

## MEMORANDUM

**TO:** Board of Trustees

**THROUGH:** Indra Winqest  
General Manager

**FROM:** Paul Navazio  
Director of Finance

**SUBJECT:** Transmittal of District's Annual Comprehensive Financial Report for the Fiscal Year ended June 30, 2021 and Related Audit Report(s) (Director of Finance Paul Navazio and Jennifer Farr, Partner, Davis Farr, LLP).

**DATE:** December 14, 2021

---

### **I. BACKGROUND**

This agenda item serves to transmit to the Board of Trustees the District's final Annual Comprehensive Financial Report for the Fiscal Year ended June 30, 2021, 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, Davis Farr, LLP:

- Audit Opinion – Independent Auditor's Report
- Audit Communications:
  - 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*
  - New Accounting Standards Not Yet Effective

### **II. DISCUSSION**

This agenda item presents District's Final Annual Comprehensive Financial Report for the Fiscal Year ended June 30, 2021, to include the results of the audit

conducted by the District's independent auditor, 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, 2021.
- In their *Report on Internal Control Over Financial Reporting and on Compliance and Other Matters*, the District's Independent Auditor has identified:
  - Two areas of "material weakness":
    - 2021-001 – Material Adjusting Journal Entries, and
    - 2021-002 – Capital Assets
  - Two areas of "significant deficiencies":
    - 2021-003 Vendor Contracts and
    - 2021-004 Update Signature Cards
  - Selected other recommendations on items that do not rise to the level of material weakness or significant deficiencies. The report includes the auditor's recommendations for addressing each of these identified deficiencies as well as management's response to each of the audit recommendations.

### *FINANCIAL HIGHLIGHTS*

Financial highlights based on Government-wide Financial Statements, for the year ended June 30, 2021:

- The District's net position as of June 30, 2021 was \$159.93 million and reflects an increase in net position of \$1.97 million over the prior year. Of this amount, a total of \$41.31 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 \$3.68 million (to \$82.95 million) and the net position of the District's business-type activities decreased by \$1.71 million (to \$76.99 million).



Incline Village General Improvement District  
Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>Revenues</b>						
Program Revenues:						
Charges for services	\$ 17,060,831	\$ 17,216,811	\$ 12,831,060	\$ 12,564,466	\$ 29,891,891	\$ 29,781,277
Operating Grants	18,440	17,000	39,857	-	58,297	17,000
Capital Grants and contributions	88,505	1,637,399	-	-	88,505	1,637,399
General Revenues:						
Ad valorem taxes	1,812,958	1,722,895	-	-	1,812,958	1,722,895
Consolidated taxes	1,888,448	1,719,933	-	-	1,888,448	1,719,933
Facility Fees	6,537,641	6,740,884	-	-	6,537,641	6,740,884
Unrestricted Investment income	73,594	587,208	33,681	298,225	107,275	885,433
Other	127,897	384,429	-	(22,332)	127,897	362,097
<b>Total Revenues</b>	<b>27,608,314</b>	<b>30,026,559</b>	<b>12,904,598</b>	<b>12,840,359</b>	<b>40,512,912</b>	<b>42,866,918</b>
<b>Expenses</b>						
General Government	2,887,892	4,098,969	-	-	2,887,892	4,098,969
Utilities	-	-	11,449,802	11,495,874	11,449,802	11,495,874
Community Services	18,996,222	19,596,517	-	-	18,996,222	19,596,517
Beach	2,186,645	2,010,652	-	-	2,186,645	2,010,652
<b>Total Expenses</b>	<b>24,070,759</b>	<b>25,706,138</b>	<b>11,449,802</b>	<b>11,495,874</b>	<b>35,520,561</b>	<b>37,202,012</b>
Excess Revenue (Expenses)	3,537,555	4,320,421	1,454,796	1,344,485	4,992,351	5,664,906
Transfers In (Out)	-	(45,000)	-	45,000	-	-
<b>Changes in Net Position</b>	<b>3,537,555</b>	<b>4,275,421</b>	<b>1,454,796</b>	<b>1,389,485</b>	<b>4,992,351</b>	<b>5,664,906</b>
Beginning Net Position, as reported	79,265,885	75,655,473	78,697,763	77,308,278	157,963,648	152,963,751
Prior Period Adjustment	142,617	(665,009)	(3,166,966)	-	(3,024,349)	(665,009)
Beginning Net Position, as adjusted	79,408,502	74,990,464	75,530,797	77,308,278	154,939,299	152,298,742
<b>Ending Net Position</b>	<b>82,946,057</b>	<b>79,265,885</b>	<b>76,985,593</b>	<b>78,697,763</b>	<b>159,931,650</b>	<b>157,963,648</b>

- The District's General Fund reported an ending fund balance, as of June 30, 2021, of \$5.73 million, representing an increase of \$1.10 million over the prior year. Of this amount, a total \$3.79 million represents the unassigned fund balance.
- The District's Community Services Special Revenue Fund ended the year with a fund balance of \$15.97 million, reflecting an increase of \$0.69 million from the prior year; the Beach Special Revenue Fund ended the year with a fund balance of \$2.38 million, reflecting a decrease of \$0.21 million from the prior year. The entire fund balance within the District's Community Services and Beach Special Revenue funds are committed for future use to support the District's recreational programs and facility improvements.
- As of June 30, 2021 the District had total bond debt outstanding of \$4.31 million including Utility Revenue Bonds outstanding of \$3.55 million and Recreation Bonds outstanding totaling \$0.77 million. The District retired \$0.91 million in bond principal during the fiscal year.

*Audit Committee Review*

Consistent with the audit work plan, a draft of the financial statements and auditor's reports were presented to the Audit Committee at their meeting of November 17, 2021. The final Annual Comprehensive Financial Report for the Fiscal Year ended



June 30, 2021 and final audit opinion and related audit communications were then presented to the Audit Committee at their meeting of December 8<sup>th</sup>.

Based on discussion and feedback from the Audit Committee, several adjustments have been incorporated into the final Annual Comprehensive Financial Report. These adjustments include:

- A prior year adjustment to write-off capitalized costs associated with the Effluent Export Pipeline Project, per the Audit Committee's recommendation.
- Revisions to capital asset write-offs included in the draft financial statements presented to the Committee in November.
- Revisions to the Management Responses to the Auditor's Report on Internal Controls Over Financial Reporting – to include responses to each audit recommendation.
- Incorporating reference to the Auditor's two material weaknesses in the Transmittal Letter.

#### *SIGNIFICANT REVISIONS FROM DRAFT FINANCIAL STATEMENTS*

The Audit Committee received the District's draft Annual Comprehensive Financial Report at its meeting of November 17<sup>th</sup>. Based on the Committee's discussion and feedback, as well as additional review of selected items by management and the auditor, several revisions have been incorporated into the District's final Annual Comprehensive Financial Report, and are summarized as follows:

*Effluent Export Pipeline Project* – The Audit Committee has requested that a portion of costs capitalized in prior fiscal years related to the Effluent Export Pipeline project be expensed. Specifically, in their report to the Board of Trustees dated February 10, 2021, the Committee recommended that \$3.179 in capitalized costs be written-off as not meeting criteria for capitalization. (See attachment 5). While management as well as the District's auditors had determined that these costs were properly capitalized in prior financial statements, the final Annual Comprehensive Financial Statements for the period ending June 30, 2021 includes a prior-year adjustment to write-off these amounts

*Adjustment to Capital Asset Write-offs Included in Draft Financial Statements* – Following a discussion at the November 17<sup>th</sup> Audit Committee meeting, Management reviewed the list of capital assets that had been identified by the auditors as candidates for write-off and provided the auditors with additional information that has resulted in a modification to the original capital asset write-off list. As a result, the final audited financial statements reflect a revised write-off of



capital assets (excluding the Effluent Export Pipeline) of \$167,751, resulting from a total of \$1.2 million in value at cost, net of \$1.03 million in accumulated depreciation.

It should be noted, that due to the addition of the write-off of costs associated with the Effluent Export Pipeline Project, as discussed above, the total capital asset write-offs included in the District's financial statements rose to a materiality threshold that required re-posting all capital asset adjustments as prior-year adjustments. This change in treatment of capital asset write-offs has been reflected in the financial statements presented in the final Annual Comprehensive Financial Report for the period ending June 30, 2021.

*Revisions /Additions to Management Responses - Recommendations included in the Audit Report*

The draft Annual Comprehensive Financial Report presented to the Audit Committee on November 17<sup>th</sup> included draft Management Responses, as required, to findings and recommendations related to material weaknesses (2021-001 and 2021-002) and significant deficiencies (2021-003 and 2021-004).

The final report includes updated management responses to the findings related to adjusting journal entries related to capital assets (2021-001 and 2021-002), related to the revisions referenced above. In addition, per request of the Audit Committee, management has provided responses to the audit recommendations under items 2021-005, 2021-006, and 2021-007, for which responses are not technically required, but have been included as supplemental information.

*NEXT STEPS*

Per NRS requirements (354.624), the District is required complete the audit within five months of the end of the fiscal year (November 30<sup>th</sup>), and present it to the governing Board within 30 days (December 30<sup>th</sup>). Immediately following presentation to the governing board the Annual Comprehensive Financial Report, audit report, and management 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. The Audit Committee has scheduled a special meeting on December 16<sup>th</sup> to discuss their report to the Board of Trustees.

Attachments:

1. Annual Comprehensive Financial Report for the Fiscal Year ended June 30, 2021.
2. Management Representation Letter, dated December 3, 2021
3. Audit Opinion (Davis Farr, LLP)
4. Required Audit Communications (Davis Farr, LLP)
5. Excerpt – Audit Committee Report to Board of Trustees, dated February 10, 2021





# ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2021

PREPARED BY: DEPARTMENT OF FINANCE & ACCOUNTING



GENERAL IMPROVEMENT DISTRICT  
ONE DISTRICT ~ ONE TEAM



## TABLE OF CONTENTS



FISCAL YEAR ENDED JUNE 30, 2021

### INTRODUCTORY SECTION

Letter of Transmittal.....	1
List of Elected Officials .....	4
Organization Chart .....	4

### FINANCIAL SECTION

Independent Auditor's Report .....	6
Management's Discussion and Analysis .....	9

### BASIC FINANCIAL STATEMENTS

#### Government-wide Statements:

Statement of Net Position.....	17
Statement of Activities.....	18

#### Fund Financial Statements:

Governmental Funds Balance Sheet .....	19
Reconciliation of Balance Sheet for Governmental Funds to the Government-wide Statement of Net Position .....	20
Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances .....	21
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances for Governmental Funds to the Government-wide Statement of Activities .....	22
Proprietary Funds Statement of Net Position .....	23
Proprietary Funds Statement of Revenues, Expenses and Changes in Net Position .....	24
Proprietary Funds Statement of Cash Flows .....	25
Notes to Financial Statements.....	27

### REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Employer Required Contributions to Defined Contribution Multi-Employer Plans .....	49
Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
General Fund.....	50
Community Services Special Revenue Fund .....	52
Beach Special Revenue Fund.....	54

### SUPPLEMENTARY INFORMATION

Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
Community Services Capital Projects Fund.....	57
Beach Capital Projects Fund.....	58
Community Services Debt Service Fund.....	59
Beach Debt Service Fund.....	60



## TABLE OF CONTENTS



FISCAL YEAR ENDED JUNE 30, 2021

### STATISTICAL SECTION (UNAUDITED)

Net Position (by Activity Type).....	62
Changes in Net Position (by Activity Type).....	63
Fund Balances of Governmental Funds.....	64
Changes in Fund Balances of Governmental Funds.....	65
Assessed and Estimated Actual Value of Taxable Property.....	66
Direct and Overlapping Tax Districts.....	67
Principal Property Taxpayers.....	68
Tax Levies, Collections and Delinquencies—Washoe County as a whole.....	69
Ratios of Outstanding Debt by Type.....	70
Outstanding Overlapping General Obligation Indebtedness.....	71
Utility Fund Net Pledged Revenues.....	72
Community Services and Beach Fund Net Pledged Revenues.....	73
Ratio of Annual Debt Service Expenditures to Governmental and Business Type Expenditures/Expenses.....	74
Statutory Debt Limitation.....	75
Demographic Statistics.....	76
Principal Employers.....	77
Position and Full Time Equivalent Personnel Summary.....	78
User Statistics.....	79
Budgeted Facility Fees per parcel.....	80
Water and Sewer Single Family Base Rates.....	81
Water Sold by Customer Type.....	82

### 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.....	84
--	----



# INTRODUCTORY SECTION





December 3, 2021

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

The Incline Village General Improvement District (the District) hereby submits the Annual Comprehensive Financial Report (ACFR) for the year ended June 30, 2021. 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, 2021 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, 2021 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 83-88).

The Auditor's comments include material weakness in internal controls that lead to two adjusting entries determined by the auditors:

- The auditors reviewed all capital assets and determined \$4.35 million in original cost worth of assets should not have been capitalized. The net effect to the financial statements was \$3.25 million, including \$3.1 million in costs attributable to the District's Effluent Export Pipeline project that prior audits had determined were appropriately capitalized.
- The auditors determined a transfer of \$537,835 was needed to correct a negative cash balance in the Community Services Capital Projects fund.

The auditors noted a significant deficiency in internal controls related to professional service contracts not determined through the competitive bid process. Other deficiencies noted by the auditors include bank signature cards not being updated on a timely basis when employees leave service with the District, temporary meter deposits being held instead of deposited, network user accounts not being reviewed at time of employee separation from the District, and a lack of fire suppression in the server room. Management has provided responses to both the auditors' findings and recommendations.

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 9,000 residents.

The District is governed by a five-member Board of Trustees elected by residents of Incline Village and Crystal Bay to serve staggered four-year terms. In accordance with the enabling legislation, the District provides water, waste water, and solid waste services within its boundaries, as well as various recreational amenities including downhill skiing/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 100,000 skiers visits, 35,000 rounds of golf, and 210,000 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 2019 indicates the combined room occupancy rate increased 6.3% from last year.

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

The 2020 census population of 9,462 reflects an 4% decrease since 2010. The median housing value at June 30, 2021 for single family residence and condo sales for Incline Village and Crystal Bay were \$2,025,000 and \$797,000, respectfully, representing a 5.6% increase on residence and a 3.2% increase on condos over last year. For the entire Washoe County the values were \$596,000 and \$272,070 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 2021 unemployment rate of 4.9% is well under the State rate at 7.8%, and is below the national level at 5.9%. These unemployment rates reflect a significant increase over unemployment rates reported in 2020 largely due to the economic impacts of the COVID-19 pandemic.

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

The 2004 Legislature passed Assembly Bill 489 to provide property tax relief which provides a partial abatement of taxes by applying a 3% cap on the tax bill of the owner's primary residence and a higher cap on the tax bill of other properties beginning with the 2005/2006 tax roll in Washoe County. For the fiscal year 2021 the abatement was \$41,360 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 District is responsible for refunding an estimated \$1,359,757. These funds have thus been restricted within the District's General Fund.

#### **Financial Initiatives**

The Board of Trustees establishes policy and direction, within the framework of the District Strategic Plan and its Long Range Principles. The 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. While using the Special Revenue, Capital Projects and Debt Service Fund types the District's financial statements arguably demonstrate how fees and charges collected support operations, capital and debt obligations, a return to Enterprise Fund accounting is expected to better support the



District's objective of establishing pricing policies aimed at recovering the full cost of operating District recreational venues, including the costs of capital assets and debt.

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 \$35 - \$45 million. Currently, the District is collecting \$2.0 million per year from utility rate charges for this project. The Board has yet to determine, however, if the project will ultimately be funded with existing resources (pay-as-you-go), or through issuance of utility revenue bonds. A decision on preferred financing plan is expected to inform the District's utility rate study currently being completed. The last increases in water and sewer rates were effective in May, 2019. In part due to the uncertainty associated with the COVID-19 pandemic (and its economic impacts to our residents) the Board did not enact the proposed water and sewer rate increases scheduled to take effect in May, 2020.

Policy Direction related to District's Recreation and Beach Facility Fees. The fiscal year 2021 marks the twelfth year in which the combined fee charged to the majority of parcel owners within the District remained set at \$830 per dwelling unit equivalent. This practice is consistent with the District's objective of long-term financial planning and fiscal stability. 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, 2020. The District expects to be granted this award for the prior annual report, which would be the twentieth 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.

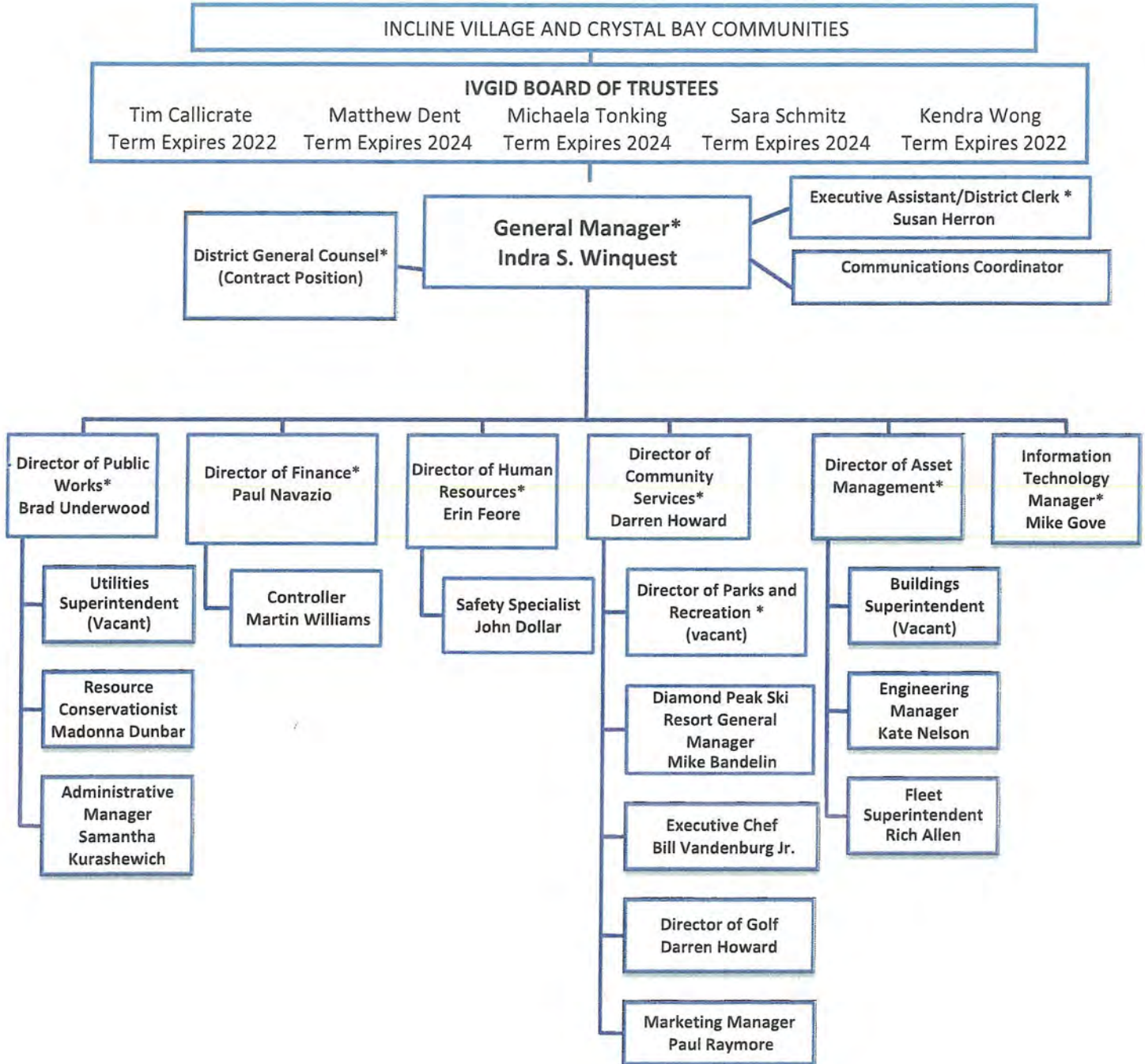
A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Financial Comprehensive Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

#### 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. Winquest  
General Manager  
Incline Village General Improvement District

Paul Navazio  
Director of Finance  
Incline Village General Improvement District



\* Members of the Senior Team



INCLINE VILLAGE  
GENERAL IMPROVEMENT DISTRICT

**FINANCIAL SECTION**

## **Independent Auditor's Report**

Board of Trustees  
Incline General Improvement District  
Incline Village, Nevada

### **Report on the Financial Statements**

We have audited the accompanying 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, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



## **Opinions**

In our opinion, the financial statements referred to above 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 Incline Village General Improvement District, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows and the statement of revenues for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

The financial statements for the year ended June 30, 2021 reflect certain prior period adjustments as described further in note 21 to the financial statements. Our opinion is not modified with respect to this matter.

