL HIGHLIGHTS

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

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

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

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

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

This report also contains other Supplementary Information in addition to the basic financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District finances in a manner similar to a private-sector business.

The ***Statement of Net Position*** presents information on all of the District's assets and liabilities and deferred inflows/outflows of resources, with the difference reported as *net position*. Over time, increases or decreases, in net position, may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The ***Statement of Activities*** presents information showing how the District's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event occurs regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

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

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

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

Fund Financial Statements

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

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

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

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

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

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

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

Notes to the Financial Statements

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

Other Information

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

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

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

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

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

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

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

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

Incline Village General Improvement District Governmental Activities Revenues

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

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

IVGID Facility Fees

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

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

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

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

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

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

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

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

FINANCIAL ANALYSIS OF DISTRICT FUNDS

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

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

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

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

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

General Fund Budgetary Highlights

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

Selected highlights within the District's General Fund includes:

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

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

CAPITAL ASSET AND DEBT ADMINISTRATION

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

Incline Village General Improvement District Capital Assets, Net

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

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

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

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

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

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

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

REQUEST OF INFORMATION

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

INCLINE VILLAGE
GENERAL IMPROVEMENT DISTRICT

**BASIC FINANCIAL
STATEMENTS**

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

STATEMENT OF NET POSITION JUNE 30, 2022

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

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

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(Continued)

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

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

There were no noncash capital, financing, and investing activities

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS – INDEX

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

Assets:

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

Liabilities and Fund Equity:

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

Other:

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

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

B. Basic Financial Statements - Government-wide financial statements

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

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

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

C. Basic Financial Statements - Fund financial statements

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

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

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

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2022

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

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

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

The District uses the following funds:

Governmental Funds -

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

Proprietary Funds -

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

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

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

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

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

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2022

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

E. Budgets and Budgetary Accounting

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

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

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

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

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

F. Cash, Cash Equivalents and Investments

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

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2022

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

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

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

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

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

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

G. Receivables

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

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

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

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2022

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

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

H. Inventory and Prepaid Items

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

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

I. Restricted Assets

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

J. Capital Assets

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

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

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

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

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

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2022

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

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

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

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

K. Amortization of Bond Discounts

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

L. Compensated Absences and Accrued Personnel Costs

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

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

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

M. Deferred Outflows/Inflows of Resources

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

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

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2022

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

N. Unearned Revenue and Refundable Deposits

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

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

O. Long-Term Debt

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

P. Fund Balance

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

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

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

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

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2022

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

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

Q. Net Position

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

R. Estimates

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

S. Central Services Cost Allocation

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

T. Punch Cards Utilized

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

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2022

2. CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

Investments at June 30, 2022 consist of:

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

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

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

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

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

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2022

Fair Value Measurements as of June 30, 2022

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

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

Investment Maturities by Investment Type as of June 30, 2022

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

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

* Federally-insured bank CD's

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

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

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

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

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2022

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

3. RESTRICTED DEPOSITS

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

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

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

4. LEASES RECEIVABLE

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

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2022

5. CAPITAL ASSETS

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

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

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

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2022

5. CAPITAL ASSETS (continued)

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

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

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

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

6. COMPENSATED ABSENCES

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

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2022

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

7. UNEARNED REVENUE

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

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

8. INTERFUND ACCOUNTS AND TRANSFERS

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

9. LONG-TERM DEBT

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

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

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

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2022

Sewer CS32-0404 (G.O.)	08/01/06	01/01/26	2.73%	3,000,000	781,475	187,510
Water DW-1201 (G.O.)	03/16/12	01/01/32	2.39%	3,000,000	<u>1,710,966</u>	<u>153,391</u>
Total Utility Revenue Supported Debt					<u>\$2,992,390</u>	<u>\$569,407</u>
Total Debt – All Activities					<u>\$3,425,878</u>	<u>\$988,656</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>
2012 Recreation	\$ 769,000	\$ -	\$378,000	\$391,000	\$391,000
Bond discounts	(1,957)	-	(1,679)	(278)	(278)
PNC Equipment Lease	<u>78,537</u>	<u>-</u>	<u>35,771</u>	<u>42,766</u>	<u>28,527</u>
Governmental type total	<u>\$ 845,580</u>	<u>-</u>	<u>412,092</u>	<u>433,488</u>	<u>\$419,249</u>
Sewer C32-0204	247,360	-	121,751	125,609	125,609
Water IVGID-1	474,138	-	99,798	374,340	102,897
Sewer CS32-0404	963,978	-	182,503	781,475	187,510
Water DW-1201	<u>1,860,759</u>	<u>-</u>	<u>149,792</u>	<u>1,710,967</u>	<u>153,391</u>
Business Type Total	<u>3,546,235</u>	<u>-</u>	<u>553,844</u>	<u>2,992,391</u>	<u>569,407</u>
Total Debt	<u>\$4,391,815</u>	<u>\$ -</u>	<u>\$965,936</u>	<u>\$3,425,879</u>	<u>\$988,656</u>
By Bond Type:					
General Obligation	\$3,591,775	\$ -	\$708,616	\$2,883,161	\$731,901
Revenue	<u>721,498</u>	<u>-</u>	<u>221,549</u>	<u>499,949</u>	<u>228,506</u>
Total Debt	<u>\$4,313,275</u>	<u>-</u>	<u>\$930,165</u>	<u>\$3,383,110</u>	<u>\$960,407</u>

