

ADDITIONAL MATERIAL

IVGID - AUDIT



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2023

PREPARED BY: DEPARTMENT OF FINANCE & ACCOUNTING



GENERAL IMPROVEMENT DISTRICT
ONE DISTRICT ~ ONE TEAM

TABLE OF CONTENTS



FISCAL YEAR ENDED JUNE 30, 2023

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 Fund Balance Sheet.....	19
Reconciliation of Balance Sheet for Governmental Fund to the Government-wide Statement of Net Position	20
Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances	21
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances for Governmental Fund 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.....	48
--	----

Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:

General Fund.....	49
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SUPPLEMENTARY INFORMATION

Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:

Utilities Fund.....	51
Community Services Fund.....	52
Beach Fund.....	53
Internal Services Fund	54

TABLE OF CONTENTS



FISCAL YEAR ENDED JUNE 30, 2023

STATISTICAL SECTION (UNAUDITED)

District-Wide Net Position.....	56
District-Wide Changes in Net Position.....	57
Fund Balances of Governmental Funds	58
Changes in Fund Balances of Governmental Funds.....	59
Assessed and Estimated Actual Value of Taxable Real Property.....	60
Direct and Overlapping Tax Districts	61
Principal Property Taxpayers	62
Tax Levies, Collections and Delinquencies—Washoe County as a whole	63
Ratios of Outstanding Debt by Type	64
Outstanding Overlapping General Obligation Indebtedness	65
Utility Fund Net Pledged Revenues.....	66
Community Services and Beach Fund Net Pledged Revenues.....	67
Ratio of Annual Debt Service Expenditures to Governmental and Business Type Expenditures/Expenses.....	68
Statutory Debt Limitation.....	69
Demographic Statistics.....	70
Principal Employers	71
Position and Full Time Equivalent Personnel Summary	72
User Statistics.....	73
Budgeted Facility Fees per parcel.....	74
Water and Sewer Single Family Base Rates	75
Water Sold by Customer Type.....	76

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 <i>Government Auditing Standards</i>	78
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INTRODUCTORY SECTION



March 28th, 2024

**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, 2023. 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, 2023 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 a disclaimer of opinion. 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 an Audit of Financial Statements Performed in Accordance with Government Auditing Standards are included in the Compliance Section of the document.

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

Profile of the District

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

The District is governed by a five-member Board of Trustees elected by residents of Incline Village and Crystal Bay to serve staggered four-year terms. In accordance with the enabling legislation, the District provides water, waste water, and solid waste services within its boundaries, as well as various recreational amenities including downhill skiing/riding, two golf courses, a multi-use recreation center, tennis facilities, meeting facilities, parks, beaches, playgrounds and other recreation-related programming. The District serves approximately 8,000 water/sewer customers, accommodates over 93,000 skiers visits, 38,000 rounds of golf, 212,000 beach visits, and oversees a variety of other activities including over 185,000 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 2023 indicates a regional room occupancy rate of 74.5%, representing a 6.1% increase from the prior year.

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

The 2020 census population of 9,462 reflects a 4% decrease since 2010. The median sale price at June 30, 2023 for single family residence and condo sales for Incline Village and Crystal Bay were \$3,497,500 and \$975,000 respectfully, representing a 35.2% increase on residence and a 9.5% decrease on condos over last year. For the entire Washoe County the values were \$550,000 and \$290,000 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 2023 unemployment rate of 3.9% is well under the State rate at 5.4%, but is over the national level at 3.7%. These unemployment rates reflect a decrease over unemployment rates reported in 2020 largely due to the recovery from the economic impacts of the COVID-19 pandemic.

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

The 2004 Legislature passed Assembly Bill 489 to provide property tax relief which provides a partial abatement of taxes by applying a 3% cap on the tax bill of the owner's primary residence and a higher cap on the tax bill of other properties beginning with the 2005/2006 tax roll in Washoe County. For the fiscal year 2022 the abatement was \$83,865 based on State of Nevada Department of Taxation formulas.