## **Report on Summarized Comparative Information**

The financial statements of Incline Village General Improvement District for the year ended June 30, 2020 were audited by other auditors whose report dated January 22, 2021 expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of the year ended June 30, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

## **Other Matters**

### *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, 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.

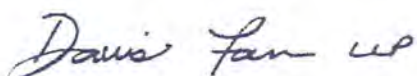
### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Incline Village General Improvement District's basic financial statements. The *introductory section* and the *statistical section* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The *introductory section* and the *statistical section* have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2021 on our consideration of the Incline Village General Improvement 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 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 Incline Village General Improvement District's internal control over financial reporting and compliance.



Irvine, California  
December 3, 2021



**Incline Village General Improvement District  
Management's Discussion and Analysis  
For the Fiscal Year ended June 30, 2021**

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, 2021. 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, 2021:

- The District's net position as of June 30, 2021 was \$159.93 million and reflects an increase in net position of \$1.97 million over the prior year. Of this amount, a total of \$41.31 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 \$3.68 million (to \$82.95 million) and the net position of the District's business-type activities decreased by \$1.71 million (to \$76.99 million).
- The District's General Fund reported an ending fund balance, as of June 30, 2021, of \$5.73 million, representing an increase of \$1.10 million over the prior year. Of this amount, a total \$3.79 million represents the unassigned fund balance.
- The District's Community Services Special Revenue Fund ended the year with a fund balance of \$15.97 million, reflecting an increase of \$0.69 million from the prior year; the Beach Special Revenue Fund ended the year with a fund balance of \$2.38 million, reflecting a decrease of \$0.21 million from the prior year. The entire fund balance within the District's Community Services and Beach Special Revenue funds are committed for future use to support the District's recreational programs and facility improvements.
- As of June 30, 2021 the District had total bond debt outstanding of \$4.31 million including Utility Revenue Bonds outstanding of \$3.55 million and Recreation Bonds outstanding totaling \$0.77 million. The District retired \$0.91 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.



**Incline Village General Improvement District  
Management's Discussion and Analysis  
For the Fiscal Year ended June 30, 2021  
(Continued)**

Both of the government-wide financial statements (*Statement of Net Position* and *Statement of Activities*) distinguish functions of the District as either governmental activities or business-type activities. The governmental activities of the District include administration, recreation and internal service activities. These are supported by general tax revenues, facilities fees assessed on properties within the District as well as charges for services. The business-type activities of the District include utility (water, sewer and solid waste) activities that reflect enterprise operations where a fee for service typically covers all or most of the costs of operations including depreciation and debt service.

**Fund Financial Statements**

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

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

The District maintains multiple governmental funds. Information is presented separately in the governmental fund financial statements for the General Fund, Community Services Special Revenue fund, Community Services Capital Projects and Community Services Debt Service funds, as well as the Beach Special Revenue, Beach Capital Projects and Beach Debt Service funds.

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

The District adopts an annual budget for each of its governmental funds. A budgetary comparison is provided in order to demonstrate compliance with the approved budget. The budgetary comparison for the District's General Fund and Special Revenue Funds is provided as part of the basic financial statements. Budget comparisons for each of the individual governmental funds are provided as part of the Supplemental Information section of the ACFR.

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

**Notes to the Financial Statements**

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

**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



**Incline Village General Improvement District  
Management's Discussion and Analysis  
For the Fiscal Year ended June 30, 2021  
(Continued)**

fund and function level. The supplementary information provides schedules to report revenue and expenditure results according to the format required by the State of Nevada Department of Taxation, Local Government Division. In addition, selected statistical information is provided on a five or ten-year basis, as available, for trend and historical analysis. This information addresses a number of the major revenue sources of the District including the Recreation and Beach Facility Fee.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The District's assets exceeded liabilities and deferred inflows of resources by \$159.93 million at June 30, 2021. The largest portion of net position (73.9%) reflects net investment in capital assets (e.g., land, buildings, equipment, construction in progress less accumulated depreciation and bonds that are still outstanding). The District uses these capital assets to provide services to citizens; therefore, they are not available for future spending. Although the investment in capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since capital assets cannot be used to liquidate these liabilities.

**Incline Village General Improvement District  
Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>Assets</b>						
Current and Other Assets	\$ 31,152,565	\$ 25,052,597	\$ 17,362,324	\$ 14,656,639	\$ 48,514,889	\$ 37,709,236
Long Term Assets	142,727	3,983,781	324,306	1,859,956	467,033	5,843,737
Net Capital Assets	38,782,233	58,797,647	63,685,660	67,287,303	122,467,893	126,084,950
Total assets	90,077,523	85,834,025	81,372,290	83,803,898	171,449,815	169,637,923
<b>Liabilities</b>						
Current Liabilities	6,742,425	5,561,428	1,414,356	1,559,904	8,156,781	7,121,332
Long Term Liabilities	389,043	763,685	2,972,341	3,546,231	3,361,384	4,309,916
Total liabilities	7,131,468	6,325,113	4,386,697	5,106,135	11,518,165	11,431,248
<b>Deferred Inflows of Resources</b>						
Deferred Inflow		243,026				243,026
<b>Net Position</b>						
Net investment in capital assets	58,015,190	57,665,962	60,139,428	63,202,365	118,154,618	120,868,327
Restricted	142,727	142,135	324,306	322,895	467,033	465,030
Unrestricted	24,788,140	21,457,789	16,521,859	15,172,503	41,309,999	36,630,292
Total net position	\$ 82,946,057	\$ 79,265,886	\$ 76,985,593	\$ 78,697,763	\$ 159,931,650	\$ 157,963,649

**Incline Village General Improvement District  
Change in Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>Revenues</b>						
Program Revenues:						
Charges for services	\$ 17,060,831	\$ 17,216,811	\$ 12,831,060	\$ 12,564,466	\$ 29,891,891	\$ 29,781,277
Operating Grants	18,440	17,000	39,857	-	58,297	17,000
Capital Grants and contributions	88,505	1,637,399	-	-	88,505	1,637,399
General Revenues:						
Ad valorem taxes	1,812,958	1,722,895	-	-	1,812,958	1,722,895
Consolidated taxes	1,888,448	1,719,935	-	-	1,888,448	1,719,935
Facility Fees	6,537,641	6,740,884	-	-	6,537,641	6,740,884
Unrestricted Investment income	73,594	587,208	33,681	298,225	107,275	885,435
Other	127,897	384,429	-	(22,332)	127,897	362,097
<b>Total Revenues</b>	27,608,314	30,026,559	12,904,598	12,840,359	40,512,912	42,866,918
<b>Expenses</b>						
General Government	2,887,892	4,098,969	-	-	2,887,892	4,098,969
Utilities	-	-	11,449,802	11,495,874	11,449,802	11,495,874
Community Services	18,996,222	19,596,517	-	-	18,996,222	19,596,517
Beach	2,186,645	2,010,652	-	-	2,186,645	2,010,652
<b>Total Expenses</b>	24,070,759	25,706,138	11,449,802	11,495,874	35,520,561	37,202,012
Excess Revenue (Expenses)	3,537,555	4,320,421	1,454,796	1,344,485	4,992,351	5,664,906
Transfers In (Out)	-	(45,000)	-	45,000	-	-
<b>Changes in Net Position</b>	3,537,555	4,275,421	1,454,796	1,389,485	4,992,351	5,664,906
Beginning Net Position, as reported	79,265,885	75,655,473	78,697,763	77,308,278	157,963,648	152,963,751
Prior Period Adjustment	142,617	(665,009)	(3,166,960)	-	(3,024,349)	(665,009)
Beginning Net Position, as adjusted	79,408,502	74,990,464	75,530,797	77,308,278	154,939,299	152,298,742
<b>Ending Net Position</b>	82,946,057	79,265,885	76,985,593	78,697,763	159,931,650	157,963,648

**Incline Village General Improvement District  
Management's Discussion and Analysis  
For the Fiscal Year ended June 30, 2021  
(Continued)**

Governmental activities increase the district's net position by \$3.68 million for fiscal year 2021. This increase was primarily due to the allocation of \$3.2 million in facility fee to the Beach Capital Projects fund for future capital projects. This resulted in a net increase of \$1.95 million for the Beach Capital Projects fund for the year. The Community Services Special Revenue fund gained \$0.7 million in net position. The difference in net position is from the loss to Community Services Capital Projects fund and gains in the General Fund.

Revenues through June 30, 2021 across all governmental activities fell short of budget by approximately \$0.4 million. However, expenditures were below budget by approximately \$7.6 million, primarily from personnel costs and supplies and services reductions from limited services provided during COVID-19 pandemic.

Total governmental activity revenue overall decreased approximately \$2.4 million year-to-year due to a lack of capital grants in the current fiscal year.

For the District's government-wide financial statements for fiscal year 2021, revenues and expenditures within its Internal Services funds are excluded as these costs are included in the other governmental and business-type functions supported by the Internal Services functions.

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

	2021		2020	
Property taxes	\$ 1,812,958	7%	\$ 1,722,896	6%
Combined taxes	1,888,448	7%	1,719,933	6%
Charges for Services -Community Services	16,221,278	59%	15,597,229	52%
Charges for Services - Beach	839,405	3%	1,619,582	5%
Facility Fees - Community Services	2,684,931	10%	5,774,067	19%
Facility Fees- Beach	3,852,710	14%	966,817	3%
Operating Grants	18,440	0%	17,000	0%
Capital Grants	88,505	0%	1,637,399	6%
Unrestricted investment earnings	73,594	0%	587,208	2%
Other revenues/sources	128,059	0%	339,429	1%
<b>Total general revenues</b>	<b>\$ 27,608,328</b>	<b>100%</b>	<b>\$ 29,981,560</b>	<b>100%</b>

The facility fee assessed on parcel owners is the most stable of the revenue streams for the District. The facility fee is assessed by the District for recreation and beach privileges and is collected by Washoe County Assessor's office through the real property quarterly billing process. For 2020-21 the District assessed \$2,684,931 in Community Services facility fees and \$3,852,710 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
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
2016-17	100	730	774,400	5,972,860	6,747,260

Total governmental activities include the General Fund which provides District wide administration, Internal Services, Recreation, Beach, capital projects and debt service. Expenditures in the General Fund increased



**Incline Village General Improvement District  
Management's Discussion and Analysis  
For the Fiscal Year ended June 30, 2021  
(Continued)**

slightly the previous year due primarily to increased personnel costs. These increases are primarily due to positions not filled in FY2020 per reduced services provided during in response to the COVID-19 pandemic.

Community Services Recreation expenditures reflect a decrease of 7.6% over prior year due primarily to capital project expenditures reduction from prior year of \$2,151,778. However, expenditures within the District's Beach activities reflect an increase from prior year in capital project expenditures due to work beginning on the Burnt Cedar Pool remodeling.

**Business-type activities:** Business-type activities increased their net position by \$1.32 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 decrease in net position results from the write-off of \$3.2 in net capital assets, primarily related to the District's Effluent Export Pipeline project. Capital expenditures for the year were \$3,053,119, while depreciation expense was \$3,264,581. Principal reduction on bonds was \$538,706.

#### **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 \$3,682,922 across all governmental funds may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the fiscal year, the District's General Fund fund balance increased to \$5,730,560, with \$582,459 non-spendable, and \$1,359,736 restricted for pending property tax settlement. This results in an unassigned fund balance as of June 30, 2021 of \$3,788,365. This compares favorably to the minimum fund balance policy of 4% of annual expenditures (or a minimum reserve level of \$116,911).

The District's recreational programming is conducted under two activities; they are Community Services and Beach. As a result of a deed restriction, a distinct constituency is served by the Beach fund and thus its inflows and outflows are measured separately to demonstrate compliance. The Community Services Special Revenue fund balance increased to \$15,966,798. The Beach Special Revenue fund balance decreased to \$2,380,224. Both of these Special Revenue funds ended the fiscal year with fund balances exceeding 25% of operating expenditures established by Board policy (or \$3.82 million and \$0.43 million, respectively). The fund balances 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 \$0.86 million for the fiscal year ended June 30, 2021.

Selected highlights within the District's General Fund includes:

- Revenues exceeding budget by \$451,408, with the single largest contributor being consolidated tax which ended the year \$222,192 above budget.
- General Fund expenditures for the year ended June 30, 2021 were \$2,922,799, or \$776,012 below budget (net of Central Services Overhead cost recover). Year-end expenditures were below budget for almost all General Fund-supported administrative functions, with the largest favorable budget variances in Human Resources, Accounting, and Communications.
- Capital Outlay expenditures within the General Fund were below budget by \$365,878.

**Incline Village General Improvement District  
Management's Discussion and Analysis  
For the Fiscal Year ended June 30, 2021  
(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, 2021 amounts to \$118,154,618 (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 4 to the financial statements.

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

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land - Governmental Activities	\$ 17,290,327	\$ 17,290,327	\$ -	\$ -	\$ 17,290,327	\$ 17,290,327
Construction in Progress - Governmental Activities	1,939,563	2,974,576	-	-	1,939,563	2,974,576
Land - Utility Activities	-	-	6,715,544	6,715,544	6,715,544	6,715,544
Construction in Progress - Utility Activities	-	-	1,035,834	1,607,772	1,035,834	1,607,772
Buildings and Improvements	828,251	919,213	-	-	828,251	919,213
Equipment and Vehicles	1,762,263	1,914,479	-	-	1,762,263	1,914,479
Internal services equipment furniture and fixtures	240,596	253,869	-	-	240,596	253,869
Utility service infrastructure	-	-	113,100,306	114,599,557	113,100,306	114,599,557
Utility buildings and improvements	-	-	15,959,753	15,596,832	15,959,753	15,596,832
Utility equipment, furniture and fixtures	-	-	3,797,362	3,882,229	3,797,362	3,882,229
Community services buildings and improvements	68,861,953	66,544,270	-	-	68,861,953	66,544,270
Community services equipment, furniture and fixtures	12,159,382	12,351,359	-	-	12,159,382	12,351,359
Beach buildings and improvements	4,680,034	4,936,463	-	-	4,680,034	4,936,463
Beach equipment, furniture and fixtures	529,560	610,457	-	-	529,560	610,457
Total Cost	108,291,929	107,795,013	140,608,799	142,401,934	248,900,728	250,196,947
Accumulated Depreciation	(49,509,696)	(48,997,366)	(76,923,139)	(75,114,631)	(126,432,835)	(124,111,997)
Capital Assets, Net	\$ 58,782,233	\$ 58,797,647	\$ 63,685,660	\$ 67,287,303	\$ 122,467,893	\$ 126,084,949

**Long-term debt:** At the end of the current fiscal year, the District had total bonded debt outstanding of \$4.31 million, including \$3.55 million in outstanding Utility Revenue Bonds and \$0.77 million in outstanding Recreation Bonds. Of the total amount of long-term debt outstanding, \$3.59 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, \$0.72 million, represents bonds secured solely by specified utility rate revenue sources.

Long-term liability activity for the year ended June 30, 2021 was as follows:

	Beginning Balance	New Issues	Principal Paid	Ending Balance
Governmental Type Activities:				
Bonds Payable;				
Recreation Revenue Supported	\$ 1,131,685	\$ -	\$ 364,642	\$ 767,043
Business Type Activities:				
Bonds Payable;				
Utility Revenue Supported	4,084,938	-	538,706	3,546,232
Total	\$ 5,216,623	\$ -	\$ 903,348	\$ 4,313,275

Readers desiring more information, with respect to the District's debt, should see Note 8 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, 2021  
(Continued)**

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

- The COVID-19 pandemic, which required curtailment of District program and operations starting on March 16, 2020, continues as a source of relative uncertainty into the current fiscal year. While the District's FY2021/22 annual budget includes conservative assumptions related to the direct impacts of the COVID-19 pandemic on availability and access to District venues, broader economic impacts of the prolonged pandemic on our residents and guests have the potential to further affect District finances in the near term as well providing uncertainty in terms of long-term return to "normal" operations.
- The District's primary revenue sources continue to be service charges from users, comprised of fees charged by venues at the point of service delivery and a standby charge paid by parcel owners via property tax bills to support availability of facility and services. The standby charge, known as the Facility Fee, is set annually by the Board of Trustees and provides critical funding in support of venue operations, capital improvements and debt. The Board continues to review and set the Facility Fee based on a multi-year capital improvement plan and informed by the District's Strategic Plan.
- Among the priority capital improvement projects is the replacement of several miles of the Effluent Export Pipeline transporting treated wastewater from the District's Water Resource Recovery Facility out of the basin. Concurrent with final project design and financing plans being considered by the Board, an updated utility rate study is currently underway to establish rates to be set over the five-year planning horizon in support of this project as well as other utility capital investments needs, ongoing operations, and establishment of appropriate reserve levels within the District's Utility Fund. The District is also pursuing potential federal and state funding support for this project
- The Board of Trustees is also in the process of updating its priority projects to support goals of the District's Community Services Master Plan, which includes projects at each of the District's venues, including Diamond Peak ski area, recreation center, beach facilities and golf courses.

**REQUEST OF INFORMATION**

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

INCLINE VILLAGE  
GENERAL IMPROVEMENT DISTRICT

**BASIC FINANCIAL  
STATEMENTS**



**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

**STATEMENT OF NET POSITION  
JUNE 30, 2021**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash, cash equivalents, and investments	\$ 28,903,510	\$ 15,828,516	\$ 44,732,026
Receivables:			
Accounts receivable, net	78,021	1,356,069	1,434,090
Interest on investments	16,415	3,790	20,205
Grants receivable	373,912	12,881	386,793
Due from other governments	505,377	-	505,377
Inventories	495,351	161,068	656,419
Prepaid items	779,979	-	779,979
Restricted assets:			
Restricted deposits	142,727	324,306	467,033
Capital assets:			
Land	17,290,327	6,715,544	24,005,871
Construction in progress	1,939,563	1,035,834	2,975,397
Buildings, structures, improvements, infrastructure, equipment and vehicles, net of accumulated depreciation	39,552,343	55,934,282	95,486,625
Total assets	<u>90,077,525</u>	<u>81,372,290</u>	<u>171,449,815</u>
<b>LIABILITIES</b>			
Accounts payable	1,379,102	288,273	1,667,375
Accrued personnel costs	1,397,480	333,705	1,731,185
Accrued interest payable	8,465	46,566	55,031
Due to other governments	17,678	-	17,678
Unearned revenue	2,201,964	171,921	2,373,885
Noncurrent liabilities:			
Bonds due within one year	378,000	573,891	951,891
Claims payable within one year	355,507	-	355,507
Bonds due in more than one year	389,043	2,972,341	3,361,384
Claims payable in more than one year	1,004,229	-	1,004,229
Total liabilities	<u>7,131,468</u>	<u>4,386,697</u>	<u>11,518,165</u>
<b>NET POSITION</b>			
Net investment in capital assets	58,015,190	60,139,428	118,154,618
Restricted	142,727	324,306	467,033
Unrestricted	24,788,140	16,521,859	41,309,999
Total net position	<u>\$ 82,946,057</u>	<u>\$ 76,985,593</u>	<u>\$ 159,931,650</u>

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2021**

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	
<b>Primary government:</b>							
Governmental activities:							
General government	\$ 2,887,892	\$ 148	\$ 1,440	\$ -	\$ (2,886,304)	\$ -	\$ (2,886,304)
Community services	18,996,222	16,221,278	17,000	88,505	(2,669,439)	-	(2,669,439)
Beach	2,186,645	839,405	-	-	(1,347,240)	-	(1,347,240)
Total governmental-type activities	<u>24,070,759</u>	<u>17,060,831</u>	<u>18,440</u>	<u>88,505</u>	<u>(6,902,983)</u>	<u>-</u>	<u>(6,902,983)</u>
Business-type activities:							
Utilities	11,449,802	12,831,060	39,857	-	-	1,421,115	1,421,115
Total primary government	<u>\$ 35,520,561</u>	<u>\$ 29,891,891</u>	<u>\$ 58,297</u>	<u>\$ 88,505</u>	<u>(6,902,983)</u>	<u>1,421,115</u>	<u>(5,481,868)</u>
General revenues:							
Property taxes					1,812,958	-	1,812,958
Combined taxes					1,888,448	-	1,888,448
Facility Fees (Assessed)					6,537,641	-	6,537,641
Unrestricted investment earnings					73,594	33,681	107,275
Miscellaneous revenues					127,897	-	127,897
Total general revenues					<u>10,440,538</u>	<u>33,681</u>	<u>10,474,219</u>
Changes in net position					<u>3,537,555</u>	<u>1,454,796</u>	<u>4,992,351</u>
Net position - beginning, as previously reported					79,265,885	78,697,763	157,963,648
Prior Period Adjustment					142,617	(3,166,966)	(3,024,349)
Net positions, beginning					<u>79,408,502</u>	<u>75,530,797</u>	<u>154,939,299</u>
Net position - ending					<u>\$ 82,946,057</u>	<u>\$ 76,985,593</u>	<u>\$ 159,931,650</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, 2021**