Future Debt Service Requirements as of June 30, 2022:

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

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

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2022

10. DISTRICT RETIREMENT BENEFIT PLANS

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

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

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

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

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

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

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

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2022

11. SCHEDULE OF INSURANCE COVERAGE AND RISK MANAGEMENT

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

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

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

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

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

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

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

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

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2022

12. PLEDGED REVENUE AND COVERAGE

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

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

13. CLAIMS PAYABLE

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

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

14. UNRESTRICTED FUNDS

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

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

15. LEASE OBLIGATIONS

Revenue:

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

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2022

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

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

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

Expenses:

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

16. DUE TO OTHER GOVERNMENTS

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

17. COMMUNITY SERVICES AND BEACH FUNDS

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

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

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2022

18. COMMITMENTS AFFECTING FUTURE PERIODS

General Fund:

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

Capital Improvement Project Budget Carry-Forward:

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

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

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

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

19. STATE OF NEVADA TAX ABATEMENTS AFFECTING DISTRICT REVENUES

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

20. PRIOR PERIOD ADJUSTMENT(S)

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

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

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2022

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

INCLINE VILLAGE
GENERAL IMPROVEMENT DISTRICT

**REQUIRED
SUPPLEMENTARY
INFORMATION**

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

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

See notes to required supplementary information

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

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

See notes to required supplementary information

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

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

See notes to required supplementary information

INCLINE VILLAGE
GENERAL IMPROVEMENT DISTRICT

**SUPPLEMENTARY
INFORMATION**

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

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

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

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

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

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

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

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

INCLINE VILLAGE
GENERAL IMPROVEMENT DISTRICT

**STATISTICAL SECTION
(UNAUDITED)**

STATISTICAL SECTION (UNAUDITED)

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

CONTENTS

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

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

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

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

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

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

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

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

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

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

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

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

2018 is restated for Prior Period Adjustment.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

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

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

2018 is restated for Prior Period Adjustment.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

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

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

SOURCE: State of Nevada Department of Taxation

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Direct and Overlapping Tax Districts

Last Ten Fiscal Years Ended June 30 (unaudited)

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

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

SOURCE: Washoe County Assessors Office

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

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

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
2022	\$ 608,399	\$ 606,530	99.69%	\$ 1,870	\$ 606,530	99.69%
2021	572,652	570,187	99.57%	3,057	567,124	99.03%
2020	535,123	532,811	99.57%	2,312	535,123	100.00%
2019	500,623	498,311	99.55%	1,817	500,128	99.90%
2018	473,365	471,229	99.55%	1,745	472,974	99.92%
2017	452,327	449,930	99.47%	2,295	452,225	99.98%
2016	440,185	438,074	99.52%	2,093	440,167	100.00%
2015	424,115	421,125	99.30%	2,983	424,108	100.00%
2014	411,260	407,469	99.08%	3,787	411,256	100.00%
2013	411,058	405,977	98.76%	5,075	411,052	100.00%

SOURCE: Washoe County Comptroller's Office

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

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

Fiscal 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					
2022	\$ 391,000	\$ -	\$ 391,000	\$ 499,949	\$ 2,492,442	\$ 2,992,391	\$ 3,383,391	0%	100%	9462	\$ 358
2021	769,000	-	769,000	721,499	2,824,734	3,546,233	4,315,233	0%	100%	9462	456
2020	1,137,000	-	1,137,000	936,301	3,148,637	4,084,938	5,221,938	0%	100%	9087	575
2019	1,498,000	-	1,498,000	1,144,565	3,464,361	4,608,926	6,106,926	0%	100%	9087	672
2018	1,848,000	-	1,848,000	1,346,488	3,772,116	5,118,604	6,966,604	0%	100%	9087	767
2017	2,190,000	845,000	3,035,000	1,542,263	4,072,102	5,614,365	8,649,365	0%	100%	9087	952
2016	2,523,000	1,635,000	4,158,000	1,732,078	4,364,517	6,096,595	10,254,595	0%	100%	9087	1,128
2015	2,847,000	2,395,000	5,242,000	1,916,115	4,649,552	6,565,667	11,807,667	0%	100%	9087	1,299
2014	3,901,000	3,125,000	7,026,000	2,094,548	4,927,395	7,021,943	14,047,943	0%	100%	9087	1,546
2013	4,925,000	3,825,000	8,750,000	2,267,548	5,198,228	7,465,776	16,215,776	0%	100%	9087	1,785