Beginning in 2010, the District has had a portion of its property tax settlements offset to settle a court ordered tax refund by Washoe County. The District was able to meet this General Fund obligation and maintain service levels while the refund was completed. A settlement agreement was reached between Washoe County and the Incline Village/Crystal Bay taxpayers in the previous fiscal year for the alleged overpayment of taxes and accrued interest. As part of the settlement, the County was responsible for refunding an estimated \$1,359,757. As of June 30, 2023 the remaining balance of \$388,407 in reimbursements are reflected as restricted within the District's General Fund.

Financial Initiatives

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


Utility Rates to Support Infrastructure. The District has identified approximately 6 miles of effluent pipeline for replacement over a series of years. Replacement of the pipeline began at the end of fiscal year 2023. This project is expected to cost in the range of \$45 - \$65 million. The District has secured a low-interest State Revolving Fund loan for the amount of \$52,740,000 (to be secured by a Utility Revenue Bond) to support this project. \$608,000 of the total loan is considered principal forgiveness and does not require repayment. The district has also secured a \$5.7 million grant from the United States Army Core of Engineers, this grant will go towards the Effluent Storage Tank project, which is a component of the pipeline replacement. In April 2022, the Board approved an updated Utility Rate Study which establishes the level of utility rate increases over the next five years required to support the

District's utility divisions, including operating, capital and debt. In fiscal year 2023 utility rates increased by 11.7% and 12.0% for water and wastewater, respectively.

Policy Direction related to District's Recreation and Beach Facility Fees. For fiscal year 2023, the District Board set the combined fee charged to the majority of parcel owners within the District at \$780 per dwelling unit equivalent (DUE). This represents an equivalent amount compared with last fiscal year. 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.

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.


Bobby Magee
General Manager
Incline Village General Improvement District


Adam Cripps
Assistant Director of Finance
Incline Village General Improvement District