	<u>GENERAL</u>	<u>COMMUNITY SERVICES SPECIAL REV.</u>	<u>BEACH SPECIAL REVENUE</u>	<u>COMMUNITY SERVICES CAP. PROJECTS</u>	<u>BEACH CAPITAL PROJECTS</u>	<u>COMMUNITY SERVICES DEBT SERV.</u>	<u>Nonmajor BEACH DEBT SERVICE</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<b>ASSETS</b>								
Cash, cash equivalents and investments	\$ 6,169,333	\$ 17,598,962	\$ 2,371,554	\$ -	\$ 2,732,635	\$ 29,576	\$ 1,450	\$ 28,903,510
Accounts receivable, net	-	64,965	13,056	-	-	-	-	78,021
Interest receivable on investments	10,890	5,525	-	-	-	-	-	16,415
Grants receivable	-	373,912	-	-	-	-	-	373,912
Due from other governments	358,784	62,868	83,725	-	-	-	-	505,377
Inventories	-	419,556	-	-	-	-	-	419,556
Prepaid items	582,459	197,520	-	-	-	-	-	779,979
Restricted deposits	-	141,727	1,000	-	-	-	-	142,727
Total assets	<u>\$ 7,121,466</u>	<u>\$ 18,865,035</u>	<u>\$ 2,469,335</u>	<u>\$ -</u>	<u>\$ 2,732,635</u>	<u>\$ 29,576</u>	<u>\$ 1,450</u>	<u>\$ 31,219,497</u>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>Liabilities</b>								
Accounts payable	\$ 162,654	\$ 280,727	\$ 12,674	\$ 105,443	\$ 781,824	\$ -	\$ -	\$ 1,343,322
Accrued personnel costs	1,228,211	99,235	8,000	-	-	-	-	1,335,446
Due to other governments	-	-	15,126	-	-	-	-	15,126
Unearned revenue	41	2,148,612	53,311	-	-	-	-	2,201,964
Total liabilities	<u>1,390,906</u>	<u>2,528,574</u>	<u>89,111</u>	<u>105,443</u>	<u>781,824</u>	<u>-</u>	<u>-</u>	<u>4,895,858</u>
<b>Deferred Inflow of Resources</b>								
Unavailable revenue	-	369,662	-	-	-	-	-	369,662
<b>Fund balance</b>								
Non-spendable	582,459	617,076	-	-	-	-	-	1,199,535
Restricted	1,359,736	141,727	1,000	-	-	-	-	1,502,463
Committed	-	15,207,996	2,379,224	-	1,950,811	29,576	1,450	19,569,057
Unassigned	3,788,365	-	-	(105,443)	-	-	-	3,682,922
Total fund balance	<u>5,730,560</u>	<u>15,966,799</u>	<u>2,380,224</u>	<u>(105,443)</u>	<u>1,950,811</u>	<u>29,576</u>	<u>1,450</u>	<u>25,953,977</u>
Total liabilities and fund balance	<u>\$ 7,121,466</u>	<u>\$ 18,865,035</u>	<u>\$ 2,469,335</u>	<u>\$ -</u>	<u>\$ 2,732,635</u>	<u>\$ 29,576</u>	<u>\$ 1,450</u>	<u>\$ 31,219,497</u>

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
RECONCILIATION OF BALANCE SHEET FOR GOVERNMENTAL FUNDS  
TO THE GOVERNMENT WIDE STATEMENT OF NET POSITION  
JUNE 30, 2021**

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	\$ 25,953,977
Capital Assets, net of accumulated depreciation, and are not financial resources, and therefore are not reported in that fund	58,730,447
Accrued interest, not to be liquidated from currently available resources	(8,465)
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported in that fund	(769,000)
Unamortized Bond Discount, for the remaining bond liability, and therefore not reported in the fund	1,957
Unavailable Revenue for outstanding FEMA grant revenue	369,662
Long Term Liability for Washoe County Property Tax Litigation	(1,359,736)
Total Net Position of Internal Services Fund, as it is reported as a governmental activity since a majority of the services are consumed by the governmental -type activities	<u>27,215</u>
Net Position of Governmental Activities	<u>\$ 82,946,057</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, 2021**

	GENERAL	COMMUNITY SERVICES SPECIAL REV.	BEACH SPECIAL REVENUE	COMMUNITY SERVICES CAP. PROJECTS	BEACH CAPITAL PROJECTS	COMMUNITY SERVICES DEBT SERV.	Nonmajor BEACH DEBT SERVICE	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES</b>								
Ad valorem taxes	\$ 1,760,049	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,760,049
Personal Property Tax	52,909	-	-	-	-	-	-	52,909
Intergovernmental:								
Consolidated taxes	1,629,192	-	-	-	-	-	-	1,629,192
Local Government Tax Act	259,256	-	-	-	-	-	-	259,256
Services	1,440	36,997	-	-	-	-	-	38,437
Charges for Services	-	16,092,512	839,405	-	-	-	-	16,931,917
Facility Fees	-	1,735,612	648,974	536,571	3,196,016	412,748	7,720	6,537,641
Interfund Services	-	91,769	-	-	-	-	-	91,769
Operating Grants	-	17,000	-	-	-	-	-	17,000
Capital Grants	-	-	-	88,505	-	-	-	88,505
Investment income	68,489	4,471	635	-	-	-	-	73,595
Miscellaneous	8,363	119,697	-	-	-	-	-	128,060
Total revenues	<u>3,779,698</u>	<u>18,098,058</u>	<u>1,489,014</u>	<u>625,076</u>	<u>3,196,016</u>	<u>412,748</u>	<u>7,720</u>	<u>27,608,330</u>
<b>EXPENDITURES</b>								
<b>GENERAL GOVERNMENT</b>								
Manager	397,556	-	-	-	-	-	-	397,556
Trustees	143,722	-	-	-	-	-	-	143,722
Accounting	324,601	-	-	-	-	-	-	324,601
Information Services	940,924	-	-	-	-	-	-	940,924
Human Resources	2,999	-	-	-	-	-	-	2,999
Health & Wellness	16,218	-	-	-	-	-	-	16,218
Community & Employee Relations	165,651	-	-	-	-	-	-	165,651
Administration	565,250	-	-	-	-	-	-	565,250
Capital Outlay	365,878	-	-	-	-	-	-	365,878
<b>RECREATION</b>								
Championship Golf	-	3,342,505	-	112,217	-	-	-	3,454,722
Mountain Golf	-	1,014,000	-	11,330	-	-	-	1,025,330
Facilities	-	1,005,717	-	60,107	-	-	-	1,065,824
Ski	-	6,603,759	-	287,796	-	-	-	6,891,555
Community Programming and Recreation Center	-	1,938,411	-	87,206	-	-	-	2,025,617
Parks	-	758,179	-	66,349	-	-	-	824,528
Tennis	-	249,060	-	73,392	-	-	-	322,452
Recreation Administration	-	377,556	-	7,000	-	-	-	384,556
Beach	-	-	1,700,422	-	234,767	-	-	1,935,189
Capital Outlay								
Championship Golf	-	-	-	785,415	-	-	-	785,415
Mountain Golf	-	-	-	79,296	-	-	-	79,296
Ski	-	-	-	115,469	-	-	-	115,469
Community Programming and Recreation Center	-	-	-	252,906	-	-	-	252,906
Parks	-	-	-	170,123	-	-	-	170,123
Tennis	-	-	-	798,648	-	-	-	798,648
Beach	-	-	-	-	1,010,438	-	-	1,010,438
Debt Service:								
Principal	-	-	-	-	-	362,075	5,925	368,000
Interest	-	-	-	-	-	21,097	345	21,442
Total expenditures	<u>2,922,799</u>	<u>15,289,187</u>	<u>1,700,422</u>	<u>2,907,254</u>	<u>1,245,205</u>	<u>383,172</u>	<u>6,270</u>	<u>24,454,309</u>
Excess revenues (expenditures)	856,899	2,808,871	(211,408)	(2,282,178)	1,950,811	29,576	1,450	3,154,021
<b>OTHER FINANCING SOURCES:</b>								
Proceeds from Sale of Capital and Intangible Assets	-	52,250	-	1,500	-	-	-	53,750
Transfers In (Out) - Facility Fees for Capital Expenditure	-	(537,835)	-	537,835	-	-	-	-
Net change in fund balance	<u>856,899</u>	<u>2,323,286</u>	<u>(211,408)</u>	<u>(1,742,843)</u>	<u>1,950,811</u>	<u>29,576</u>	<u>1,450</u>	<u>3,207,771</u>
Fund Balance, July 1, as reported	4,630,149	15,280,913	2,591,632	-	-	-	-	22,502,694
Prior period adjustment	243,512	(1,637,400)	-	1,637,400	-	-	-	243,512
Fund balance, July 1 as adjusted	4,873,661	13,643,513	2,591,632	1,637,400	-	-	-	22,746,206
Fund balance, June 30	<u>\$ 5,730,560</u>	<u>\$ 15,966,799</u>	<u>\$ 2,380,224</u>	<u>\$ (105,443)</u>	<u>\$ 1,950,811</u>	<u>\$ 29,576</u>	<u>\$ 1,450</u>	<u>\$ 25,953,977</u>

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, 2021**

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

Total Net Change in Fund Balance for Governmental Funds	\$ 3,207,771
Capital Assets acquired during the year and capitalized	3,541,827
Depreciation expense for the fiscal year	(3,326,937)
Gain (Loss) on assets sold	(116,849)
Principal paid on long-term liabilities, including bonds payable	368,000
Interest accrued versus paid	2,771
Amortize Bond Discount for fiscal year	(3,357)
Total Change in Net Position of Internal Services Fund, as it is reported as a governmental activity since a majority of the services are consumed by the governmental -type activities	<u>(135,671)</u>
Change in Net Position of Governmental Activities	<u>\$ 3,537,555</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, 2021

	Business - type Activities Enterprise Utility Fund	Governmental Activities Internal Services Fund
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 14,320,611	\$ -
Short term investments	1,507,905	-
Accounts receivable	1,356,069	-
Interest receivable	3,790	-
Grants receivable	12,881	-
Inventories	161,068	75,795
Total current assets	<u>17,362,324</u>	<u>75,795</u>
Noncurrent assets:		
Contractual deposits	100	-
Restricted deposit for debt service reserve	230,224	-
Restricted for TRPA Deposits	93,982	-
	<u>324,306</u>	<u>-</u>
Capital Assets:		
Land	6,715,544	-
Construction in progress	1,035,834	-
Buildings and structures	15,959,753	-
Improvements and Infrastructure	113,100,306	-
Equipment and vehicles	3,797,362	240,596
Total capital assets	140,608,799	240,596
Less: accumulated depreciation	(76,923,139)	(188,810)
Total capital assets (net)	<u>63,685,660</u>	<u>51,786</u>
Total noncurrent assets	<u>64,009,966</u>	<u>51,786</u>
Total assets	<u>81,372,290</u>	<u>127,581</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	288,273	35,780
Accrued personnel costs	333,705	62,034
Accrued interest payable	46,566	-
Unearned revenue	171,921	-
Due to other funds	-	2,552
Current maturities of long-term debt	573,891	-
Total current liabilities	<u>1,414,356</u>	<u>100,366</u>
Non-current liabilities:		
Non-current long term debt	2,972,341	-
Total non-current liabilities	<u>2,972,341</u>	<u>-</u>
Total liabilities	<u>4,386,697</u>	<u>100,366</u>
<b>NET POSITION</b>		
Net investment in capital assets	60,139,428	51,786
Restricted	324,306	-
Unrestricted	16,521,859	(24,571)
Total net position	<u>\$ 76,985,593</u>	<u>\$ 27,215</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, 2021**

	<b>Business - type</b>	<b>Governmental</b>
	<b>Activities</b>	<b>Activities</b>
	<b>Enterprise</b>	<b>Internal</b>
	<b>Utility</b>	<b>Services</b>
	<b>Fund</b>	<b>Fund</b>
	<u>          </u>	<u>          </u>
<b>OPERATING REVENUES</b>		
Sales and fees	\$ 12,870,917	\$ -
Interfund services	-	2,417,504
Total operating revenues	<u>12,870,917</u>	<u>2,417,504</u>
<b>OPERATING EXPENSES</b>		
Wages and benefits	4,201,417	1,789,054
Cost of goods sold	7,125	-
Services and supplies	2,030,189	726,776
Defensible space	100,000	-
Central services cost	356,440	-
Insurance	197,331	14,809
Utilities	815,167	9,975
Professional fees	227,259	-
Depreciation	3,264,581	12,561
Total operating expenses	<u>11,199,509</u>	<u>2,553,175</u>
Operating income	<u>1,671,408</u>	<u>(135,671)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Investment earnings	33,681	-
Loss on sales of assets	(153,379)	-
Interest on bond debt	(96,914)	-
Total nonoperating revenues (expenses)	<u>(216,612)</u>	<u>-</u>
Income before transfers and contributions	<u>1,454,796</u>	<u>(135,671)</u>
Change in net position	<u>1,454,796</u>	<u>(135,671)</u>
Total net position, July 1, as reported	78,697,763	162,886
Prior Period Adjustment	(3,166,966)	-
Total net position, July 1, as adjusted	<u>75,530,797</u>	<u>162,886</u>
Total net position, June 30	<u>\$ 76,985,593</u>	<u>\$ 27,215</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, 2021**

	Business - type Activities Enterprise Utility Fund	Governmental Activities Internal Services Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers and users	\$ 12,786,845	\$ -
Receipts from interfund services provided	-	2,420,056
Payments to suppliers	(3,810,010)	(746,237)
Payments to employees	(4,311,872)	(1,799,373)
Net cash provided (used) by operating activities	<u>4,664,963</u>	<u>(125,554)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition of capital assets	(3,053,120)	-
Proceeds from sale of assets	69,837	-
Payments on capital debt	(540,117)	-
Interest expense	(104,428)	-
Net cash provided (used) by capital and related financing activities	<u>(3,627,828)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Long-term investments matured	3,820,858	-
Investment earnings	47,451	-
Net cash provided (used) by investing activities	<u>3,868,309</u>	<u>-</u>
Net change in cash and cash equivalents	4,905,444	(125,554)
Cash and cash equivalents, July 1	<u>9,415,167</u>	<u>125,554</u>
Cash, cash equivalents and investments, June 30	<u>\$ 14,320,611</u>	<u>\$ -</u>

(Continued)

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2021

	Business - type Activities Enterprise Utility Fund	Governmental Activities Internal Services Fund
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	\$ 1,671,408	\$ (135,671)
Non-cash adjustments -		
Depreciation	3,264,581	12,561
Increase (decrease) in cash from changes in:		
Accounts receivable	(88,067)	-
Accrued personnel costs	(110,455)	(10,319)
Due to other funds	-	2,552
Unearned revenue	3,995	-
Total adjustments	2,993,555	10,117
Net cash provided (used) by operating activities	<u>\$ 4,664,963</u>	<u>\$ (125,554)</u>

There were no noncash capital, financing, and investing activities

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



**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

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

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

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

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

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

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

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

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

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

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

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

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

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

The District uses the following funds:

***Governmental Funds -***

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

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

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

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

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

***Proprietary Funds -***

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

**Internal Service Funds** – The Internal Service Fund accounts for the financing of goods or services provided by one department to other departments of the District. The District provides Fleet, Engineering, and Buildings Maintenance which includes repair and maintenance of the District's



vehicles and equipment, engineering services, and buildings maintenance. The Fleet, Engineering and Buildings Maintenance Departments also collectively provide planning, inspection, construction and maintenance for the District's structures and equipment.

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

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

1. On or before April 15, 2020, 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 27, 2020, at a public hearing, the Board adopted a final budget. On or before June 1, 2020 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 2020-21, the Board of Trustees approved budget augmentations totaling \$1,313,677. All budget augmentations amended the adopted capital improvement budget with the majority of the augmentations (\$1,258,289) being related to the Burnt Cedar Pool Reconstruction Project.
3. The legal level of budgetary control is at the fund level. Appropriations are adopted at the function level. Management has no amendment authority without the District's Board approval. Generally, the expenses in the proprietary funds also may not exceed appropriations. While management has flexibility to change the operating budgets of the proprietary funds but in practice rarely does so. Statutes do not require that enterprise fund capital outlay, debt service payments and other non-operating cash transactions, normally reflected in the balance sheet of the proprietary funds, to be limited by the budget.
4. The District also presents select cash flow information in order to reflect all resources being used to provide for capital outlay, debt service payments and other transactions particularly in proprietary funds. This supplemental disclosure allows the District to identify the extent of current year items that are being paid from previously funded resources. The presentation includes items according to character and object. It also provides the Nevada Department of Taxation with requested information that compares to amounts reported on their budget forms.

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

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

District Funds share bank accounts for operations, payroll and reimbursements. Activity between funds occurs in the regular activities of the District. The General Fund issues accounts payable and payroll and related benefits for all funds. To the extent payment has not occurred, but the cost was realized by the 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.

The District has the following recurring fair value measurements as of June 30, 2021:

Certificates of Deposits valued at quoted market prices (Level 2 inputs)

## **G. Receivables**

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

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

Washoe County assesses the property tax, bills, collects, and distributes the property tax revenue.

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

*Grants Receivable.* The District has been awarded grants to finance the construction of various utility infrastructures, restoration of a creek zone and to upgrade a ballfield. These funds are earned when requisite construction costs are incurred. The District has recognized funds earned but not collected by a Grants Receivable, 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. An allowance for doubtful accounts is considered and at present, the allowance totals \$22,899. The District may file a tax lien for uncollected utility service fees.

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

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

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

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

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

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

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

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

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

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

Activities of the Beach Special Revenue 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.

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

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

Depreciation has been provided over the estimated useful lives of the various assets using the straight-line method. Estimated lives and capitalization thresholds of major classes of depreciable assets are as follows:

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

**K. Amortization of Bond Discounts**

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

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

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

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

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

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

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

In addition to liabilities, the statement of financial position will sometimes report a separate section of deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

**N. Unearned Revenue and Refundable Deposits**

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

The District's Community Services Fund recognizes unearned revenue to the extent it has issued user passes, gift or payment cards that can be applied to future purchases. There also are advance



deposits made to reserve dates for facility rentals or program registrations. User passes expire with a stated season.

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

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

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

In the fund financial statements, fund balance for governmental funds are reported in classifications that comprise a hierarchy based primarily on how amounts can be spent. These include “non-spendable” which are not expected to be converted to cash, such as inventory or prepaid items, “restricted” by conditions of law, regulation grants, or 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.

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

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

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

Proprietary Fund Types:

- Utilities Operations - 25% of operating expenses for the fiscal year based on the current adopted budget.
- Internal Services - 25% of operating expenses for the fiscal year based on the current adopted budget. (This level of net position was not achieved for the fiscal year ending June 30, 2021).

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

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

In the Proprietary fund and the government-wide financial statements, net position is presented in one of three classifications: net investment in capital assets, restricted and the residual unrestricted. The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by outstanding balances on bonds that are attributable to the acquisition, construction or improvement of those assets. The restricted component of net position consists of 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 plan, adopted each year with the budget. The cost allocation plan considers full time equivalent staffing-levels, wages, benefits, and certain services and supplies as a basis for determining charges. The charges are based on budgeted expenses. The revenue generated by the allocation is recorded as an offset to General Government expenses (for Human Resources and Accounting) in the governmental funds statements.

**T. Punch Cards Utilized**

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



**DETAILED NOTES ON ALL ACTIVITIES AND FUNDS**

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

At year-end, the carrying amount of the District’s checking deposits was \$9,366,220 while the bank balance was \$9,897,222. 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, 2021 consist of:	
Operating Checking Accounts	\$9,366,220
Petty cash and change funds	42,803
Nevada Local Government Investment Pool (average weighted maturity of 130 days)	
General LGIP Account	10,915,129
Utility LGIP Account	4,806,933
US Government Money Market	14,562,109
Certificates of Deposit	<u>5,038,830</u>
Total Cash Equivalents and Investments	<u>\$44,732,026</u>
Restricted Deposits	\$ 467,033

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.

Investment Maturities by Investment Type as of June 30, 2021

	2022	2023	2024	Total
Certificates of Deposit	\$ 5,038,829	\$ -	\$ -	\$ 5,038,829
US Government Money Market	\$ 14,562,109	\$ -	\$ -	14,562,109
LGIP as Cash Equivalent	15,722,062	-	-	15,722,062
LGIP - Restricted Deposits	460,858	-	-	460,858
All Investment Types				<u>\$ 35,783,858</u>

Fair Value Measurements as of June 30, 2021

	Level 2	Total
Certificates of Deposit	\$ 5,038,829	\$ 5,038,829
Investments not measured at fair value		
Interest Bearing Amounts - Investments		5,038,829
US Government Money Market		14,562,109
LGIP at Net Asset Value (Cash Equivalent)		15,722,062
LGIP Restricted Deposits at Net Asset Value		460,858
Total Fair Value Measurements		<u>\$ 35,783,858</u>

Interest Rate Risk - To the extent possible, the District's portfolio shall remain sufficiently liquid so as to support near-term operating and capital expenditures. In so doing, the portfolio will have limited interest rate risk associated with long-term investments.

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

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

Concentration Credit Risk - The District Investment Policy calls for diversification without setting maximum allocations. The District invests in Federal government-sponsored enterprises (GSE) for safety and to meet statutory requirements. Individual CD's are held with a number of banks at or under the FDIC insured limited calculated by those institutions. LGIP is an unrated external investment pool administered by the State Treasurer, with oversight by the State of Nevada Board of Finance.