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

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

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

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

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

Applicable Net Debt June 30:

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

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

SOURCE: Washoe County Comptrollers Office and Nevada Department of Taxation

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

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Utility Fund Net Pledged Revenues

Last Ten Fiscal Years (unaudited)

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

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

Debt service represents all outstanding debt of the Utility departments.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

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

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

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

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

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

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

SOURCE: Incline Village General Improvement District Comprehensive Annual Financial Reports

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Statutory Debt Limitation Last Ten Fiscal Years (unaudited)

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

SOURCE: State of Nevada Department of Taxation

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Demographic Statistics

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

1 Based on actual Census Data

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

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

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

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

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

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

Data for all years is not available.

Data for percentage to total employment is not available.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

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

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

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

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

User Statistics, Last Ten Fiscal Years

Total number of users (unaudited)

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

SOURCE: Incline Village General Improvement District

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

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

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

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

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

SOURCE: Incline Village General Improvement District

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

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

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

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

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

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

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

Source: IVGID Utilities Billing Department

INCLINE VILLAGE
GENERAL IMPROVEMENT DISTRICT

COMPLIANCE SECTION

December 5, 2022

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

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

In planning and performing our audit of the basic financial statements of the Incline Village General Improvement District (IVGID) as of and for the year ended June 30, 2022 in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, we considered IVGID's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of IVGID's internal control over financial reporting.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Incline Village General Improvement District (District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 30, 2022.

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

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

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

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

2022-001 Journal Entries Detected During the Audit

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

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

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

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

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

Recommendation

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

Management's Response Regarding Corrective Action Taken or Planned

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

2022-002 Physical Inventory Observation

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

Recommendations

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

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

2022-003 Timely Preparation of Bank Reconciliations

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

Recommendations

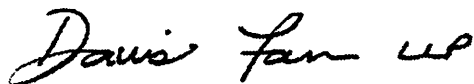
We recommend that bank reconciliations should be performed on all bank accounts no later than 30 days following each month end.

Management's Response Regarding Corrective Action Taken or Planned

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

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

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



Irvine, California
December 5, 2022



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

893 Southwood Blvd., Incline Village, NV 89451

(775) 832-1100

www.YourTahoePlace.com

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

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

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

Emphasis of Matters

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

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

Supplementary Information

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

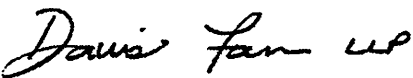
The *budgetary comparison schedules* are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the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

Other Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Irvine, California
December 5, 2022

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Audit Communications

Year ended June 30, 2022

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Audit Communications

Year ended June 30, 2022

TABLE OF CONTENTS

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

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

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

Our Responsibility in Relation to the Financial Statement Audit

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

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of IVGID solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

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

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

Planned Scope and Timing of the Audit

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

Compliance with All Ethics Requirements Regarding Independence

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

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

Significant Risks Identified

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

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

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

Significant Accounting Estimates

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

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

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

Financial Statement Disclosures

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

Significant Unusual Transactions

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

Identified or Suspected Fraud

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

Significant Difficulties Encountered during the Audit

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

Uncorrected and Corrected Misstatements

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

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

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

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

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

Disagreements with Management

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

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

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

Representations Requested from Management

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

Management's Consultations with Other Accountants

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

Other Information Included in Annual Comprehensive Financial Report

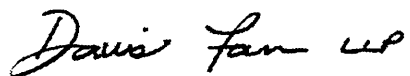
Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included in IVGID's Annual Comprehensive Financial Report, does not extend beyond the information identified in the audit report, and we are not required to perform any procedures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

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

Other Significant Matters, Findings, or Issues

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

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



Irvine, California
December 5, 2022

December 5, 2022

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

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

In planning and performing our audit of the basic financial statements of the Incline Village General Improvement District (IVGID) as of and for the year ended June 30, 2022 in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, we considered IVGID's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of IVGID's internal control over financial reporting.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Incline Village General Improvement District (District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 30, 2022.

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

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

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

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

2022-001 Journal Entries Detected During the Audit

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

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

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

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

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

Recommendation

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

Management's Response Regarding Corrective Action Taken or Planned

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

2022-002 Physical Inventory Observation

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

Recommendations

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

Management's Response Regarding Corrective Action Taken or Planned

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

2022-003 Timely Preparation of Bank Reconciliations

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

Recommendations

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

Management's Response Regarding Corrective Action Taken or Planned

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

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

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

Irvine, California
December 5, 2022

December 5, 2022

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

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

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

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

Financial Statements

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



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

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

Government-specific


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


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

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

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

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

Signature: 
Title: General Manager

Signature: 
Title: DIRECTOR OF FINANCE

Audit Difference Evaluation Form

Entity: Incline Village General Improvement District

Balance Sheet Date: June 30, 2022

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

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