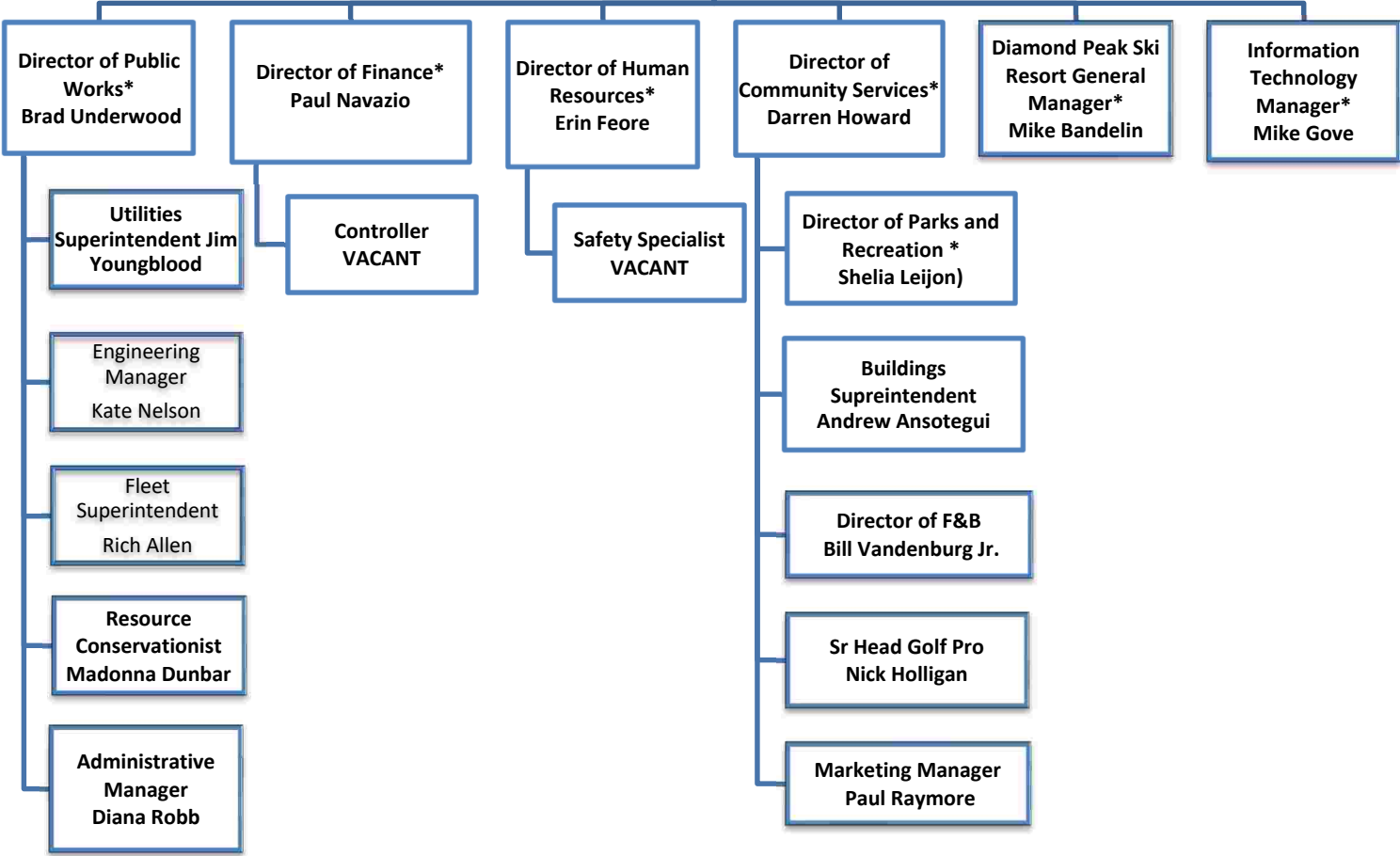


INCLINE VILLAGE AND CRYSTAL BAY COMMUNITIES

IVGID BOARD OF TRUSTEES

Mathew Dent Term Expires 2024	Sara Schmitz Term Expires 2024	Michaela Tonking Term Expires 2024	Dave Noble Term Expires 2027	Ray Tulloch Term Expires 2027
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District General Counsel* (Contract Position)	General Manager* Indra S. Winquest	Director of Administrative Services Susan Herron
		Communications Coordinator Kari Ferguson



* Members of the Senior Team

INCLINE VILLAGE
GENERAL IMPROVEMENT DISTRICT

FINANCIAL SECTION

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Incline Village General Improvement District (District), as of and for the year June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

We do not express an opinion on the accompanying financial statements. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

The introduction of a new accounting system in July 2022 and significant turnover of District finance staff resulted in numerous misstatements in the accounting records. As of the date of our audit report, management was still in the process of identifying and correcting system deficiencies. We were unable to complete our analytical review procedures of revenues and expenses, we were unable to obtain sufficient audit evidence supporting other amounts in the financial statements, and we were unable to evaluate the results of the ongoing forensic due diligence investigation to determine if any additional audit procedures are necessary. As a result of these matters, we were unable to determine whether any adjustments might have been found necessary in the accompanying financial statements.

Emphasis of Matters

During the year ended June 30, 2023, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 96. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the

District's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the District's financial statements in accordance with auditing standards generally accepted in the United States of America and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the accompanying financial statements.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our audit.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis, schedule of employer required contributions to defined contribution multi-employer plans and budgetary comparison information* be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

The *budgetary comparison schedules* are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. Because of the matters described in the Basis for Disclaimer of Opinion, we were not able to obtain sufficient audit evidence to provide an in relation to opinion on the *budgetary comparison schedules*.

Other Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Davis Fan" followed by a stylized flourish.

Irvine, California
March 27, 2024

**Incline Village General Improvement District
Management's Discussion and Analysis
For the Fiscal Year ended June 30, 2023**

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, 2023. 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, 2023:

- The District's net position as of June 30, 2023 was \$169.05 million and reflects an increase in net position of \$4.56 million over the prior year. Of this amount, a total of \$44.65 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 decreased by \$1.19 million (to \$7.08 million) and the net position of the District's business-type activities increased by \$5.75 million (to \$161.97 million).
- The District's Utility Fund ended the fiscal year with a net position of \$81.58 million, which represents an increase of \$4.01 million from the prior year. The Community Services Fund ended the year with a net position of \$65.24 million, reflecting an increase of \$0.52 million from the prior year; the Beach Fund ended the year with a net position of \$15.16 million, reflecting an increase of \$1.22 million from the prior year.
- As of June 30, 2023 the District had total bond debt outstanding of \$2.51 million including Utility Revenue Bonds outstanding of \$2.51 million and lease debt of \$.02 million. Long term debt increased by \$ 0.08 million due to a draw on the Water State Revolving Fund Loan (CW2303) (footnote 9). District retired \$0.96 million in bond principal during the fiscal year.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