### 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 \$230,224. 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 \$230,634:

Deposit with State of Nevada for Sales Tax	\$ 6,075
Building Deposit held by Parasol Tahoe Foundation	100
LGIP Restricted Deposits (SRF & TRPA)	<u>460,858</u>
Total Restricted Deposits	<u>\$ 467,033</u>



#### 4. CAPITAL ASSETS

Capital Asset activity for the year ended June 30, 2021:

	Balance		Adjusted Balance			Balance
	July 1, 2020	Adjustment	July 1, 2020	Increases	Decreases	June 30, 2021
<b>Governmental Activities:</b>						
Capital assets, not being depreciated						
Land - General Government	\$ 2,669,904	\$ -	2,669,904	\$ -	\$ -	\$ 2,669,904
Land - Community Services	12,315,573	-	12,315,573	-	-	12,315,573
Land - Beach	2,304,850	-	2,304,850	-	-	2,304,850
Subtotal Land	17,290,327	-	17,290,327	-	-	17,290,327
Construction in Progress - General Government	-	-	-	292,949	-	292,949
Construction in Progress - Community Services	2,601,150	-	2,601,150	1,640,928	(3,979,328)	262,750
Construction in Progress - Beach	373,426	-	373,426	1,010,438	-	1,383,864
Subtotal Construction in Progress	2,974,576	-	2,974,576	2,944,315	(3,979,328)	1,939,563
Total capital assets, not being depreciated	20,264,903	-	20,264,903	2,944,315	(3,979,328)	19,229,890
Capital assets, being depreciated						
Buildings and Structures - General Government	919,213	-	919,213	-	(90,962)	828,251
Buildings and Structures - Community Services	32,018,829	(138,748)	31,880,081	2,039,758	(462,388)	33,457,451
Buildings and Structures - Beach	2,683,716	(7,219)	2,676,497	-	(35,157)	2,641,340
Venue Improvements - Community Services	34,525,442	(149,591)	34,375,851	2,011,246	(982,595)	35,404,502
Venue Improvements - Beach	2,252,748	(8,804)	2,243,944	-	(205,250)	2,038,694
Equipment and Vehicles - General Government	1,914,479	(30,756)	1,883,723	72,929	(194,389)	1,762,263
Equipment and Vehicles - Community Services	12,351,359	(191,385)	12,159,974	477,797	(478,389)	12,159,382
Equipment and Vehicles - Beach	610,458	(23,175)	587,283	-	(57,722)	529,561
Equipment and Vehicles - Internal Services	253,869	(13,273)	240,596	-	-	240,596
Total capital assets, being depreciated	87,530,113	(562,951)	86,967,162	4,601,730	(2,506,852)	89,062,040
Less accumulated depreciation for:						
Buildings and Structures - General Government	(821,371)	-	(821,371)	(19,597)	90,960	(750,008)
Buildings and Structures - Community Services	(15,178,336)	93,582	(15,084,754)	(937,199)	457,015	(15,564,938)
Buildings and Structures - Beach	(1,678,556)	5,587	(1,672,969)	(84,506)	29,070	(1,728,405)
Venue Improvements - Community Services	(20,548,803)	125,699	(20,423,104)	(935,510)	891,500	(20,467,114)
Venue Improvements - Beach	(1,544,241)	8,241	(1,536,000)	(85,077)	170,106	(1,450,971)
Equipment and Vehicles - General Government	(1,502,329)	28,433	(1,473,896)	(175,703)	194,387	(1,455,212)
Equipment and Vehicles - Community Services	(7,189,439)	169,915	(7,019,524)	(1,043,892)	469,191	(7,594,225)
Equipment and Vehicles - Beach	(344,772)	17,326	(327,446)	(45,452)	62,885	(310,013)
Equipment and Vehicles - Internal Services	(189,522)	13,272	(176,250)	(12,561)	-	(188,811)
Total accumulated depreciation	(48,997,369)	462,055	(48,535,314)	(3,339,497)	2,365,114	(49,509,697)
Total capital assets being depreciated, net	38,532,744	(100,896)	38,431,848	1,262,233	(141,738)	39,552,343
<b>Governmental Activities Capital Assets, net</b>	<b>\$ 58,797,647</b>	<b>\$ (100,896)</b>	<b>\$ 58,696,751</b>	<b>\$ 4,206,548</b>	<b>\$ (4,121,066)</b>	<b>\$ 58,782,233</b>

#### 4. CAPITAL ASSETS

Capital Asset activity for the year ended June 30, 2021:	Balance		Adjusted Balance			Balance
	July 1, 2020	Adjustment	July 1, 2020	Increases	Decreases	June 30, 2021
<b>Business-Type Activities</b>						
Utility Capital assets not being depreciated						
Land	\$ 6,715,544	\$ -	6,715,544	\$ -	\$ -	\$ 6,715,544
Construction in Progress	1,607,772		1,607,772	2,660,334	(3,232,272)	1,035,834
Total utility capital assets, not being depreciated	8,323,316	-	8,323,316	2,660,334	(3,232,272)	7,751,378
Utility Capital assets, being depreciated						
Buildings and structures	15,596,832	(52,728)	15,544,104	634,779	(219,130)	15,959,753
Service infrastructure	114,599,557	(3,729,726)	110,869,831	2,736,487	(506,012)	113,100,306
Equipment and vehicles	3,882,229	(20,096)	3,862,133	253,793	(318,564)	3,797,362
Total utility capital assets at historical cost	134,078,618	(3,802,550)	130,276,068	3,625,059	(1,043,706)	132,857,421
Less accumulated depreciation for:						
Buildings and structures	(8,680,480)	613,400	(8,067,080)	(377,985)	188,031	(8,257,034)
Service infrastructure	(62,637,406)	(1,255,726)	(63,893,132)	(2,653,447)	499,370	(66,047,209)
Equipment and vehicles	(3,920,422)	1,277,910	(2,642,512)	(233,149)	256,765	(2,618,896)
Total accumulated depreciation	(75,238,308)	635,584	(74,602,724)	(3,264,581)	944,166	(76,923,139)
Total utility capital assets being depreciated, net	58,840,310	(3,166,966)	55,673,344	360,478	(99,540)	55,934,282
<b>Business-Type Activities Capital Assets, net</b>	<b>\$ 67,163,626</b>	<b>\$ (3,166,966)</b>	<b>\$ 63,996,660</b>	<b>\$ 3,020,812</b>	<b>\$ (3,331,812)</b>	<b>\$ 63,685,660</b>

The District has a number of Construction in Progress projects open as of June 30, 2021. Beach includes \$1,376,704 for the Burnt Cedar Swimming Pool Remodel. The Utility Fund includes \$844,529 for the design phase of the Effluent Export Line that project will be ongoing through at least 2023. The District's primary building season is limited to May to October because of regulations from the Tahoe Regional Planning Agency. Most equipment purchases follow the budget and fiscal year cycle.

Depreciation expenses for the year ended June 30, 2021 was charged to functions as follows:

##### Governmental Activities:

General Government	\$ 195,300
Recreation	2,916,601
Beach	215,035
Internal Services	<u>12,561</u>
Total Depreciation Expense	<u>\$ 3,339,497</u>

##### Business-Type Activities:

Utility Fund Water and Sewer	<u>\$ 3,264,851</u>
------------------------------	---------------------



## 5. ACCRUED PERSONNEL COSTS

The General Fund processes and issues payments for all payroll and most related personnel and benefit costs for all funds of the District. At the time the expenses are incurred, each fund records its appropriate costs. As payments are made, the individual funds provide their share through the pooled cash. This process provides the General Fund with the necessary available financial resources to meet the District wide obligations.

Accruals for special payments, Health Reimbursement Accounts, Sick Leave at Retirement, Workers Compensation and Vacation can appear in individual funds, because they are recognized well in advance of the payment process. The General Fund also maintains any bank accounts specific for payment of benefits.

As a regular course of operations, the payroll including June 30<sup>th</sup> was paid July 9<sup>th</sup>. The employee benefits earned through June 30<sup>th</sup> are also funded in the following month. At any given point the District has an obligation to its employees for the value of vacation time earned and not taken. The obligation is measured by the value due as if the employee terminated. The District allows retiring employees with an excess of 20 years of service, and that have accrued sick leave, to have it converted to Medical Retiree Benefit for reimbursing post-employment health related costs. There are 4 eligible employees covered. The District has no other post-employment benefit obligations for health insurance or retirement benefits.

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

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

### Accrued Personnel Costs as of June 30, 2021:

Current Payroll Liabilities:	Governmental	Business-Type	Total
Accrued Payroll	\$ 609,398	\$ -	\$ 609,398
Taxes Withheld	156,036	-	156,036
Accrued Benefits	6,167	-	6,167
Retirement Plan	56,345	-	56,345
Sick Leave Retirement Benefits	141,486	149,939	291,425
Accrued Vacation	428,048	183,766	611,814
Total Government-Wide	\$ 1,397,480	\$ 333,705	\$ 1,731,185

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

Select Benefit Liabilities	Balance	Provisions		Balance
	June 30, 2020	Additions	Payments	June 30, 2021
Health Reimbursement Accts.	\$ 131,727	\$ 46,148	\$ 49,445	\$ 128,430
Sick Leave Retirement Benefit	300,496	52,283	61,354	291,425
Accrued Vacation	602,313	846,239	836,738	611,814

**6. 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>	Community Services <u>Special Rev.</u>	Beach <u>Special Rev.</u>	<u>Utility</u>	<u>Total</u>
Billed in advance	\$ 41	\$ 940,732	\$ 53,311	\$171,921	\$1,166,005
Unexpired season passes	-	1,135,014	-	-	1,135,014
Internal Gift Cards	-	72,866	-	-	72,866
Total	<u>\$ 41</u>	<u>\$2,148,612</u>	<u>\$ 53,311</u>	<u>\$171,921</u>	<u>\$2,373,885</u>

**7. INTERFUND ACCOUNTS AND TRANSFERS**

The outstanding balances between funds results mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. The balances settle monthly through pooled cash, and therefore there are no open balances as of June 30, 2021.

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

Gross Transfers reported on the financial statements as of June 30, 2021 are as follows:

Fund Transfer Out:	Fund Transfer In:	
	Community Services Capital Projects	Total Out
Community Services Special Revenue	\$ 537,835	\$ 537,835
	<u>\$ 537,835</u>	<u>\$ 537,835</u>

**8. 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, 2021:**

<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>
<b>Governmental Activities:</b>						
General Obligation Revenue Bonds Recreation Recreation Facilities and Recreation Refunding 2012						
	07/18/12	09/01/22	2.25%	3,475,000	<u>\$ 769,000</u>	<u>\$378,000</u>
<b>Total Recreation Revenue Supported Debt</b>					<b><u>\$ 769,000</u></b>	<b><u>\$378,000</u></b>
<b>Business Type Activities Direct Borrowings and Direct Placements:</b>						
<b>Utility</b>						
State of Nevada:						
Sewer C32-0204	10/28/02	01/01/23	3.14%	\$1,720,380	\$ 247,360	\$121,751
Water IVGID-1	09/09/04	07/01/25	3.08%	1,687,282	474,138	99,798
Sewer CS32-0404 (G.O.)	08/01/06	01/01/26	2.73%	3,000,000	963,978	202,553
Water DW-1201 (G.O.)	03/16/12	01/01/32	2.39%	3,000,000	<u>1,860,756</u>	<u>149,789</u>
<b>Total Utility Revenue Supported Debt</b>					<b><u>\$3,546,232</u></b>	<b><u>\$573,891</u></b>
<b>Total Debt – All Activities</b>					<b><u>\$4,315,232</u></b>	<b><u>\$951,891</u></b>

**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>
<b>By Activity Type:</b>					
<b>Governmental:</b>					
2012 Recreation	\$1,137,000	\$ -	\$368,000	\$769,000	\$378,000
Bond discounts	<u>(5,315)</u>	<u>-</u>	<u>(3,358)</u>	<u>(1,957)</u>	<u>-</u>
Governmental type total	<u>\$ 1,131,685</u>	<u>-</u>	<u>364,642</u>	<u>767,043</u>	<u>\$378,000</u>
<b>Business Type Direct Borrowings and Direct Placements:</b>					
Sewer C32-0204	365,370	-	118,010	247,360	121,751
Water IVGID-1	570,931	-	96,793	474,138	99,798
Sewer CS32-0404	1,141,608	-	177,630	963,978	202,553
Water DW-1201	<u>2,007,029</u>	<u>-</u>	<u>146,273</u>	<u>1,860,756</u>	<u>149,789</u>
Business Type Total	<u>4,084,938</u>	<u>-</u>	<u>538,706</u>	<u>3,546,232</u>	<u>573,891</u>
<b>Total Debt</b>	<b><u>\$5,216,623</u></b>	<b><u>\$ -</u></b>	<b><u>\$903,348</u></b>	<b><u>\$4,313,275</u></b>	<b><u>\$951,891</u></b>
<b>By Bond Type:</b>					
General Obligation	\$4,280,322	\$ -	\$688,547	\$3,591,775	\$730,342
Revenue	<u>936,301</u>	<u>-</u>	<u>214,803</u>	<u>721,498</u>	<u>221,549</u>
<b>Total Debt</b>	<b><u>\$5,216,623</u></b>	<b><u>-</u></b>	<b><u>\$903,348</u></b>	<b><u>\$4,313,275</u></b>	<b><u>\$951,891</u></b>

**Future Debt Service Requirements as of June 30, 2021:**

Fiscal Year	Debt Supported by		Debt Supported by	
	<u>Utility Revenue</u>		<u>Recreation Revenue</u>	
<u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 573,891	\$ 89,291	\$ 378,000	\$ 13,050
2023	569,405	73,728	391,000	4,399
2024	455,827	58,730	-	-
2025	468,183	46,373	-	-
2026	424,055	33,677	-	-
2027 to 2031	884,959	81,900	-	-
2032	<u>189,960</u>	<u>3,412</u>	<u>-</u>	<u>-</u>
Total	<u>\$3,566,280</u>	<u>\$ 387,112</u>	<u>\$ 769,000</u>	<u>\$ 17,449</u>

At June 30, 2021, principal and interest to maturity to be paid from pledged future Utility Revenues totals \$3,933,382 and \$786,449 paid from future pledged Recreation Revenues.

**9. DEFERRED INFLOW OF RESOURCES**

The District has been awarded FEMA/Nevada Department of Emergency Management grants for 2017 damage to the Diamond Peak Maintenance Building for \$38,643 and a portion of the culvert for \$331,019. These amounts are deferred at the fund level, because they were not collected within the available period.

**10. CAPITAL GRANTS**

This year the District received \$88,505 for the Incline Park Facility Renovation Project from the Incline-Tahoe Foundation.

**11. 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 12.3% of the employee's earnings. The District's contributions for each employee are fully vested after four years of service. District contributions and interest forfeited by employees who leave employment before fully vesting, are used to reduce the District's current-period contribution requirement. Employees are not allowed to contribute directly into this plan.

The Pension Trust Fund for Operating Engineers is a cost sharing, multiple employer, defined benefit plan contract between the District's employees and the Operating Engineers Union. The plan provides



retirement and medical benefits to eligible participants based on a formula of years of service and reaching a qualifying age. It is available to approximately 45 positions in the District, covered by the collective bargaining agreements, with only four electing to do so. The District is not a party to this defined benefit plan. The District's liability under the union collective bargaining agreement is limited to making monthly contributions based on union employees' pay for hours worked. Consequently, the District is not liable for any funding shortage of the defined benefit plan. Each year the District contributions to the plan equal 100% of the District's liability under the bargaining agreement. The Pension Trust Fund for Operating Engineers issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Pension Trust Fund for Operating Engineers, 1600 Harbor Bay Parkway, Suite 200, Alameda, California 94502 or by calling (800) 251-5014.

The District's Deferred Compensation (Section 457) Plan is a defined contribution plan. The plan is administered by third party administrators. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate immediately after the first day of a month of employment. Employee contributions are subject to Internal Revenue Service regulations for Section 457 plans. The District provides a matching contribution up to 5%. Both employee and District contributions are fully vested 100% as made.

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

<u>FYE June 30</u>	<u>401(a) Money Purchase</u>	<u>Operating Engineers</u>	<u>Employer Section 457</u>	<u>Employee Section 457</u>
2021	\$1,010,059	\$ 45,900	\$ 401,126	\$ 580,355

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.

## 12. SCHEDULE OF INSURANCE COVERAGE AND RISK MANAGEMENT

Insurance Coverage on June 30, 2021 consists of the following:

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

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

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

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

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

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

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

### 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>
FY2020	\$ -	\$1,359,757	\$ -	\$1,359,757
FY2021	1,359,757	-	-	1,359,757

### 14. RESTRICTED FUNDS

The General Fund reflects a restriction of \$1,359,736 to reflect the District's obligation under the terms of settlement of the property tax dispute filed against Washoe County et al, Nevada State Board of Equalization and the Department of Taxation by the Village League to Save Incline Assets, Inc. As the terms of the settlement are finalized, this amount is recorded as a liability at June 30, 2021 in the government-wide Statement of Net Position.

### 15. COMMITTED FUNDS

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



**16. 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, an additional \$1,889,210 in unexpended FY2020/21 appropriations are designated for this project. When combined with an additional \$754,568 in accrued interest earnings, the total funding intended to be “restricted” by the Board of Trustees for the Effluent Export Pipeline Project amounts to \$14,213,435. 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.

**17. LEASE OBLIGATIONS**

**Revenue:**

Miscellaneous revenue includes rent received for cell towers on District property. Under an agreement with American Tower, \$21,305 was paid for a tower at the Mountain Golf Course. The current five-year term is from April 2017 and ends in 2022, with the option for extensions every five years through 2037, cancelable by either party. Rent increases 3% per year. Under an agreement with AT&T \$20,159 was paid for a tower at the Mountain Golf Course. The current five-year term is from October 2015 and ends in 2020, with automatic extensions every five years, through 2035, cancelable by the tenant. Rent increases 3% per year. Under an agreement with AT&T \$6,400 was paid for a tower at Diamond Peak Ski Resort. The current five-year term is from July 2018 ends in 2023, with extensions every five years, cancelable by the tenant, through 2038. Rent increases 3.5% per year. Revenue in the amount of \$11,197 was also received from T-Mobile (assigned to Crown Castle) for a cell tower lease at Diamond Peak Ski Resort. Its term is June 2017 to 2022 with one option to renew for 5 years.

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.

	American Tower Lease	AT&T	AT&T	T-Mobile	Parasol Foundation	Reno-Sparks Convention and
FY2022	\$ 21,945	\$ 20,764	\$ 68,724	\$ 11,384	\$ 1	\$ 1
FY2023		21,386	71,130		1	1
FY2024		22,028			1	1
FY2025		22,689			1	1
FY2026					1	1
FY2027					1	1
FY2028					1	1
FY2029					1	1

**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. The fee amount for the fiscal year ending June 30, 2021 was calculated at \$57,237.

**18. 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 \$15,126.

**19. COMMUNITY SERVICES AND BEACH SPECIAL REVENUE FUNDS**

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

	Charges for Services	Paid with Punch Cards
Community Services Fund:		
Championship Golf	\$ 3,214,950	\$ 25,180
Mountain Golf	809,745	5,289
Facilities	790,683	-
Ski	10,206,918	139,727
Community Programming	1,014,837	26,555
Parks	22,350	-
Tennis	156,631	93
Recreation Administration	<u>(123,602)</u>	<u>-</u>
Total	<u>\$16,092,512</u>	<u>\$ 196,844</u>
Beach Fund	<u>\$ 839,405</u>	<u>\$ 616,419</u>
District Total	<u>\$16,931,917</u>	<u>\$ 813,263</u>

**20. COMMITMENTS AFFECTING FUTURE PERIODS**

**General Fund:**

The District entered into an unemployment insurance contract with First Nonprofit Companies for total premiums of \$413,000 for calendar year 2021 services. As of June 30, 2021, \$206,500 in quarterly deposits are remaining as a part of the subsequent year's budget.

**Capital Improvement Project Budget Carryover:**

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



General Fund	\$ 66,947
Utility Fund	3,341,387
Community Services Fund	2,110,924
Beach Fund	453,019

**Budgeting for the Fiscal Year Ending June 30, 2022:**

The District's budgeting for the fiscal year ending June 30, 2022 anticipates a reduction in Fund Balance and Net Position caused by completion of capital projects. The identified reductions include; General Fund by \$217,063 including implementation of a new Human Resources Management and Payroll System; Community Services reduction of \$3,757,491 (including \$550,000 for the Mountain Golf Course Path Replacement Project, \$800,000 for the Recreation Center Locker Room Improvement Project). The Beach Fund has a reduction of \$2,066,683 related to renovation of the Burnt Cedar Pool as well as Incline Beach Facility Improvements. The Utility Fund capital plan anticipates a draw-down in Net Position primarily due to advancing the Effluent Export Pipeline Project.