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

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

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

Government-wide Financial Statements

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

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

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

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

**Incline Village General Improvement District
Management's Discussion and Analysis
For the Fiscal Year ended June 30, 2023
(Continued)**

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

Fund Financial Statements

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

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

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

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

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

Proprietary funds. The District operates two types of proprietary funds. *Enterprise funds* are used to report the same functions presented in business-type activities in the government-wide statements. The District uses enterprise funds to account for its Utility Fund, Community Services Fund, and Beach Fund.

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

Notes to the Financial Statements

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

Other Information

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

**Incline Village General Improvement District
Management's Discussion and Analysis
For the Fiscal Year ended June 30, 2023
(Continued)**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The District's assets exceeded liabilities and deferred inflows of resources by \$169.05 million at June 30, 2023. The largest portion of net position (73.3%) 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	
	2023	2022	2023	2022	2023	2022
Assets						
Current and Other Assets	\$ 4,779,905	\$ 6,672,121	\$ 52,759,511	\$ 47,646,537	\$ 57,539,416	\$ 54,318,658
Long Term Assets		-	474,720	468,044	474,720	468,044
Net Capital Assets	4,025,582	3,359,612	122,768,695	118,609,082	126,794,277	121,968,694
Total Assets	8,805,487	10,031,733	176,002,926	166,723,663	184,808,413	176,755,396
Liabilities						
Current Liabilities	1,282,078	1,543,689	9,791,937	5,925,224	11,074,015	7,468,913
Long Term Liabilities	445,268	216,624	2,672,850	2,881,600	3,118,118	3,098,224
Total Liabilities	1,727,346	1,760,313	12,464,787	8,806,824	14,192,133	10,567,137
Deferred Inflows of Resources						
Deferred Inflow			1,564,525	1,695,703	1,564,525	1,695,703
Net Position						
Net Investment in Capital Assets	3,675,588	3,359,612	120,246,571	115,225,972	123,922,159	118,585,584
Restricted		-	474,720	468,044	474,720	468,044
Unrestricted	3,402,553	4,911,808	41,252,323	40,527,120	44,654,876	45,438,928
Total Net Position	7,078,141	8,271,420	161,973,614	156,221,136	169,051,755	164,492,556

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

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program Revenues:						
Charges for Services	\$ 2		\$ 35,897,491	\$ 32,480,390	\$ 35,897,491.00	\$ 32,480,392.00
Operating Grants	97	2,000	156,995	39,138	157,092	41,138
Capital Grants and Contributions		-	1,139,421	47,927	1,139,421	47,927
General Revenues:						
Ad Valorem Taxes	2,388,045	1,893,214		-	2,388,045	1,893,214
Consolidated Taxes	2,026,338	2,049,551		-	2,026,338	2,049,551
Facility Fees		-	6,820,534	6,090,681	6,820,534	6,090,681
Unrestricted Investment Income	211,516	(17,188)	460,899	(93,733)	672,415	(110,921)
Other	(999,640)	1,402	1,022,318	435,446	22,678	436,848
Total Revenues	3,626,356	3,928,981	45,497,658	38,999,849	49,124,014	42,928,830
Expenses						
General Government	4,819,635	3,497,944		-	4,819,635	3,497,944
Utilities		-	11,893,546	12,399,729	11,893,546	
Community Services		-	25,487,501	20,779,505	25,487,501	
Beach		-	2,364,133	1,784,943	2,364,133	1,784,943
Total Expenses	4,819,635	3,497,944	39,745,180	34,964,177	44,564,815	5,282,887
Excess Revenue (Expense)	(1,193,279)	431,037	5,752,478	4,035,672	4,559,199	4,466,709
Changes in Net Position	(1,193,279)	431,037	5,752,478	4,035,672	4,559,199	4,466,709
Beginning Net Position, as reported	8,271,420	82,946,057	156,221,136	76,985,593	164,492,556	159,931,650
Prior Period Adjustment		(75,105,674)		75,199,871		94,197
Beginning Net Position, as adjusted	8,271,420	7,840,383	156,221,136	152,185,464	164,492,556	160,025,847
Ending Net Position	7,078,141	8,271,420	161,973,614	156,221,136	169,051,755	164,492,556

Governmental activities decreased the district's net position by \$1.19 million for fiscal year 2023, while Business-Type activities contributed \$5.75 million toward overall increase in net position. There was a \$1 million capital transfer from the general fund to the utility fund in fiscal year 2023. In addition, the Community Services fund received \$3.91 million in grant revenue and \$1.70 million in utility fees.

**Incline Village General Improvement District
Management's Discussion and Analysis
For the Fiscal Year ended June 30, 2023
(Continued)**

Revenues for all governmental activities for fiscal year 2023 decreased from the prior fiscal year. Property tax revenue increased \$0.5 million, investment interest increased \$0.2 million and a capital transfer of \$1.0 million netted for a \$0.30 million decrease.

Incline Village General Improvement District Governmental Activities Revenues

	<u>2023</u>		<u>2022</u>	
Property Taxes	\$ 2,388,045	66%	\$ 1,893,214	48%
Combined Taxes	2,026,338	56%	2,049,551	52%
Charges for Services - Community Services		0%	-	0%
Charges for Services - Beach		0%	-	0%
Facility Fees - Community Services		0%	-	0%
Facility Fees - Beach		0%	-	0%
Operating Grants	97	0%	2,000	0%
Capital Grants		0%	-	0%
Unrestricted Investment Earnings (Loss)	211,516	6%	(17,188)	0%
Other Revenues/Sources	(999,640)	-28%	1,404	0%
Total General Revenues	<u>\$ 3,626,356</u>	<u>100%</u>	<u>\$ 3,928,981</u>	<u>100%</u>

Facility fees increased by 12.0% in fiscal 2023. Golf, ski and beach all had rate increases in the current fiscal year, but an increase in guest count was the main reason for the rise in facility fee revenue. 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 2022-23 the District assessed \$3.91 million in Community Services facility fees and \$2.91 million in Beach facility fees.

IVGID Facility Fees

Fiscal Year	<u>Per Eligible Parcel</u>		<u>Total Assessment Roll</u>		<u>District Assessed</u>
	Beach	Community Services	Beach	Community Services	Recreation Facility Fees
2022-23	\$ 680	\$ 100	\$ 2,909,434	\$ 3,911,100	\$ 6,820,534
2021-22	680	100	5,259,704	830,977	6,090,681
2020-21	500	330	3,852,710	2,684,931	6,537,641
2019-20	125	705	968,500	5,783,115	6,751,615
2018-19	125	705	969,500	5,788,050	6,757,550

Business-type activities: Business-type activities increased their net position by \$4.01 million over the past fiscal year.

The Utility Fund's increase in net position results primarily from an increase in service fees. The Utility fund was given a holiday by the Board from paying the General Fund Central Services allocation of \$445,000 in FY2023.

Community Services activity resulted in an increase net position for the year of \$0.52 million, due in part to an increase in capital grants. The Beach Fund increase in net position (\$1.22 million), was due primarily to Facility Fee revenues being collected to support planned capital projects. Otherwise, charges for services and operating expenditures saw an increase from prior year, in part due to the incidence of wildfires in the region that impacted air quality (and curtailing outdoor activity) during the 2022 beach season.

For the District's government-wide financial statements for fiscal year 2023, revenues and expenditures within its Internal Services fund are displayed net of services charged to other funds, as these costs are included in the other business-type functions supported by the Internal Services functions.

FINANCIAL ANALYSIS OF DISTRICT FUNDS

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

**Incline Village General Improvement District
Management's Discussion and Analysis
For the Fiscal Year ended June 30, 2023
(Continued)**

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 in the General Fund may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the fiscal year, the fund balance in the District's General Fund decreased to \$4,682,526, with \$747,155 non-spendable. This results in an unassigned fund balance as of June 30, 2022 of \$3,935,371. This compares favorably to the minimum fund balance policy of 4% of annual expenditures (or a minimum reserve level of \$184,018).