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

Contractor	Project	Contract Amount	Completed (6/30/21)	Remaining Amount
CORE West, Inc	Burnt Cedar Pool Imp	\$3,845,865	\$773,143	\$3,072,722
Avail Enterprises, LLC	Rec Center Lobby	159,832	-	159,832
Ward-Young Architects	Rec Center Lobby	39,724	16,237	20,487
Granit Construction	Effluent Pipeline	369,218	25,618	343,600

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

The State of Nevada has entered into various tax abatement agreements that reduce the tax revenues of local governments. Taxes reduced include the Consolidated Tax, which includes allocated sales and use tax revenue. State law establishes the abatements. The District's estimated share of abatements for this fiscal year is \$41,360.

**22. PRIOR PERIOD ADJUSTMENT**

The Governmental Funds Statement of Revenues, Expenditures, and Change in Fund Balance has three prior period adjustments. The first is a transfer between the Community Services Special Revenue Fund and the Community Services Capital Projects Fund that was reported in the prior year \$1,637,400 lower than the entry in the financial reports. The second adjustment is for the \$243,512 that was reported as unavailable revenue but should have been recorded as revenue when received in prior years. There were several assets capitalized in prior years that the auditors determined should not have been capitalized. The total affect to the financial reports was \$3,267,861. \$3,166,966 was in the Utilities fund, including \$3,100,110 of the Effluent Pipeline project that was written off. Governmental activities had \$100,895 in book value of assets written off as a prior period adjustment.

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**

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

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 - BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Ad valorem taxes	\$ 1,770,000	\$ 1,770,000	\$ 1,760,049	\$ (9,951)
Personal Property Tax	12,000	12,000	52,909	40,909
Intergovernmental:				
Consolidated Tax	1,407,000	1,407,000	1,629,192	222,192
Local Government Tax Act	249,000	249,000	259,256	10,256
Investment income	131,400	131,400	68,489	(62,911)
Miscellaneous	2,400	2,400	253,315	250,915
Central Services Revenue	1,471,440	-	-	-
Total revenues	<u>5,043,240</u>	<u>3,571,800</u>	<u>4,023,210</u>	<u>451,410</u>
<b>EXPENDITURES</b>				
General Government - All Functions:				
Function Summary (see next page)	5,170,249	3,698,811	2,922,799	776,012
Total expenditures	<u>5,170,249</u>	<u>3,698,811</u>	<u>2,922,799</u>	<u>776,012</u>
Excess (deficiency) of revenues over expenditures	<u>(127,009)</u>	<u>(127,011)</u>	<u>1,100,411</u>	<u>1,227,422</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Contingency	-	300,000	-	(300,000)
Net change in fund balance	<u>(127,009)</u>	<u>172,989</u>	<u>1,100,411</u>	<u>927,422</u>
Fund Balance, July 1	<u>4,630,149</u>	<u>4,630,149</u>	<u>4,630,149</u>	<u>-</u>
Fund balance, June 30	<u>\$ 4,503,140</u>	<u>\$ 4,803,138</u>	<u>\$ 5,730,560</u>	<u>\$ 927,422</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 - BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>EXPENDITURES</b>				
General Government:				
General Administration				
Salaries and Wages	\$ 29,967	\$ 29,967	\$ 101,209	\$ (71,242)
Employee Benefits	20,311	20,311	21,329	(1,018)
Services and Supplies	479,718	479,718	442,712	37,006
Capital Outlay	650,150	650,150	92,485	557,665
Subtotal General Administration	<u>1,180,146</u>	<u>1,180,146</u>	<u>657,735</u>	<u>522,411</u>
General Manager				
Salaries and Wages	265,714	265,714	260,346	5,368
Employee Benefits	115,751	115,752	118,331	(2,579)
Services and Supplies	56,340	56,340	18,879	37,461
Subtotal General Manager	<u>437,805</u>	<u>437,806</u>	<u>397,556</u>	<u>40,250</u>
Trustees				
Salaries and Wages	106,114	106,114	105,084	1,030
Employee Benefits	32,904	32,904	33,542	(638)
Services and Supplies	77,000	77,000	5,096	71,904
Subtotal Trustees	<u>216,018</u>	<u>216,018</u>	<u>143,722</u>	<u>72,296</u>
Accounting				
Salaries and Wages	611,635	611,635	550,351	61,284
Employee Benefits	323,754	323,754	253,759	69,995
Services and Supplies	77,636	77,636	56,836	20,800
Central Services (Expenditure Offset)	-	(555,417)	(536,345)	(19,072)
Subtotal Accounting	<u>1,013,025</u>	<u>457,608</u>	<u>324,601</u>	<u>133,007</u>
Information Services				
Salaries and Wages	409,070	409,070	421,640	(12,570)
Employee Benefits	246,800	246,800	206,407	40,393
Services and Supplies	360,817	360,817	312,877	47,940
Capital Outlay	-	-	36,040	(36,040)
Subtotal Information Services	<u>1,016,687</u>	<u>1,016,687</u>	<u>976,964</u>	<u>39,723</u>
Human Resources				
Salaries and Wages	551,976	551,976	503,561	48,415
Employee Benefits	304,561	304,561	265,873	38,688
Services and Supplies	129,196	129,197	32,968	96,229
Central Services (Expenditure Offset)	-	(916,023)	(799,403)	(116,620)
Capital Outlay	-	-	237,353	(237,353)
Subtotal Human Resources	<u>985,733</u>	<u>69,711</u>	<u>240,352</u>	<u>(170,641)</u>
Health and Wellness				
Salaries and Wages	14,936	14,936	10,870	4,066
Employee Benefits	6,235	6,235	4,377	1,858
Services and Supplies	21,475	21,475	971	20,504
Subtotal Health and Wellness	<u>42,646</u>	<u>42,646</u>	<u>16,218</u>	<u>26,428</u>
Community & Employee Relations				
Salaries and Wages	91,868	91,868	94,665	(2,797)
Employee Benefits	54,803	54,803	54,106	697
Services and Supplies	131,518	131,518	16,880	114,638
Subtotal Comm. Relations	<u>278,189</u>	<u>278,189</u>	<u>165,651</u>	<u>112,538</u>
Function Subtotal	<u>\$ 5,170,249</u>	<u>\$ 3,698,811</u>	<u>\$ 2,922,799</u>	<u>\$ 776,012</u>

See notes to required supplementary information

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
COMMUNITY SERVICES SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Charges for Services				
Championship Golf	\$ 3,391,290	\$ 3,391,291	\$ 3,214,950	\$ (176,341)
Mountain Golf	818,834	818,834	809,745	(9,089)
Facilities	1,440,299	1,440,299	790,683	(649,616)
Ski	10,148,735	10,148,734	10,206,918	58,184
Community Programming	1,007,900	1,007,900	1,014,837	6,937
Parks	38,700	26,600	22,350	(4,250)
Tennis	100,400	100,400	156,631	56,231
Recreation Administration	(317,830)	(317,830)	(123,602)	194,228
Facility Fee:				
Championship Golf	32,812	32,812	33,019	207
Mountain Golf	221,481	221,481	222,882	1,401
Facilities	41,015	41,015	41,275	260
Ski	(1,640,400)	(1,640,400)	(1,650,784)	(10,384)
Community Programming	1,222,098	1,222,098	1,229,835	7,737
Parks	729,978	729,978	734,600	4,622
Tennis	114,828	114,828	115,555	727
Recreation Administration	1,041,833	1,041,833	1,009,230	(32,603)
Operating Grants	17,000	17,000	17,000	-
Interfund Services	98,849	98,849	91,769	(7,080)
Intergovernmental Services	21,700	21,700	36,997	15,297
Investment Earnings	52,500	52,500	4,471	(48,029)
Miscellaneous	118,130	130,230	119,697	(10,533)
Total revenues	<u>18,700,152</u>	<u>18,700,152</u>	<u>18,098,058</u>	<u>(602,094)</u>
<b>EXPENDITURES</b>				
Culture and Recreation - All Functions:				
Function Summary (see next page)	18,149,871	18,149,869	15,289,187	2,860,682
Total expenditures	<u>18,149,871</u>	<u>18,149,869</u>	<u>15,289,187</u>	<u>2,860,682</u>
Excess (deficiency) of revenues over expenditures	<u>550,281</u>	<u>550,283</u>	<u>2,808,871</u>	<u>2,258,588</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Assets	-	-	52,250	52,250
Transfers In	-	-	(537,835)	(537,835)
Transfers Out - Capital Projects	(5,594,546)	-	-	-
Net change in fund balance	<u>(5,044,265)</u>	<u>550,283</u>	<u>2,323,286</u>	<u>1,773,003</u>
Fund Balance, July 1, as reported	15,280,913	15,280,913	15,280,913	-
Prior period adjustment	(1,637,400)	(1,637,400)	(1,637,400)	-
Fund balance, July 1 as adjusted	<u>13,643,513</u>	<u>13,643,513</u>	<u>13,643,513</u>	<u>-</u>
Fund balance, June 30	<u>\$ 8,599,248</u>	<u>\$ 14,193,796</u>	<u>\$ 15,966,799</u>	<u>\$ 1,773,003</u>

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

See notes to required supplementary information



**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
COMMUNITY SERVICES SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>EXPENDITURES</b>				
<b>Community Services:</b>				
Championship Golf				
Salaries and Wages	\$ 1,258,610	\$ 1,258,610	\$ 1,170,676	\$ 87,934
Employee Benefits	364,034	364,034	349,938	14,096
Services and Supplies	2,094,835	2,094,834	1,821,891	272,943
Subtotal Championship Golf	<u>3,717,479</u>	<u>3,717,478</u>	<u>3,342,505</u>	<u>374,973</u>
Mountain Golf				
Salaries and Wages	409,731	409,731	346,777	62,954
Employee Benefits	117,206	117,206	112,455	4,751
Services and Supplies	614,272	614,272	554,768	59,504
Subtotal Mountain Golf	<u>1,141,209</u>	<u>1,141,209</u>	<u>1,014,000</u>	<u>127,209</u>
Facilities				
Salaries and Wages	446,134	446,134	329,647	116,487
Employee Benefits	193,412	193,412	155,209	38,203
Services and Supplies	865,037	865,037	520,861	344,176
Subtotal Facilities	<u>1,504,583</u>	<u>1,504,583</u>	<u>1,005,717</u>	<u>498,866</u>
Ski				
Salaries and Wages	3,135,849	3,135,849	2,740,266	395,583
Employee Benefits	1,050,665	1,050,665	902,189	148,476
Services and Supplies	3,888,829	3,888,828	2,961,304	927,524
Subtotal Ski	<u>8,075,343</u>	<u>8,075,342</u>	<u>6,603,759</u>	<u>1,471,583</u>
Community Programming				
Salaries and Wages	1,037,021	1,037,021	966,114	70,907
Employee Benefits	327,605	327,605	274,637	52,968
Services and Supplies	847,529	847,529	697,660	149,869
Subtotal Community Programming	<u>2,212,155</u>	<u>2,212,155</u>	<u>1,938,411</u>	<u>273,744</u>
Parks				
Salaries and Wages	313,796	313,796	317,963	(4,167)
Employee Benefits	82,979	82,979	76,041	6,938
Services and Supplies	459,760	459,760	364,175	95,585
Subtotal Parks	<u>856,535</u>	<u>856,535</u>	<u>758,179</u>	<u>98,356</u>
Tennis				
Salaries and Wages	108,530	108,530	129,469	(20,939)
Employee Benefits	28,038	28,038	22,018	6,020
Services and Supplies	90,213	90,213	97,573	(7,360)
Subtotal Tennis	<u>226,781</u>	<u>226,781</u>	<u>249,060</u>	<u>(22,279)</u>
Community Services Administration				
Salaries and Wages	147,970	147,970	158,671	(10,701)
Employee Benefits	61,384	61,384	50,263	11,121
Services and Supplies	206,432	206,432	168,622	37,810
Subtotal Recreation Administration	<u>415,786</u>	<u>415,786</u>	<u>377,556</u>	<u>38,230</u>
Function Subtotal	<u>\$ 18,149,871</u>	<u>\$ 18,149,869</u>	<u>\$ 15,289,187</u>	<u>\$ 2,860,682</u>

See notes to required supplementary information

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
 BEACH SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS  
 FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Charges for Services	\$ 831,955	\$ 831,955	\$ 839,405	\$ 7,450
Facility Fees	658,580	658,580	648,974	(9,606)
Investment Earnings	11,250	11,250	635	(10,615)
Total revenues	<u>1,501,785</u>	<u>1,501,785</u>	<u>1,489,014</u>	<u>(12,771)</u>
<b>EXPENDITURES</b>				
Salaries and Wages	810,930	810,930	800,751	10,179
Employee Benefits	221,093	221,093	198,994	22,099
Services and Supplies	874,276	874,276	700,677	173,599
Total expenditures	<u>1,906,299</u>	<u>1,906,299</u>	<u>1,700,422</u>	<u>205,877</u>
Excess (deficiency) of revenues over expenditures	(404,514)	(404,514)	(211,408)	193,106
Net change in fund balance	<u>(404,514)</u>	<u>(404,514)</u>	<u>(211,408)</u>	<u>193,106</u>
Fund Balance, July 1	<u>2,591,632</u>	<u>2,591,632</u>	<u>2,591,632</u>	<u>-</u>
Fund balance, June 30	<u>\$ 2,187,118</u>	<u>\$ 2,187,118</u>	<u>\$ 2,380,224</u>	<u>\$ 193,106</u>

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

See notes to required supplementary information



**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**  
**NOTES TO REQUIRED SUPPLEMENTAL INFORMATION - JUNE 30, 2021**

The Budgetary Comparison Schedule – Budget to Actual (Non-GAAP Budgetary Basis) presented on the following pages provides a comparison of the original and final legally adopted budget with actual data on a budgetary basis. The original budget and related estimated revenues represent the spending authority approved by the board of trustees on May 27, 2020. Generally accepted accounting principles (GAAP) require that the final legal budget be reflected in the “final budget” column. The final legal budget also reflects encumbrances and multi-year projects budgetary carry-forwards from the prior fiscal year. The previous schedules represent the Budgetary Statement of Revenues, Expenditures and Changes in Fund Balance – General Fund and major Services Special Revenue Funds.

INCLINE VILLAGE  
GENERAL IMPROVEMENT DISTRICT

**SUPPLEMENTARY  
INFORMATION**



**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
COMMUNITY SERVICES CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Sales of Assets and Intangibles	\$ -	\$ -	\$ 1,500	\$ 1,500
Facility Fees	533,195	533,195	536,571	3,376
Capital Grants	-	-	88,505	88,505
Total revenues	<u>533,195</u>	<u>533,195</u>	<u>626,576</u>	<u>93,381</u>
<b>EXPENDITURES</b>				
Championship Golf	1,653,827	1,653,381	860,893	792,488
Mountain Golf	347,380	347,380	127,365	220,015
Facilities	100,000	100,000	23,762	76,238
Ski	2,263,864	2,262,504	439,610	1,822,894
Community Programming	455,000	531,756	340,112	191,644
Parks	172,440	215,503	236,472	(20,969)
Tennis	1,045,230	1,045,230	872,040	173,190
Comm. Serv. Administration	90,000	90,000	7,000	83,000
Total expenditures	<u>6,127,741</u>	<u>6,245,754</u>	<u>2,907,254</u>	<u>3,338,500</u>
Excess (deficiency) of revenues over expenditures	<u>(5,594,546)</u>	<u>(5,712,559)</u>	<u>(2,280,678)</u>	<u>3,431,881</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers In	5,594,546	5,594,546	537,835	(5,056,711)
Transfers Out	-	-	-	-
Total other financing sources	<u>5,594,546</u>	<u>5,594,546</u>	<u>537,835</u>	<u>(5,056,711)</u>
Net change in fund balance	<u>-</u>	<u>(118,013)</u>	<u>(1,742,843)</u>	<u>(1,624,830)</u>
Fund Balance, July 1, as reported	-	-	-	-
Prior period adjustment	<u>1,637,400</u>	<u>1,637,400</u>	<u>1,637,400</u>	<u>-</u>
Fund balance, July 1 as adjusted	<u>1,637,400</u>	<u>1,637,400</u>	<u>1,637,400</u>	<u>-</u>
Fund balance, June 30	<u>\$ 1,637,400</u>	<u>\$ 1,519,387</u>	<u>\$ (105,443)</u>	<u>\$ (1,624,830)</u>

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

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
 BEACH CAPITAL PROJECTS FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS  
 FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Facility Fees	\$ 3,207,672	\$ 3,207,672	\$ 3,196,016	\$ (11,656)
Total revenues	<u>3,207,672</u>	<u>3,207,672</u>	<u>3,196,016</u>	<u>(11,656)</u>
<b>EXPENDITURES</b>				
Beach				
Total expenditures	<u>454,500</u>	<u>1,712,789</u>	<u>1,245,205</u>	<u>467,584</u>
Excess (deficiency) of revenues over expenditures	<u>2,753,172</u>	<u>1,494,883</u>	<u>1,950,811</u>	<u>455,928</u>
Net change in fund balance	2,753,172	1,494,883	1,950,811	455,928
Fund Balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u>\$ 2,753,172</u>	<u>\$ 1,494,883</u>	<u>\$ 1,950,811</u>	<u>\$ 455,928</u>

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



INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
COMMUNITY SERVICES DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Facility Fees	\$ 410,150	\$ 410,150	\$ 412,748	\$ 2,598
Total revenues	<u>410,150</u>	<u>410,150</u>	<u>412,748</u>	<u>2,598</u>
<b>EXPENDITURES</b>				
Community Services - GO Revenue Supported				
Principal	362,075	362,075	362,075	-
Interest	<u>21,097</u>	<u>21,097</u>	<u>21,097</u>	<u>-</u>
Total expenditures	<u>383,172</u>	<u>383,172</u>	<u>383,172</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>26,978</u>	<u>26,978</u>	<u>29,576</u>	<u>2,598</u>
Net change in fund balance	26,978	26,978	29,576	2,598
Fund Balance, July 1	-	-	-	-
Fund balance, June 30	<u>\$ 26,978</u>	<u>\$ 26,978</u>	<u>\$ 29,576</u>	<u>\$ 2,598</u>

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

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
 BEACH DEBT SERVICE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS  
 FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Facility Fees	\$ 7,748	\$ 7,748	\$ 7,720	\$ (28)
Total revenues	<u>7,748</u>	<u>7,748</u>	<u>7,720</u>	<u>(28)</u>
<b>EXPENDITURES</b>				
Beach				
Principal	5,925	5,925	5,925	-
Interest	345	345	345	-
Total expenditures	<u>6,270</u>	<u>6,270</u>	<u>6,270</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(6,270)	(6,270)	(6,270)	-
Net change in fund balance	1,478	1,478	1,450	(28)
Fund Balance, July 1	-	-	-	-
Fund balance, June 30	<u>\$ 1,478</u>	<u>\$ 1,478</u>	<u>\$ 1,450</u>	<u>\$ (28)</u>

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



INCLINE VILLAGE  
GENERAL IMPROVEMENT DISTRICT

**STATISTICAL SECTION  
(UNAUDITED)**

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Governmental Activities</b>										
Net invested in capital assets	\$ 58,015,190	\$ 57,665,962	\$ 56,147,092	\$ 52,880,021	\$ 50,729,901	\$ 48,555,965	\$ 47,729,659	\$ 44,322,574	\$ 42,560,434	\$ 40,313,677
Restricted	142,727	142,135	136,993	183,037	180,564	178,426	187,825	246,604	270,359	955,415
Unrestricted	24,788,140	21,457,789	19,371,388	18,130,708	16,887,487	13,973,745	9,114,898	10,106,521	9,434,133	6,473,085
<b>Total governmental activities net position</b>	<b>\$ 82,946,057</b>	<b>\$ 79,265,886</b>	<b>\$ 75,655,473</b>	<b>\$ 71,193,766</b>	<b>\$ 67,797,952</b>	<b>\$ 62,708,136</b>	<b>\$ 57,032,382</b>	<b>\$ 54,675,699</b>	<b>\$ 52,264,926</b>	<b>\$ 47,742,177</b>
<b>Business-type activities</b>										
Net invested in capital assets	\$ 60,139,428	\$ 63,202,365	\$ 64,549,358	\$ 64,377,397	\$ 59,817,845	\$ 57,974,014	\$ 57,365,832	\$ 56,875,962	\$ 56,144,425	\$ 56,598,673
Restricted	324,306	322,895	316,611	309,344	305,022	226,208	225,435	225,185	224,951	226,777
Unrestricted	16,521,859	15,172,503	12,442,309	9,971,293	12,536,210	12,026,276	11,228,881	10,113,847	9,197,509	5,554,147
<b>Total business-type activities net position</b>	<b>\$ 76,985,593</b>	<b>\$ 78,697,763</b>	<b>\$ 77,308,278</b>	<b>\$ 74,658,034</b>	<b>\$ 72,659,077</b>	<b>\$ 70,226,498</b>	<b>\$ 68,820,148</b>	<b>\$ 67,214,994</b>	<b>\$ 65,566,885</b>	<b>\$ 62,379,597</b>
<b>Primary government</b>										
Net invested in capital assets	\$ 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	\$ 96,912,350
Restricted	467,033	465,030	453,604	492,381	485,586	404,634	413,260	471,789	495,310	1,182,192
Unrestricted	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	12,027,232
<b>Total primary government net position</b>	<b>\$ 159,931,650</b>	<b>\$ 157,963,649</b>	<b>\$ 152,963,751</b>	<b>\$ 145,851,800</b>	<b>\$ 140,457,029</b>	<b>\$ 132,934,634</b>	<b>\$ 125,852,530</b>	<b>\$ 121,890,693</b>	<b>\$ 117,831,811</b>	<b>\$ 110,121,774</b>