Proprietary Funds: The District's recreational programming is conducted under two activities; they are Community Services and Beach. As a result of a deed restriction, a distinct constituency is served by the Beach fund and thus its inflows and outflows are measured separately to demonstrate compliance. The Community Services fund net position increased to \$65,237,011. The Beach fund net position increased to \$15,159,525. These funds ended the fiscal year with unrestricted net positions of \$13,488,954 and \$6,393,849, respectively, exceeding the target of 25% of operating expenditures established by Board policy (or \$6.37 million and \$0.59 million, respectively). The net positions reflect funding being collected by the District in anticipation of significant priority capital projects included in the Board-approved multi-year capital plan.

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

General Fund Budgetary Highlights

General Fund revenues exceed expenditures by \$1.19 million for the fiscal year ended June 30, 2023.

Selected highlights within the District's General Fund includes:

- Revenues exceeding budget by \$176,396, with the single largest contributor being LGTA State tax which ended the year \$48,344 above budget.
- General Fund expenditures for the year ended June 30, 2023 were \$5,260,590 or \$1,193,415 below budget (net of Central Services Overhead cost recovery). Year-end expenditures were below budget with the largest favorable budget variances in General Government Administration, Human Resources, and Accounting.
- The General Fund made a capital contribution to the Utilities fund in the amount of \$1,000,000 specifically for the Effluent Pipeline Project.

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, 2023 amounts to \$122,768,695 (net of accumulated depreciation). Investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, and recreation facilities. Readers desiring more information, with respect to capital asset activity, should see Note 5 to the financial statements.

**Incline Village General Improvement District
Management's Discussion and Analysis
For the Fiscal Year ended June 30, 2023
(Continued)**

Incline Village General Improvement District Capital Assets, net

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2023	2022	2023	2022	2023	2022
Land - Governmental Activities	\$ 2,669,904	\$ 2,669,904	\$ -	\$ -	\$ 2,669,904	\$ 2,669,904
Construction in Progress - Governmental Activities	-	335,903	-	-	-	335,903
Land - Utility Activities	-	-	6,715,543	6,715,544	6,715,543	6,715,544
Construction in Progress - Utility Activities	-	-	8,031,295	1,498,869	8,031,295	1,498,869
Buildings and Improvements - Governmental Activities	828,251	828,251	-	-	828,251	828,251
Equipment and Vehicles - Governmental Activities	2,881,008	1,817,860	-	-	2,881,008	1,817,860
Subscription based IT arrangements	454,992	-	-	-	454,992	-
Internal Services Equipment Furniture and Fixtures	-	240,596	-	-	-	240,596
Utility Service Infrastructure	-	-	114,623,051	113,353,076	114,623,051	113,353,076
Utility Buildings and Improvements	-	-	16,185,398	15,959,753	16,185,398	15,959,753
Utility Equipment, Furniture and Fixtures	-	-	3,845,634	3,797,362	3,845,634	3,797,362
Community Services Land	-	-	12,315,573	12,315,573	12,315,573	12,315,573
Community Services Construction in Progress	-	-	558,914	537,741	558,914	537,741
Community Services Buildings and Improvements	-	-	34,799,089	33,627,523	34,799,089	33,627,523
Community Services Facilities Improvements	-	-	35,832,060	35,896,434	35,832,060	35,896,434
Community Services Equipment, Furniture and Fixtures	-	-	13,800,521	12,614,948	13,800,521	12,614,948
Beach Land	-	-	2,304,850	2,304,850	2,304,850	2,304,850
Beach Construction in Progress	-	-	72,353	-	72,353	-
Beach Buildings and Improvements	-	-	7,234,695	7,234,499	7,234,695	7,234,499
Beach Facilities Improvements	-	-	2,038,694	2,038,694	2,038,694	2,038,694
Beach Equipment, Furniture and Fixtures	-	-	531,928	529,560	531,928	529,560
Total Cost	6,834,155	5,892,514	258,889,598	248,424,426	265,723,753	254,316,940
Accumulated Depreciation	(2,808,573)	(2,532,902)	(136,120,903)	(129,815,344)	(138,929,476)	(132,348,246)
Capital Assets, net	4,025,582	3,359,612	122,768,695	118,609,082	126,794,277	121,968,694

Long-term debt: At the end of the current fiscal year, the District had total bonded debt outstanding of \$2.51 million in outstanding Utility Revenue Bonds. The District retired \$0.39 million in outstanding Recreation Bonds. The debt is backed by the full faith and credit of the District, with the source for repayment being revenues from charges for services.