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)**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Expenses</b>										
<b>Governmental activities:</b>										
General government	\$ 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	\$ 3,265,830
Community Services	19,012,462	19,567,351	20,310,745	18,947,246	18,599,633	17,237,889	15,359,833	15,036,116	14,704,572	14,936,896
Beach	2,151,734	2,010,175	2,141,695	1,848,969	1,802,103	1,689,472	1,517,855	1,363,778	1,144,073	1,145,077
Internal services	-	-	3,306,507	3,053,400	2,947,302	2,972,060	2,503,958	2,267,111	1,792,260	1,949,861
Interest on long-term debt	18,671	29,643	35,017	97,083	160,366	205,263	201,882	252,324	371,938	476,635
<b>Total governmental activities expenses</b>	<b>24,070,759</b>	<b>25,706,138</b>	<b>29,988,201</b>	<b>27,775,615</b>	<b>27,323,862</b>	<b>25,777,345</b>	<b>22,804,006</b>	<b>22,108,925</b>	<b>20,942,771</b>	<b>21,774,299</b>
<b>Business-type activities:</b>										
Utilities	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	8,404,350
Interest on long-term debt	96,914	-	126,351	140,463	154,186	167,530	180,505	193,123	186,608	178,631
<b>Total business-type activities expenses</b>	<b>11,449,802</b>	<b>11,495,874</b>	<b>10,554,488</b>	<b>10,253,834</b>	<b>9,883,961</b>	<b>9,948,695</b>	<b>9,623,171</b>	<b>9,222,798</b>	<b>8,667,562</b>	<b>8,582,981</b>
<b>Total primary government expenses</b>	<b>35,520,561</b>	<b>37,202,012</b>	<b>40,542,689</b>	<b>38,029,449</b>	<b>37,207,823</b>	<b>35,726,040</b>	<b>32,427,177</b>	<b>31,331,723</b>	<b>29,610,333</b>	<b>30,357,280</b>
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
Central Services Costs (& equivalent pre-2012)	-	-	1,169,400	1,094,000	1,177,200	1,123,000	1,101,000	1,068,996	1,000,200	1,074,000
<b>Charges for services</b>										
Community Services	16,221,278	15,597,229	17,765,644	14,743,788	16,820,165	15,596,222	10,485,799	10,634,172	10,900,298	10,435,232
Beach	839,405	1,619,582	1,492,687	1,266,613	1,065,015	1,002,518	989,602	1,032,621	980,240	568,277
Operating and Capital Grants	107,093	1,654,399	-	-	-	-	-	-	-	-
Internal Services	-	-	3,304,862	3,190,849	3,114,747	2,935,521	2,560,122	2,280,296	2,045,412	1,891,200
<b>Total governmental activities revenues</b>	<b>17,167,776</b>	<b>18,871,210</b>	<b>23,732,593</b>	<b>20,295,250</b>	<b>22,177,127</b>	<b>20,657,261</b>	<b>15,136,523</b>	<b>15,016,085</b>	<b>14,926,150</b>	<b>13,968,709</b>
<b>Business-type activities:</b>										
<b>Charges for services</b>										
Utilities	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	9,127,955
Operating Grants and Contributions	39,857	-	1,440	-	-	-	-	-	-	-
<b>Total business-type activities revenue</b>	<b>12,870,917</b>	<b>12,564,466</b>	<b>12,787,182</b>	<b>11,925,557</b>	<b>11,813,169</b>	<b>11,158,119</b>	<b>10,851,123</b>	<b>10,434,118</b>	<b>9,767,475</b>	<b>9,127,955</b>
<b>Total primary government revenue</b>	<b>30,038,693</b>	<b>31,435,676</b>	<b>36,519,775</b>	<b>32,220,807</b>	<b>33,990,296</b>	<b>31,815,380</b>	<b>25,987,646</b>	<b>25,450,203</b>	<b>24,693,625</b>	<b>23,096,664</b>
<b>Net (Expense)/Revenue</b>										
Governmental activities	(6,902,983)	(6,834,928)	(6,255,608)	(7,480,365)	(5,146,735)	(5,120,084)	(7,667,483)	(7,092,840)	(6,016,621)	(7,805,590)
Business-type activities	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	544,974
<b>Total primary government net (expense)/revenue</b>	<b>(5,481,868)</b>	<b>(5,766,336)</b>	<b>(4,022,914)</b>	<b>(5,808,642)</b>	<b>(3,217,527)</b>	<b>(3,910,660)</b>	<b>(6,439,531)</b>	<b>(5,881,520)</b>	<b>(4,916,708)</b>	<b>(7,260,616)</b>
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental activities</b>										
<b>Taxes</b>										
Property taxes	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	1,325,436
Combined taxes	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	1,106,183
Facility Fees - Community Services	2,684,931	5,774,067	5,787,078	5,799,206	5,973,914	5,995,248	6,018,616	6,024,564	5,962,384	5,919,707
Facility Fees- Beach	3,852,710	966,817	969,332	972,316	775,337	777,574	778,149	780,716	775,102	899,565
Investment earnings	73,594	587,208	563,685	175,122	83,842	150,795	124,306	103,106	88,116	193,562
Miscellaneous	127,897	384,429	204,245	190,578	310,425	299,355	120,134	170,981	63,692	127,338
Grants and contributions	-	-	267	558,128	132,055	586,361	235,674	(407)	1,137,270	1,369,936
Transfers	-	(45,000)	(120,000)	-	-	-	-	-	-	-
Accounting Adjustments	-	-	-	-	-	-	-	(146,589)	-	-
<b>Total governmental activities other changes</b>	<b>10,440,538</b>	<b>11,110,350</b>	<b>10,717,315</b>	<b>10,879,175</b>	<b>10,236,551</b>	<b>10,795,838</b>	<b>10,024,166</b>	<b>9,503,614</b>	<b>10,539,370</b>	<b>10,941,727</b>
<b>Business-type activities</b>										
Investment earnings	33,681	298,225	282,484	77,280	60,132	154,162	81,996	61,007	55,666	86,010
Capital Grants and contributions	-	-	-	199,934	425,509	-	329,705	461,994	2,013,853	912,933
Miscellaneous	-	(22,332)	15,066	50,020	17,730	42,764	(34,499)	(4,712)	17,856	381
Transfers	-	45,000	120,000	-	-	-	-	-	-	-
Accounting Adjustments	-	-	-	-	-	-	-	(81,501)	-	-
<b>Total business-type activities other changes</b>	<b>33,681</b>	<b>320,893</b>	<b>417,550</b>	<b>327,234</b>	<b>503,371</b>	<b>196,926</b>	<b>377,202</b>	<b>436,788</b>	<b>2,087,375</b>	<b>999,324</b>
<b>Change in Net Position</b>										
Governmental activities	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	3,136,137
Business-type activities	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	1,544,298
<b>Total primary government</b>	<b>\$ 4,992,351</b>	<b>\$ 5,664,907</b>	<b>\$ 7,111,951</b>	<b>\$ 5,397,767</b>	<b>\$ 7,522,395</b>	<b>\$ 7,082,104</b>	<b>\$ 3,961,837</b>	<b>\$ 4,058,882</b>	<b>\$ 7,710,037</b>	<b>\$ 4,680,435</b>

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)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>General Fund</b>										
Non-spendable	\$ 582,459	\$ 159,611	\$ 196,742	\$ 224,707	\$ 213,462	\$ 268,005	\$ 218,623	\$ 237,021	\$ 191,780	\$ 174,157
Restricted	1,359,736	1,359,737	-	-	-	-	-	-	-	52,000
Committed	-	-	-	-	-	400,000	400,000	400,000	400,000	400,000
Unassigned	3,788,365	3,110,801	3,568,844	3,098,079	1,648,787	1,151,988	882,664	754,000	294,887	357,734
<b>Total General Fund</b>	<b>\$ 5,730,560</b>	<b>\$ 4,630,149</b>	<b>\$ 3,765,586</b>	<b>\$ 3,322,786</b>	<b>\$ 1,862,249</b>	<b>\$ 1,819,993</b>	<b>\$ 1,501,287</b>	<b>\$ 1,391,021</b>	<b>\$ 886,667</b>	<b>\$ 983,891</b>
<b>Community Services</b>										
Special Revenue Fund										
Non-spendable	\$ 617,076	\$ 503,176	\$ 936,311	\$ 868,600	\$ 878,949	\$ 751,640	\$ 660,409	\$ 658,053	\$ 705,131	\$ 685,798
Restricted	141,727	141,135	135,993	78,157	77,136	76,674	86,421	86,332	87,261	101,617
Committed	15,207,996	14,636,603	-	-	-	-	-	-	-	-
Assigned - operations	-	-	12,261,649	9,053,712	9,364,056	7,026,514	4,610,925	5,279,561	5,275,226	3,949,021
Capital Projects - Committed	(105,443)	-	-	2,327,477	2,423,806	2,061,541	-	-	-	-
Debt Service - Committed	29,576	-	-	51,553	27,394	2,111	-	-	-	-
<b>Total Comm. Services</b>	<b>\$ 15,890,932</b>	<b>\$ 15,280,914</b>	<b>\$ 13,333,953</b>	<b>\$ 12,379,499</b>	<b>\$ 12,771,341</b>	<b>\$ 9,918,480</b>	<b>\$ 5,357,755</b>	<b>\$ 6,023,946</b>	<b>\$ 6,067,618</b>	<b>\$ 4,736,436</b>
<b>Beach</b>										
Special Revenue Fund										
Non-spendable	\$ -	\$ -	\$ 34,532	\$ 47,075	\$ 30,328	\$ 19,614	\$ 23,520	\$ 19,328	\$ 17,222	\$ 18,265
Restricted	1,000	1,000	1,000	1,000	1,000	-	-	-	-	-
Committed	2,379,224	2,590,632	-	-	-	-	-	-	-	-
Assigned - operations	-	-	1,774,846	1,330,016	1,038,909	1,040,136	1,084,266	1,652,877	1,514,417	1,467,463
Capital Projects - Committed	1,950,811	-	-	85,740	5,155	20,379	-	-	-	-
Debt Service - Committed	1,450	-	-	4,606	3,104	1,572	-	-	-	-
<b>Total Beach</b>	<b>\$ 4,332,485</b>	<b>\$ 2,591,632</b>	<b>\$ 1,810,378</b>	<b>\$ 1,468,437</b>	<b>\$ 1,078,496</b>	<b>\$ 1,081,701</b>	<b>\$ 1,107,786</b>	<b>\$ 1,672,205</b>	<b>\$ 1,531,639</b>	<b>\$ 1,485,728</b>

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

2018 is restated for Prior Period Adjustment.



**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Revenues</b>										
Taxes	\$ 3,701,406	\$ 3,478,074	\$ 3,323,633	\$ 3,174,544	\$ 2,960,847	\$ 2,984,992	\$ 2,747,287	\$ 2,571,243	\$ 2,512,806	\$ 2,431,619
Charges for Services	17,062,123	17,105,010	19,241,331	15,993,401	17,886,620	16,598,740	11,458,401	11,560,555	11,783,415	10,925,809
Facility Fees	6,537,641	6,740,884	6,797,896	6,737,396	6,754,489	6,760,224	6,796,765	6,805,280	6,737,486	6,819,272
Central Services Charges	-	-	1,169,400	1,094,000	1,177,200	1,123,000	1,101,000	1,068,996	1,000,200	1,074,000
Operating and Capital Grants	105,505	1,654,399	17,000	17,000	17,000	19,880	17,000	106,238	97,123	77,700
Investment Earnings	73,595	587,208	563,325	161,551	81,366	115,690	99,634	78,855	65,199	54,112
Miscellaneous	128,060	193,552	114,779	111,495	198,729	516,763	116,224	111,315	72,307	75,468
<b>Total Revenues</b>	<b>27,608,330</b>	<b>29,759,127</b>	<b>31,227,364</b>	<b>27,289,387</b>	<b>29,076,251</b>	<b>28,119,289</b>	<b>22,336,311</b>	<b>22,302,482</b>	<b>22,268,536</b>	<b>21,457,980</b>
<b>Expenditures</b>										
<b>General Government:</b>										
General Fund - current	2,556,921	2,432,435	3,933,149	3,586,203	3,603,667	3,510,247	3,139,473	3,059,518	2,907,061	2,874,413
Capital Outlay	365,878	279,424	121,257	113,813	148,435	79,331	644,383	84,849	46,452	9,953
<b>Recreation:</b>										
Community Services - current	15,289,187	16,546,104	17,288,580	16,137,428	15,919,959	14,853,575	13,019,001	12,742,330	12,458,356	12,577,779
Community Services - Capital Projects	2,907,254	5,059,031	6,043,500	3,905,926	3,633,210	2,344,198	2,832,606	2,266,640	2,094,299	2,785,667
Community Services - Debt Service	383,172	384,354	381,401	1,285,340	1,284,257	1,283,074	1,761,635	1,758,931	2,239,198	2,271,093
Beach - current	1,700,422	1,758,394	1,906,516	1,619,746	1,587,259	1,493,554	1,368,428	1,226,285	1,026,756	1,028,133
Beach - Capital Projects	1,245,205	82,009	284,298	221,248	256,161	319,152	695,822	167,375	550,397	7,196
Beach - Debt Service	6,270	6,289	6,241	6,237	6,215	6,189	276,005	277,192	133,177	133,893
<b>Total Expenditures</b>	<b>24,454,309</b>	<b>26,548,040</b>	<b>29,964,942</b>	<b>26,875,941</b>	<b>26,439,163</b>	<b>23,889,320</b>	<b>23,737,353</b>	<b>21,583,120</b>	<b>21,455,696</b>	<b>21,688,127</b>
<b>Other Financing Sources (Uses)</b>										
Transfers In	537,835	-	474,356	800,000	-	-	-	-	-	-
Transfer (Out)	(537,835)	(45,000)	(120,000)	-	-	-	-	-	-	-
Sale of assets	53,750	44,639	40,159	88,415	141,216	37,016	3,910	67,213	(8,615)	51,531
Insurance Proceeds	-	243,548	50,300	-	-	-	-	-	-	-
Capital Grants	-	-	31,958	156,775	113,615	586,361	235,674	(407)	1,137,270	1,369,936
Washoe Co Tax Refund	-	-	-	-	-	-	-	-	(694,817)	(280,460)
<b>Total Other Sources (Uses)</b>	<b>53,750</b>	<b>243,187</b>	<b>476,773</b>	<b>1,045,190</b>	<b>254,831</b>	<b>623,377</b>	<b>239,584</b>	<b>66,806</b>	<b>433,838</b>	<b>1,141,007</b>
<b>Net Changes in Fund Balance</b>	<b>\$ 3,207,771</b>	<b>\$ 3,454,274</b>	<b>\$ 1,739,195</b>	<b>\$ 1,458,636</b>	<b>\$ 2,891,919</b>	<b>\$ 4,853,346</b>	<b>\$ (1,161,458)</b>	<b>\$ 786,168</b>	<b>\$ 1,246,678</b>	<b>\$ 910,860</b>

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
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%
2012	1,368,961,464	0.1129	3,911,318,469	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)**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Incline Village GID-Direct	\$ 0.1311	\$ 0.1267	\$ 0.1224	\$ 0.1182	\$ 0.1183	\$ 0.1269	\$ 0.1157	\$ 0.1105	\$ 0.1153	\$ 0.1129
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	0.6291	0.6291	0.6291	0.6291	0.6291	0.6291	0.6291	0.6414	0.5525
State of Nevada	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700
<b>Total Rate Per \$100 assessed valuation</b>	<b>\$ 3.4793</b>	<b>\$ 3.4560</b>	<b>\$ 3.4517</b>	<b>\$ 3.4475</b>	<b>\$ 3.4476</b>	<b>\$ 3.4562</b>	<b>\$ 3.4450</b>	<b>\$ 3.4398</b>	<b>\$ 3.4569</b>	<b>\$ 3.3656</b>

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	2021 Assessed Value	% of Total Assessed Value	2012 Assessed Value	% of Total Assessed Value	Rank
<b>Top Ten (Current Year):</b>							
Hyatt Equities LLC	Hotel/Casino	2	\$ 28,807,974	1.58%	\$ 22,933,889	1.68%	1
Cascade Beach LLC	Residential Property	2	13,980,680	0.77%			
Tahoe Estates LLC	Residential Property	2	13,438,173	0.74%	7,992,695	0.58%	4
1145 Lakeshore Boulevard	Residential Property	1	11,290,556	0.62%			
Ponderosa Ranch LLC	Residential Property	22	10,665,178	0.59%	10,786,263	0.79%	3
Nevada Pacific Development Corp	Residential Property	43	10,032,118	0.55%	15,398,547	1.12%	2
Lakeshore Trust	Residential Property	1	9,379,722	0.52%	7,770,870	0.57%	6
SF Pacific LLC	Residential Property	1	9,045,360	0.50%	5,511,274	0.40%	8
KWS Nevada Residential LLC	Residential Property	3	7,165,565	0.39%	5,585,365	0.41%	7
HTS Ground Lake Tahoe INC	Residential Property	60	6,953,033	0.38%			
<b>In Prior Top Ten:</b>							
Duffield Trust, David A	Residential Property	11			7,935,927	0.58%	5
Ten-Four-One Realty Trust	Residential Property	1			5,498,705	0.40%	9
Erdman, Christian P	Residential Property	1			5,203,126	0.38%	10
			<u>\$ 120,758,359</u>	<u>6.64%</u>	<u>\$ 94,616,661</u>	<u>6.91%</u>	
Total IVGID Community			<u>\$ 1,817,882,343</u>	<u>100.00%</u>	<u>\$ 1,368,961,464</u>	<u>100.00%</u>	

SOURCE: Washoe County Assessors Office



**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

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

<b>Fiscal Year Ending June 30,</b>	<b>Net Levy Roll</b>	<b>Current Tax Collected</b>	<b>Percent of Levy Collected</b>	<b>Delinquent Tax Collected</b>	<b>Total Cumulative Taxes Collected</b>	<b>Total Taxes Collected as a % of Net Levy Roll</b>
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%
2012	422,799	416,849	98.59%	5,947	422,796	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	Governmental-Type Activities:			Business-Type Activities:			Gross Bonded Debt	Percentage Payable by	Percentage Payable by	Population	Debt Per Capita
	G. O. & Revenue Pledged	General Obligation Only	Total	Revenue Pledged	General Obligation	Total		Property Taxes	Pledged Revenues		
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
2012	5,495,000	5,195,000	10,690,000	2,435,281	3,495,379	5,930,660	16,620,660	0%	100%	9087	1,829

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, 2021 Applicable Net Debt
Washoe County	\$ 120,784,000	\$ 33,580,000	9.397%	\$ 8,194,128
Washoe County School District	1,128,974,000	-	9.397%	106,084,102
State of Nevada	1,210,570,000	323,512,000	1.301%	11,538,406
<b>Total</b>	<b>2,460,328,000</b>	<b>357,092,000</b>		<b>125,816,636</b>
Incline Village GID	4,315,233	4,315,233		-
<b>Total</b>	<b>\$ 2,464,643,233</b>	<b>\$ 361,407,233</b>		<b>\$ 125,816,636</b>
Applicable Net Debt June 30:				
2021				\$ 125,816,636
2020				123,510,730
2019				95,146,841
2018				99,064,878
2017				77,387,251
2016				73,677,678
2015				79,052,199
2014				92,762,454
2013				96,542,090
2012				94,180,056

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

SOURCE: Washoe County Comptrollers Office and Nevada Department of Taxation

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

## INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

### Utility Fund Net Pledged Revenues Last Ten Fiscal Years (unaudited)

Fiscal Year	Utility Service Charges	Less: Operating Expenses	Other Revenues (Expenses)	Net Available Revenue	Debt Service	Debt Service Coverage
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
2012	9,127,955	5,839,109	86,391	3,375,237	1,010,929	3.34

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
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
2012	17,771,350	13,605,912	153,785	4,319,223	2,385,541	1.81

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
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%
2012	2,385,541	1,010,929	3,396,470	21,688,127	8,404,350	11.00%	12.03%

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
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
2012	1,368,961,464	684,480,732	16,620,660	667,860,072

SOURCE: State of Nevada Department of Taxation



**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

**Demographic Statistics**

<u>Year</u>	<u>Population</u>	<u>Median Age</u>	<u>County Personal Income</u>	<u>Housing Units</u>	<u>Occupied Housing Units</u>	<u>Housing Seasonal Use</u>	<u>Reno-Sparks Unemployment Rate <sup>2</sup></u>
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%
2012	9087						12.0%

1 Based on actual Census Data

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

## INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

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

Employer	2021	2012
HYATT LAKE TAHOE RESORT	1	1
INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT	2	2
GRAND LODGE CASINO AT HYATT (and predecessors)	3	5
TAHOE BILTMORE	4	8
SIERRA NEVADA COLLEGE	5	3
RALEY'S	6	7
NORTH LAKE TAHOE FIRE PROTECTION DISTRICT	7	9
TAHOE FOREST HOSPITAL HEALTH	8	10
WASHOE COUNTY SCHOOL DISTRICT	9	
ASSOCIATED SIERRA NORTH	10	
CRYSTAL BAY CLUB CASINO		4
ACE TOTAL SERVICES INC (Excel)		8

SOURCE: Nevada Department of Employment, Training and Rehabilitation (DETR)  
 DETR indicates the methodology for determining rankings has changed year on year.  
 Data for all years is not available.  
 Data for percentage to total employment is not available.

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

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

<u>Budget year ending June 30</u>		<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Golf	Seasonal/Part Time Positions	114.0	123.0	122.8	113.8	117.9	105.2	107.2	97.5	103.5	72.3
	Season/Part Time FTE	40.8	40.6	41.2	38.4	38.4	35.0	37.0	35.3	36.8	27.4
	Full Time FTE	8.0	7.0	11.4	11.6	11.0	7.9	7.2	6.7	6.8	6.99
	Total FTE	48.8	47.6	52.6	50.0	49.4	42.9	44.2	42.0	43.6	34.39
Facilities	Seasonal/Part Time Positions	0.0	0.3	0.3	0.3	0.3	1.7	1.7	16.5	2.0	1.8
	Season/Part Time FTE	0.0	0.5	0.2	0.1	0.1	1.2	1.2	3.6	1.0	1.0
	Full Time FTE	1.4	2.0	1.2	1.3	1.2	1.1	1.1	3.4	2.0	1.1
	Total FTE	1.4	2.5	1.4	1.4	1.3	2.3	2.3	7.0	3.0	2.1
Ski	Seasonal/Part Time Positions	282.0	282.0	285.7	281.5	273.5	254.0	254.0	247.0	193.0	216.0
	Season/Part Time FTE	62.5	73.4	57.7	54.4	50.6	46.7	46.0	49.6	33.6	41.8
	Full Time FTE	11.9	13.0	16.7	16.4	15.2	14.5	14.4	11.7	9.8	12.8
	Total FTE	74.5	86.4	74.4	70.8	65.8	61.2	60.4	61.3	43.4	54.6
Parks & Recreation	Seasonal/Part Time Positions	91.2	91.5	91.5	91.5	91.0	102.3	103.4	94.3	101.8	100.9
	Season/Part Time FTE	20.8	21.5	23.9	24.9	24.8	25.0	25.5	25.9	27.7	28.4
	Full Time FTE	9.6	13.1	11.0	10.1	10.1	10.1	9.8	9.0	11.8	11.8
	Total FTE	30.5	34.6	34.9	36.0	35.9	35.1	35.3	34.9	39.5	40.4
Marketing	Seasonal/Part Time Positions	0.0	1.0	1.0	2.0	2.0	2.0	2.0	0.0	2.0	2.0
	Season/Part Time FTE	0.0	0.3	0.1	0.3	0.3	0.3	0.3	0.0	0.7	0.7
	Full Time FTE	2.8	3.0	3.1	2.8	2.8	2.9	2.9	3.0	2.0	3.0
	Total FTE	2.8	3.3	3.2	3.1	3.1	3.2	3.2	3.0	2.7	3.7
Food & Beverage	Seasonal/Part Time Positions									57.0	59.0
	Season/Part Time FTE									14.4	14.3
	Full Time FTE									4.0	5.0
	Total FTE									18.4	19.3
Other Recreation	Seasonal/Part Time Positions	4.8	4.8	4.8	4.8	4.8	4.8	2.8	0.8	3.1	3.2
	Season/Part Time FTE	1.4	1.1	1.8	1.8	1.8	1.8	1.4	0.1	1.1	1.6
	Full Time FTE	1.9	1.4	1.4	1.4	0.9	1.0	1.6	1.6	1.8	2.4
	Total FTE	3.3	2.5	3.2	3.2	2.7	2.8	3.0	1.7	2.9	4.0
Total Community Service	Seasonal/Part Time Positions	492.0	502.6	514.3	502.0	497.5	467.9	469.0	456.1	462.4	456.1
	Season/Part Time FTE	125.5	137.4	126.2	121.6	117.7	109.6	111.1	114.5	115.3	116.4
	Full Time FTE	35.7	39.5	41.7	40.9	38.5	34.7	34.1	35.4	38.2	41.7
	Total FTE	161.2	176.9	167.9	162.5	156.2	144.3	145.2	149.9	153.5	158.1
Beach	Seasonal/Part Time Positions	93.0	93.0	109.5	97.4	99.0	96.9	94.0	89.0	88.1	90.6
	Season/Part Time FTE	16.5	20.7	21.2	18.7	18.4	18.0	17.3	14.3	13.2	12.4
	Full Time FTE	4.6	1.5	4.6	3.9	3.9	4.0	3.0	2.8	2.1	2.5
	Total FTE	21.1	22.2	25.8	22.6	22.3	22.0	20.3	17.1	15.3	14.9
Administration	Seasonal/Part Time Positions	2.0	4.0	4.0	4.0	0.0	1.0	1.0	2.0	2.0	3
	Season/Part Time FTE	0.6	0.8	1.1	1.5	0.0	0.5	0.4	0.4	0.3	0.9
	Full Time FTE	22.3	23.0	22.2	21.8	22.8	22.7	20.7	22.6	20.7	20.2
	Total FTE	22.9	23.8	23.3	23.3	22.8	23.2	21.1	23.0	21.0	21.1
Engineering	Seasonal/Part Time Positions	0.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
	Season/Part Time FTE	0.0	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
	Full Time FTE	4.9	4.8	4.8	3.8	3.8	3.8	2.8	2.8	2.8	2.8
	Total FTE	4.9	5.1	5.1	4.1	4.1	4.1	3.1	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	6.0	6.0	6.0	6.0
	Total FTE	7.0	7.0	7.0	7.0	7.0	7.0	6.0	6.0	6.0	6.0
Buildings	Seasonal/Part Time Positions	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
	Season/Part Time FTE	0.9	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
	Full Time FTE	5.0	6.0	6.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0
	Total FTE	5.9	6.5	6.5	5.5	5.5	5.5	5.5	4.5	4.5	4.5
Utilities	Seasonal/Part Time Positions	4.0	4.0	4.0	5.0	5.0	5.0	3.0	3.0	2.0	2.0
	Season/Part Time FTE	1.3	3.1	2.4	3.4	3.4	3.3	1.2	1.0	0.7	0.7
	Full Time FTE	34.1	31.1	32.2	31.2	31.2	31.2	31.2	31.2	30.2	31.2
	Total FTE	35.4	34.2	34.6	34.6	34.6	34.5	32.4	32.2	30.9	31.9
District Wide	Seasonal/Part Time Positions	593.0	605.6	633.8	610.4	603.5	572.8	569.0	552.1	556.5	553.7
	Season/Part Time FTE	144.8	162.8	151.7	146.0	140.3	132.2	130.8	131.0	130.3	131.2
	Full Time FTE	113.6	112.9	118.6	113.6	112.2	108.4	102.8	104.8	104.0	108.4
	Total FTE	258.4	275.7	270.3	259.6	252.5	240.6	233.6	235.8	234.3	239.6

After 2013 Included in Ski & Golf

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	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Water	Locations	4,275	4,272	4,269	4,270	4,251	4,243	4,234	4,229	4,223	4,217
Sewer	Locations	4,185	4,182	4,180	4,178	4,160	4,152	4,144	4,139	4,124	4,121
Refuse	Locations	4,410	4,384	4,345	4,345	4,338	4,177	4,162	4,138	4,151	4,149
Championship Course	Rounds played	20,796	23,446	21,650	23,139	21,353	22,881	23,142	23,784	23,744	22,860
Mountain Course	Rounds played	13,658	15,912	16,062	17,111	15,209	15,687	14,983	14,570	13,129	13,556
Beach	Individual visits	212,458	191,073	192,321	189,291	186,146	171,772	172,628	173,963	165,089	165,387
Tennis	Individual visits	9,167	11,837	13,082	13,630	14,683	14,823	14,129	13,337	13,009	14,398
Skier	Individual visits	126,621	99,424	130,922	120,847	160,613	167,064	84,568	93,935	103,397	98,818
Recreation Center	Individual visits	133,554	94,499	129,831	123,561	121,598	115,662	126,799	130,887	125,294	124,356

SOURCE: Incline Village General Improvement District

## INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

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

Program	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Ski	\$ (200)	\$ (41)	\$ 29	\$ (83)	\$ (36)	\$ 13	\$ (27)	\$ (20)	\$ (88)	\$ (35)
Tennis	14	24	20	20	18	16	9	21	6	18
Parks	89	124	118	117	117	97	108	86	102	200
Recreation Center	342	285	262	268	269	197	241	204	241	112
Championship Golf	4	119	98	97	83	126	81	75	87	47
Mountain Golf	27	84	63	62	54	69	31	29	40	20
Beaches	500	125	125	125	100	100	100	100	100	115
Youth	26	25	25	26	26	24	21	20	15	25
Seniors	23	21	21	20	20	19	12	19	16	20
Adult Programs	-	-	-	-	-	-	1	1	2	2
Catering	-	-	-	-	-	-	-	(13)	(8)	26
Facilities	5	64	57	56	57	47	46	52	35	33
Reserves for Recreation	-	-	-	-	-	-	-	49	75	40
Golf/Tennis/Ski Bonds	-	-	-	-	-	-	85	85	85	85
Ski Lodge Bond	-	-	-	110	110	110	110	110	110	110
Defensible Space	-	-	12	12	12	12	12	12	12	12
Coverage sales	-	-	-	-	-	-	-	-	-	-
Other/Unclassified	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ 830</b>	<b>\$ 830</b>	<b>\$ 830</b>	<b>\$ 830</b>	<b>\$ 830</b>	<b>\$ 830</b>	<b>\$ 830</b>	<b>\$ 830</b>	<b>\$ 830</b>	<b>\$ 830</b>
<b>Total Collected (in 1,000's)</b>	<b>\$ 6,569</b>	<b>\$ 6,741</b>	<b>\$ 6,758</b>	<b>\$ 6,746</b>	<b>\$ 6,747</b>	<b>\$ 6,746</b>	<b>\$ 6,746</b>	<b>\$ 6,742</b>	<b>\$ 6,737</b>	<b>\$ 6,819</b>

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
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
2012	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
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
2012	626	312	938

Source: IVGID Utilities Billing Department

INCLINE VILLAGE  
GENERAL IMPROVEMENT DISTRICT

**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**

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

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 Incline Village General Improvement District ("IVGID" or "The District"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Incline Village General Improvement District's basic financial statements, and have issued our report thereon dated December 3, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Incline Village General Improvement District'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 Incline Village General Improvement District's internal control. Accordingly, we do not express an opinion on the effectiveness of Incline Village General Improvement District's internal control.

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 material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies 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, 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. We consider the following deficiencies in internal control to be material weaknesses:

**2021-001 Material Adjusting Journal Entries**

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 write off certain capital assets that either represented repairs and maintenance, master plans, and studies or were below the District's capitalization threshold. The effect of this entry resulted in a reduction of capital assets and associated accumulated depreciation for a net prior period adjustment of \$167,751.
- b) An entry to correct negative cash balances by recording transfers in and out between various funds totaling \$537,835.

Additionally, the underlying accounting records do not support the financial statements without significant adjustments to remove full accrual accounting transactions for the presentation of governmental fund types. We understand the District intends to modify the financial statement reporting in the future to conform to full accrual accounting.

#### 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

- a) Management is in the process of updating the Capitalization Policy for the District. This policy will include regular reviews of assets to ensure currently capital policies are being followed. The assets written off per auditor's recommendation were capitalized under previous capital policies and were not reviewed by staff in regards to the current capitalization policy.
- b) Management agrees to update the year-end closing procedure to include a review of the financial reports to identify and process any possible audit adjustments.

#### **2021-002 Capital Assets**

During our review of internal controls surrounding Capital Assets, as well as testing performed over the account balances of Capital Assets, we noted a number of deficiencies that resulted in the material adjustments. The underlying deficiencies are described below:

- a) All capital asset additions are run through the *Construction in Progress* accounts in the District's accounting system, regardless of whether or not the transactions represent construction activity. Capital assets acquired instead of constructed should be recorded as a capital asset at the time of the acquisition.
- b) As part of our tests over capital asset balances we reviewed a historical detailed listing of all capital assets held at year end. In reviewing this listing, we noted capital assets that did not meet minimum dollar thresholds for capitalization per the District's capitalization policy resulting in an audit adjustment.
- c) As part of our tests over capital asset balances we reviewed a historical detailed listing of all capital assets held at year end. In reviewing this listing, we noted capital assets recorded that represented repairs, maintenance, master plans or feasibility studies and should not have been capitalized per IVGID's capitalization policy resulting in an audit adjustment.



Given the combination of deficiencies noted as well as the resulting material adjusting entries recorded, we have considered this to be a material weakness in internal control over financial reporting.

#### Recommendation

We recommend that IVGID develop and implement procedures to ensure that *Construction in Progress* accounts are used only to record activity associated with construction projects. Best practice is to record capital asset activity in capital outlay expenditure accounts in the governmental fund financial statements and then to perform regular reviews of this activity for reclassification as either Capital Assets or repairs and maintenance expenditures. This process would reduce the risk of overstating the *Construction in Progress* accounts and capitalizing assets that do not meet the thresholds and definitions of capital assets per IVGID's capitalization policy.

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

- a) Although our current financial systems setup requires all capital assets to run through the Construction-In-Process accounts, we have processes in place to ensure only projects in process remain in the account. As of July 1, 2022 the District is transitioning to a new financial software which will allow full GL account usage in projects, at which point projects will no longer be processed through the Construction-In-Process account.
- b) These assets below current threshold were capitalized under prior capital policies. It is not the current practice of the District to re-evaluate all assets each time the Capitalization Policy is updated.
- c) Management concurs that these items should be written off.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control 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 internal control to be significant deficiencies:

#### **2021-003 Vendor Contracts**

During our audit, we obtained a listing of payments by vendor, made during the fiscal year under audit and judgmentally selected 7 vendor contracts to test for compliance with IVGID procurement policies. We noted two instances in which there was no documentation available to support the required competitive bidding process. We have summarized these exceptions below:

- a) *Jacobs Engineering Group, Inc. (aka CH2M)* – This vendor was contracted to perform various professional services under 4 task orders totaling \$228,000. Services included on-call technical support, engineering design and bid document preparation for aeration improvements at the Water Resources Reclamation Facility, Network Security Upgrades, and construction contract monitoring services. Expenditures incurred during the period under audit were \$132,440. No support was provided to document that competitive bids were advertised, received or evaluated by management as required by IVGID's purchasing policy for public works contracts in excess of \$100,000.
- b) *HDR Engineering, Inc.* – This vendor was contracted in January 2019, via an *Additional Services Addendum (ASA) to Short Form Agreement dated July 29, 1991* to perform project management and condition assessment data analysis on the Effluent Export Pipeline. The value of the ASA was not to exceed \$42,181, of which \$3,797 was expended during the period under audit. No support was available to document that IVGID solicited



bids from at least three properly licensed contractors, as required by IVGID's purchasing policy over public works contracts between \$25,000 and \$100,000.

#### Recommendation

The issues noted above are due to certain ambiguities in the purchasing policy surrounding the applicability of bidding requirements for service contracts that are associated with Public Works projects. We recommend that the District update its Purchasing Policy to clarify these ambiguities and that procedures are developed and implemented to ensure future adherence to the Purchasing Policy.

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

Management believes current District policy and NRS 332.115 clearly state the Professional Services, such as engineering services, or data assessment analysis, do not require competitive bidding. However, the District is in the process of updating District Policies related to Capital Project planning and administration, and will incorporate clarifying language, per Board direction.

During our audit, we also became aware of the following deficiencies in internal control other than significant deficiencies or material weaknesses, and other matters that are opportunities for strengthening internal controls and operating efficiency:

#### **2021-004 Update Bank Signature Cards**

During our review of internal controls over cash disbursements, we noted that checks are printed with two signatures in accordance with the District's policies. The bank also has signature cards that, at times, contain authorized signatures of individuals that are no longer employed or associated with the District.

#### Recommendation

We recommend that management review and update the authorized signatories at District's banking institutions to remove employees and Board members no longer affiliated with the District at least annually, as well as anytime a signatory leaves the organization.

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

Management concurs that bank records should be reviewed regularly to ensure proper authorization for all banking transactions. Management has reviewed all banking accounts and can assure that no unauthorized personnel are on any of the bank signature cards.

#### **2021-005 Temporary Meter Deposits**

During our review of internal controls surrounding utility billing procedures, we noted that temporary meter deposits received from utility customers are held, and not deposited, until the temporary meter is done being used. While these deposits are tracked using an excel spreadsheet, they should be deposited into the bank like all other cash receipts.

#### Recommendation

We recommend that temporary meter deposits received from customers be deposited into the District's bank account upon receipt and that the cash be offset by deposits payable in the financial accounting system until the funds are returned through the normal cash disbursements process.



Management's Response Regarding Corrective Action Taken or Planned

Management will review the recommendation provided by the auditors. Prior analysis of temporary meter deposit checks suggested that it was not cost effective to process the deposits, monthly statements and issuing refund checks for temporary meters since there was minimal risk associated with not receiving payment at the end of the rental period. The majority of the temporary meters are rented for the summer during the construction season. In addition, the District has never had a contractor not follow through with payment of the fees, even with equipment damage charges, when the meter was returned.

**2021-006 Review of User Accounts**

During our review of Information Systems internal controls, we noted that the District does not regularly perform a review of user accounts to sensitive systems, including access to the network (Active Directory & VPN) and financial software. The District did indicate there are informal reviews performed periodically, but it is inconsistent and does not include all sensitive systems.

Recommendation

We recommend that the District perform a periodic review of user access to sensitive systems, including active directory, financial system, and remote access. The review should be completed at a period (e.g., quarterly, semi-annually, annually) based on the risk of the system/data risk.

Management's Response Regarding Corrective Action Taken or Planned

District staff has implemented processes to address the recommendation presented in this finding. Per the disclosure provided to the auditors, employee hire and termination processes have been in place and are enacted for Active Directory and Remote Access via VPN with 2FA enabled. These are being performed periodically across all systems. Staff will continue to address this finding through proper account control processes including formally documenting the periodic review of accounts across all District critical systems.

**2021-007 Environmental Controls at the Administrative Facility Data Center**

During our review of Information Systems internal controls, we noted that the District could improve environmental controls in the Administrative facility data center (i.e., the server room). Specifically, we noted there is no automated fire suppression system to detect or prevent damage.

Recommendation

We recommend that the District perform a risk assessment and feasibility analysis to determine what environmental control improvements can be implemented in the server room, including a fire suppression system.

Management's Response Regarding Corrective Action Taken or Planned

Management understands the concerns brought forth in this finding; however, the Server Room or Datacenter in question is in a building that does not have fire suppression. Management believes implementation of an isolated suppression system for the Server Room without addressing the entire building's fire suppression would be cost-prohibitive, and in most cases, ineffective at controlling the breakout of a fire in the building. Moreover, the risk identified in this audit recommendation is largely mitigated through redundant back-up of files stored on equipment in this data center.

## **Compliance and Other Matters**

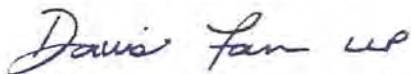
As part of obtaining reasonable assurance about whether Incline Village General Improvement District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **District's Response to Recommendations**

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

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Irvine, California  
December 3, 2021



December 3, 2021

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, 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, 2021, 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 3, 2021 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 April 29, 2021, 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) 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.
- 7) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole for each opinion unit. There was a uncorrected adjustment detected during the audit within the net pension liability.
- 8) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 9) Guarantees, whether written or oral, under which the District is contingently liable, if any, have been properly recorded or disclosed.
- 10) 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.
- 11) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 12) 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.
- 13) 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.
- 14) 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.
- 15) 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.<sup>ee</sup>
- 16) We have disclosed to you all known actual or possible litigation, claims, and

assessments whose effects should be considered when preparing the financial statements.

- 17) 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**

- 18) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 19) 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.
- 20) The District has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
- 21) 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.
- 22) 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.
- 23) 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.
- 24) 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.
- 25) 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.
- 26) 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.
- 27) 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.
- 28) The financial statements properly classify all funds and activities in accordance with



GASB Statement No. 34.

- 29) 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.
- 30) 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.
- 31) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
- 32) Provisions for uncollectible receivables have been properly identified and recorded.
- 33) 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.
- 34) 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.
- 35) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 36) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 37) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
- 38) 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.
- 39) 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.
- 40) Tax abatement agreements have been properly disclosed in the notes to the financial statements.

Signature: \_\_\_\_\_

Title: General Manager

Signature: \_\_\_\_\_

Title: DIRECTOR OF FINANCE



## **Independent Auditor's Report**

Board of Trustees  
Incline General Improvement District  
Incline Village, Nevada

### **Report on the Financial Statements**

We have audited the accompanying 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, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above 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 Incline Village General Improvement District, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows and the statement of revenues for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

The financial statements for the year ended June 30, 2021 reflect certain prior period adjustments as described further in note 21 to the financial statements. Our opinion is not modified with respect to this matter.

## **Report on Summarized Comparative Information**

The financial statements of Incline Village General Improvement District for the year ended June 30, 2020 were audited by other auditors whose report dated January 22, 2021 expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of the year ended June 30, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

## **Other Matters**

### *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, 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.

### *Other Information*

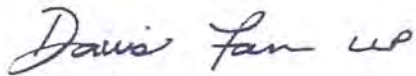
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Incline Village General Improvement District's basic financial statements. The *introductory section* and the *statistical section* are presented for purposes of additional analysis and are not a required part of the basic financial statements.



The *introductory section* and the *statistical section* have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2021 on our consideration of the Incline Village General Improvement 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 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 Incline Village General Improvement District's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Davis Fan" followed by a stylized flourish.

Irvine, California  
December 3, 2021



**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

**Audit Communications**

**Year ended June 30, 2021**

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

**Audit Communications**

**Year ended June 30, 2021**

**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>	4
New Accounting Standards Not Yet Effective	10

## **REQUIRED AUDIT COMMUNICATIONS**

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Incline Village General Improvement District (IVGID) for the year ended June 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 29, 2021. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Findings**

#### ***Qualitative Aspects of Accounting Practices***

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Incline Village General Improvement District are described in Note 1 to the financial statements. The District implemented Governmental Accounting Standards Board (GASB) Statement No. 98 that establishes the term Annual Comprehensive Financial Report and its acronym ACFR to replace Comprehensive Annual Financial Report and its acronym. We noted no transactions entered into by Incline Village General Improvement District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's 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 significantly from those expected. The most sensitive estimates affecting the Incline Village General Improvement District's financial statements were:

- Judgments involving the estimated useful lives and depreciation methodology used for capital assets, including certain infrastructure. We evaluated management's judgments for reasonableness.
- Judgments as to which District capital projects should be capitalized and depreciated in the government-wide financial statements and proprietary funds. We evaluated management's judgements for reasonableness.

The financial statement disclosures are neutral, consistent, and clear.



### ***Difficulties Encountered in Performing the Audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### ***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were uncorrected adjustments detected during the to record net pension liability and increase accrued payroll. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole for each opinion unit. The following material misstatements detected as a result of audit procedures were corrected by management:

- a) An entry to write off certain capital assets that either represented repairs and maintenance, master plans, and studies or were below the District's capitalization threshold. The effect of this entry resulted in a reduction of capital assets and associated accumulated depreciation for a net prior period adjustment of \$167,751.
- b) An entry to correct negative cash balances by recording transfers in and out between various funds totaling \$537,835.

### ***Disagreements with Management***

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### ***Management Representations***

We have requested certain representations from management that are included in the management representation letter dated December 3, 2021.

### ***Management Consultations with Other Independent Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Incline Village General Improvement District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### ***Other Audit Findings or Issues***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Incline Village General Improvement District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

**Restriction on Use**

This information is intended solely for the information and use of the Board of Trustees and management of Incline Village General Improvement District and is not intended to be, and should not be, used by anyone other than these specified parties.

*Davis Jan LP*

Irvine, California  
December 3, 2021



**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**

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

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 Incline Village General Improvement District ("IVGID" or "The District"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Incline Village General Improvement District's basic financial statements, and have issued our report thereon dated December 3, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Incline Village General Improvement District'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 Incline Village General Improvement District's internal control. Accordingly, we do not express an opinion on the effectiveness of Incline Village General Improvement District's internal control.

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 material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies 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, 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. We consider the following deficiencies in internal control to be material weaknesses:

**2021-001 Material Adjusting Journal Entries**

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 write off certain capital assets that either represented repairs and maintenance, master plans, and studies or were below the District's capitalization threshold. The effect of this entry resulted in a reduction of capital assets and associated accumulated depreciation for a net prior period adjustment of \$167,751.
- b) An entry to correct negative cash balances by recording transfers in and out between various funds totaling \$537,835.

Additionally, the underlying accounting records do not support the financial statements without significant adjustments to remove full accrual accounting transactions for the presentation of governmental fund types. We understand the District intends to modify the financial statement reporting in the future to conform to full accrual accounting.

#### 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

- a) Management is in the process of updating the Capitalization Policy for the District. This policy will include regular reviews of assets to ensure currently capital policies are being followed. The assets written off per auditor's recommendation were capitalized under previous capital policies and were not reviewed by staff in regards to the current capitalization policy.
- b) Management agrees to update the year-end closing procedure to include a review of the financial reports to identify and process any possible audit adjustments.

#### **2021-002 Capital Assets**

During our review of internal controls surrounding Capital Assets, as well as testing performed over the account balances of Capital Assets, we noted a number of deficiencies that resulted in the material adjustments. The underlying deficiencies are described below:

- a) All capital asset additions are run through the *Construction in Progress* accounts in the District's accounting system, regardless of whether or not the transactions represent construction activity. Capital assets acquired instead of constructed should be recorded as a capital asset at the time of the acquisition.
- b) As part of our tests over capital asset balances we reviewed a historical detailed listing of all capital assets held at year end. In reviewing this listing, we noted capital assets that did not meet minimum dollar thresholds for capitalization per the District's capitalization policy resulting in an audit adjustment.
- c) As part of our tests over capital asset balances we reviewed a historical detailed listing of all capital assets held at year end. In reviewing this listing, we noted capital assets recorded that represented repairs, maintenance, master plans or feasibility studies and should not have been capitalized per IVGID's capitalization policy resulting in an audit adjustment.



Given the combination of deficiencies noted as well as the resulting material adjusting entries recorded, we have considered this to be a material weakness in internal control over financial reporting.

#### Recommendation

We recommend that IVGID develop and implement procedures to ensure that *Construction in Progress* accounts are used only to record activity associated with construction projects. Best practice is to record capital asset activity in capital outlay expenditure accounts in the governmental fund financial statements and then to perform regular reviews of this activity for reclassification as either Capital Assets or repairs and maintenance expenditures. This process would reduce the risk of overstating the *Construction in Progress* accounts and capitalizing assets that do not meet the thresholds and definitions of capital assets per IVGID's capitalization policy.

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

- a) Although our current financial systems setup requires all capital assets to run through the Construction-In-Process accounts, we have processes in place to ensure only projects in process remain in the account. As of July 1, 2022 the District is transitioning to a new financial software which will allow full GL account usage in projects, at which point projects will no longer be processed through the Construction-In-Process account.
- b) These assets below current threshold were capitalized under prior capital policies. It is not the current practice of the District to re-evaluate all assets each time the Capitalization Policy is updated.
- c) Management concurs that these items should be written off.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control 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 internal control to be significant deficiencies:

#### **2021-003 Vendor Contracts**

During our audit, we obtained a listing of payments by vendor, made during the fiscal year under audit and judgmentally selected 7 vendor contracts to test for compliance with IVGID procurement policies. We noted two instances in which there was no documentation available to support the required competitive bidding process. We have summarized these exceptions below:

- a) *Jacobs Engineering Group, Inc. (aka CH2M)* – This vendor was contracted to perform various professional services under 4 task orders totaling \$228,000. Services included on-call technical support, engineering design and bid document preparation for aeration improvements at the Water Resources Reclamation Facility, Network Security Upgrades, and construction contract monitoring services. Expenditures incurred during the period under audit were \$132,440. No support was provided to document that competitive bids were advertised, received or evaluated by management as required by IVGID's purchasing policy for public works contracts in excess of \$100,000.
- b) *HDR Engineering, Inc.* – This vendor was contracted in January 2019, via an *Additional Services Addendum (ASA) to Short Form Agreement dated July 29, 1991* to perform project management and condition assessment data analysis on the Effluent Export Pipeline. The value of the ASA was not to exceed \$42,181, of which \$3,797 was expended during the period under audit. No support was available to document that IVGID solicited



bids from at least three properly licensed contractors, as required by IVGID's purchasing policy over public works contracts between \$25,000 and \$100,000.

#### Recommendation

The issues noted above are due to certain ambiguities in the purchasing policy surrounding the applicability of bidding requirements for service contracts that are associated with Public Works projects. We recommend that the District update its Purchasing Policy to clarify these ambiguities and that procedures are developed and implemented to ensure future adherence to the Purchasing Policy.

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

Management believes current District policy and NRS 332.115 clearly state the Professional Services, such as engineering services, or data assessment analysis, do not require competitive bidding. However, the District is in the process of updating District Policies related to Capital Project planning and administration, and will incorporate clarifying language, per Board direction.

During our audit, we also became aware of the following deficiencies in internal control other than significant deficiencies or material weaknesses, and other matters that are opportunities for strengthening internal controls and operating efficiency:

#### **2021-004 Update Bank Signature Cards**

During our review of internal controls over cash disbursements, we noted that checks are printed with two signatures in accordance with the District's policies. The bank also has signature cards that, at times, contain authorized signatures of individuals that are no longer employed or associated with the District.

#### Recommendation

We recommend that management review and update the authorized signatories at District's banking institutions to remove employees and Board members no longer affiliated with the District at least annually, as well as anytime a signatory leaves the organization.

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

Management concurs that bank records should be reviewed regularly to ensure proper authorization for all banking transactions. Management has reviewed all banking accounts and can assure that no unauthorized personnel are on any of the bank signature cards.

#### **2021-005 Temporary Meter Deposits**

During our review of internal controls surrounding utility billing procedures, we noted that temporary meter deposits received from utility customers are held, and not deposited, until the temporary meter is done being used. While these deposits are tracked using an excel spreadsheet, they should be deposited into the bank like all other cash receipts.

#### Recommendation

We recommend that temporary meter deposits received from customers be deposited into the District's bank account upon receipt and that the cash be offset by deposits payable in the financial accounting system until the funds are returned through the normal cash disbursements process.



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

Management will review the recommendation provided by the auditors. Prior analysis of temporary meter deposit checks suggested that it was not cost effective to process the deposits, monthly statements and issuing refund checks for temporary meters since there was minimal risk associated with not receiving payment at the end of the rental period. The majority of the temporary meters are rented for the summer during the construction season. In addition, the District has never had a contractor not follow through with payment of the fees, even with equipment damage charges, when the meter was returned.

### **2021-006 Review of User Accounts**

During our review of Information Systems internal controls, we noted that the District does not regularly perform a review of user accounts to sensitive systems, including access to the network (Active Directory & VPN) and financial software. The District did indicate there are informal reviews performed periodically, but it is inconsistent and does not include all sensitive systems.

### Recommendation

We recommend that the District perform a periodic review of user access to sensitive systems, including active directory, financial system, and remote access. The review should be completed at a period (e.g., quarterly, semi-annually, annually) based on the risk of the system/data risk.

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

District staff has implemented processes to address the recommendation presented in this finding. Per the disclosure provided to the auditors, employee hire and termination processes have been in place and are enacted for Active Directory and Remote Access via VPN with 2FA enabled. These are being performed periodically across all systems. Staff will continue to address this finding through proper account control processes including formally documenting the periodic review of accounts across all District critical systems.

### **2021-007 Environmental Controls at the Administrative Facility Data Center**

During our review of Information Systems internal controls, we noted that the District could improve environmental controls in the Administrative facility data center (i.e., the server room). Specifically, we noted there is no automated fire suppression system to detect or prevent damage.

### Recommendation

We recommend that the District perform a risk assessment and feasibility analysis to determine what environmental control improvements can be implemented in the server room, including a fire suppression system.

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

Management understands the concerns brought forth in this finding; however, the Server Room or Datacenter in question is in a building that does not have fire suppression. Management believes implementation of an isolated suppression system for the Server Room without addressing the entire building's fire suppression would be cost-prohibitive, and in most cases, ineffective at controlling the breakout of a fire in the building. Moreover, the risk identified in this audit recommendation is largely mitigated through redundant back-up of files stored on equipment in this data center.

## **Compliance and Other Matters**

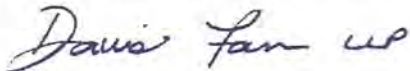
As part of obtaining reasonable assurance about whether Incline Village General Improvement District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **District's Response to Recommendations**

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

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Irvine, California  
December 3, 2021



## **INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

### **New Accounting Standards Not Yet Effective**

**Year ended June 30, 2021**

#### GASB Statement No. 87: Leases

The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It established a single model for lease accounting based on the principle that leases are financing of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease receivable and a deferred inflow of resources.

The standard will be effective for the fiscal year ending June 30, 2022.

#### GASB Statement No. 90: Majority Equity Interests

The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment.

The standard will be effective for the fiscal year ending June 30, 2021.

#### GASB Statement No. 91: Conduit Debt Obligations

The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement clarifies the existing definition of a conduit debt obligation, establishes that a conduit debt obligation is not a liability of the issuer, establishes standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations, and improving required note disclosures.

The standard will be effective for the fiscal year ending June 30, 2022.

#### GASB Statement No. 92: Omnibus 2020

This Statement addresses a variety of topics and includes specific provisions about the reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit OPEB plan, the applicability of GASB Statement No. 73 to reporting assets accumulated for postemployment benefits, applicability of certain requirements of GASB 84 to postemployment benefit arrangements, measurement of liabilities related to asset retirement obligations, and reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers.

The standard will generally be effective for the fiscal year ending June 30, 2022.



### GASB Statement No. 93: Replacement of Interbank Offered

The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. This Statement achieves that objective by:

- Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment
- Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate
- Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable
- Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap
- Clarifying the definition of reference rate, as it is used in Statement 53, as amended
- Providing an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend.

The standard will be effective for the fiscal year ending June 30, 2022.

### GASB Statement No. 94: Public-Private and Public-Public partnerships and Availability Payment Arrangements

The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

The standard will be effective for the fiscal year ending June 30, 2022.

### GASB Statement No. 96: Subscription-Based Information Technology Arrangements

This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a



SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. This Statement requires a government to disclose descriptive information about its SBITAs other than short-term SBITAs, such as the amount of the subscription asset, accumulated amortization, other payments not included in the measurement of a subscription liability, principal and interest requirements for the subscription liability, and other essential information.

The standard will be effective for the fiscal year ending June 30, 2022.

GASB Statement No. 97: Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans

The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. This Statement requires that for purposes of determining whether a primary government is financially accountable for a potential component unit, except for a potential component unit that is a defined contribution pension plan, a defined contribution OPEB plan, or an other employee benefit plan (for example, certain Section 457 plans), the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform.

The standard will be effective for the fiscal year ending June 30, 2021.

**EXHIBIT ONE**

**February 10, 2021 Annual Audit Committee Report to the IVGID Board of Trustees**

**EXHIBIT C**

**Memorandum**

**TO:** IVGID Audit Committee

**THROUGH:** Matthew Dent  
Audit Committee Chair

**FROM:** Clifford F. Dobler  
Audit Committee At Large Member

**SUBJECT:** Effluent Pipeline Project - Phase II - Expensing costs which were recorded as capital assets through fiscal year 2019/2020 by applying best practices and recommendations by Moss Adams - Capitalization criteria and suggested expensing of costs capitalized through fiscal year 2019/2020.

**DATE:** February 1, 2021

---

**I. CONCLUSION**

\$3,179, 600 which had previously been capitalized through fiscal year 2019/2020 should have been expensed. The vast majority of the work performed was not part of the original budget and annual funds collected from customers were inappropriately used for the historic activities.

**II. MOSS ADAMS REPORT OBSERVATIONS**

On December 19, 2020, Jim Lanzarotta of Moss Adams presented a draft report dated November 16, 2020 to the Audit Committee for review. A revised draft, dated December 7, 2020, was received by members of the Audit Committee. A final report, dated January 11, 2021, was delivered to the Board of Trustees. On pages 28 and 29 is the section regarding applicable expenditures Capital Assets.

Excerpts from Moss Adams report

Applicable capital expenditure and best practice accounting guidance - GASB Concept Statement No. 4.



**EXHIBIT ONE**

**February 10, 2021 Annual Audit Committee Report to the IVGID Board of Trustees**

Accepted practice includes recognition of three stages of a project

- Preliminary
- Construction
- Post Construction

Preliminary stage activities include

- Conceptual formulation
- Evaluation of alternatives
- Determination of future needs
- Feasibility studies
- Development of financing alternatives

Costs incurred in the preliminary stages are **EXPENSED** as costs in this stage are not directly connected with creating service capacity of a particular asset.

**III. SUMMARY OF HISTORICAL WORK PERFORMED AND COSTS INCURRED ON THE EFFLUENT PIPELINE – PHASE II PROJECT THROUGH FISCAL YEAR 2019/2020**

Sources: Management presentation to the Board of trustees on January 29, 2020  
Public Records requests obtained by Clifford F. Dobler

Project Description: Replace 6 miles of Effluent Pipeline along Highway 28 consisting of two segments of 17,300 linear feet in Segment 2 and 13,700 linear feet in Segment 3. Segment 1 and a portion of Segment three was completed prior to 2011 and considered Phase 1 of the Effluent Pipeline Project.

Time period: Fiscal year 2011- current.

Total accumulated costs of the Effluent Pipeline Project - Phase II as of 6/30/2019 - \$5,156,100

- Capitalized prior to Fiscal 2019 ..... \$281,825.
- Capitalized in Fiscal 2019..... \$4,201,768.
- Remaining in CIP ..... \$662,507.
- TOTAL ..... \$5,156,100.

Work performed, entities involved and cost incurred

- A. Preliminary Planning – HDR ..... \$367,000
- B. HDR Estimate of Costs - Replacing pipeline in center of Highway 28 and abandoning existing pipeline (included in A)

**EXHIBIT ONE**

**February 10, 2021 Annual Audit Committee Report to the IVGID Board of Trustees**

- C. Interlocal agreements with Tahoe Transportation District to explore co-locating pipeline in a future phase of bike paths - IVGID contribution of \$300,000
- D. Major Pipeline Break on 4/17/2014 - not listed
- E. Administrative Order on Consent with Nevada Department of Environmental Protection 12/3/2014 - the District's effluent export pipeline shall be evaluated for structural integrity and a plan for repair or replacement be prepared and implemented to mitigate risk of future releases in the Tahoe Basin
- F. Pipeline evaluations for wall thickness and joint damage - PICA and HDR and IVGID supplies..... \$1,604,800  
  
Construct Launch and Retrieval Facilities -  
  
First attempt failed at entry  
Repair bore restriction  
Remobilization Costs  
Second attempt - only obtained joint locations in Segment 2 and completed all evaluation on Segment 3 - Overpaid on contract  
Third attempt obtained all information required to satisfy conditions of Nevada Environmental Protection Order.  
Parts, Pumps rentals and valves supplied by IVGID for evaluations
- G. Repair 1,100 linear feet of pipeline in 13 locations within Segment 3 - NDOT and HDR contract \$1,236,600 required to comply with the Order and Consent by Nevada Department of Environmental Protection. Compliance h was obtained in May 2019, 54 months after original order
- H. Attempt at obtaining partial financing from US Army Corp of Engineers for pipeline and pond lining.
- I. Replacement of Air Pressure Relief Values assumed for the entire 21-mile pipeline includes staff time)..... \$643,400  
IVGID cannot identify \$75,000 of costs, NOT PART OF ORIGINAL BUDGET
- J. Administrative Order on Consent with Nevada Environmental Protection regarding closure of Wastewater Pond and obtaining an alternate temporary resolution
- K. Preliminary concepts on linings for the Wastewater Pond  
..... \$12,300
- L. Meters and Valves replaced in areas outside of the Phase II Pipeline Project  
..... \$86,500  
NOT PART OF ORIGINAL BUDGET
- M. IVGID Staff time related to above items ..... \$895,500



## EXHIBIT ONE

### February 10, 2021 Annual Audit Committee Report to the IVGID Board of Trustees

#### IV. CAPITALIZED COSTS WHICH SHOULD BE EXPENSED

- Item A ..... \$367,000 EXPENSE
- Item B ..... Staff time
- Item C ..... \$300,000 EXPENSE
- Item D ..... Unknown
- Item E ..... Staff time
- Item F ..... \$1,604,800 EXPENSE
- Item G ..... \$1,236,600 SHOULD BE EXPENSED - CONDITION OF EPA.  
COULD possibly be retained depending on current Granite  
Construction contract.
- Item H ..... Staff time
- Item I ..... \$643,400 remain capitalized, however, many may be destroyed when  
new pipeline is installed.
- Item J ..... Staff time
- Item K ..... \$12,300 EXPENSE
- Item L ..... \$86,500 - remain Capitalized. May have value - Requires more  
information. Many expenses were charged.
- Item M ..... \$895,500 EXPENSE Most of Staff time was spent on preliminary  
stage activities

#### V. SUMMARY

Based on actual facts and applying best practices guidance approximately \$3,179,600 of costs recorded as a capital asset for the Effluent Pipeline Project-Phase II should be expensed.