Long-Term Liability Activity for the Year Ended June 30, 2023 was as Follows:

	<u>Beginning Balance</u>	<u>New Issues</u>	<u>Principal Paid</u>	<u>Ending Balance</u>
Governmental Type Activities:				
Bonds Payable;				
Recreation Revenue Supported		390,722	(390,722)	-
Business Type Activities:				
Bonds Payable;				
Utility Revenue Supported	2,992,391	82,500	(569,408)	2,505,483
Total	<u>3,383,113</u>	<u>82,500</u>	<u>(960,130)</u>	<u>2,505,483</u>

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

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The past fiscal year saw activity across the District continue to increase, for which some of the contributing factors include an extended ski season and expanded recreation services relative to FY2021/22 which also saw an increase after the significant curtailment of programs and services experienced during the height of the COVID-19 pandemic. The District's budget for FY2023/24 anticipates this trend to begin to flatten out. An outside factor that continues to have the potential to impact financial results for the District's recreation-focused activities is the current labor market, and in particular the challenge in filling seasonal, part-time positions. Shortage of available job applicants and

**Incline Village General Improvement District
Management's Discussion and Analysis
For the Fiscal Year ended June 30, 2023
(Continued)**

increasing hourly wage rates, combined with the high-cost and shortage of housing opportunities are expected to continue to contribute to staffing shortages across the District. This represents a significant challenge in the District's efforts to restore "post-pandemic" service levels.

- The District's primary revenue sources continue to be service charges from users, comprised of fees charged by venues at the point of service delivery and a standby charge paid by parcel owners via property tax bills to support availability of facility and services. The standby charge, known as the Facility Fee, is set annually by the Board of Trustees and provides critical, yet relatively stable funding in support of venue operations, capital improvements and debt. The Board continues to review and set the Facility Fee based on a multi-year capital improvement plan and informed by the District's Strategic Plan. At the same time, a significant portion of District-wide charges for services revenues are generated by the Diamond Peak Ski Resort, and is thus somewhat dependent on the level and duration of snow throughout the winter season.
- Among the priority capital improvement projects is the replacement of several miles of the Effluent Export Pipeline transporting treated wastewater from the District's Water Resource Recovery Facility out of the basin. A comprehensive Utility Rate Study was completed identifying the need for substantial utility rate increases over the next several years. While these increases are required to support operations, capital and planned debt for the District's critical water and wastewater operations, as well as provide for adequate reserve levels, consistent with updated Board policies, the rate study also indicated that the District's utility rates can be expected to remain within the range of rates charged by comparable utilities in the region. To help minimize the impact of required rate increases, the District is pursuing low-interest financing through the State Revolving Fund loan program and is also aggressively pursuing potential federal grant opportunities that have the potential to reduce the burden on rate-payers.
- The Board of Trustees also continues to update its priority capital projects to support goals of the District's Community Services Master Plan, Beach Master Plan and Diamond Peak Master Plan. These discussions necessarily also include an analysis of financial capacity, and possible financing options. Among these is consideration of issuing debt versus pay-as-you-go financing, particularly in relation to priority capital projects that are expected to have useful lives over 30-40 years. This effort includes an overall assessment of the District's financial position, bonding capacity and credit worthiness.

REQUEST OF INFORMATION

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

INCLINE VILLAGE
GENERAL IMPROVEMENT DISTRICT

**BASIC FINANCIAL
STATEMENTS**

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2023

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS			
Cash, cash equivalents, and investments	\$ 3,548,879	\$ 48,738,684	\$ 52,287,563
Receivables:			
Accounts receivable, net	349	1,572,851	1,573,200
Lease receivables	-	1,664,393	1,664,393
Interest on investments	79,245	-	79,245
Grants receivable	-	12,881	12,881
Due from other governments	301,362	145,409	446,771
Inventories	102,915	625,293	728,208
Prepaid items	747,155	-	747,155
Restricted assets:			
Restricted deposits	-	474,720	474,720
Capital assets:			
Land	2,669,904	21,335,966	24,005,870
Construction in progress	-	8,662,562	8,662,562
Capital assets, net of accumulated depreciation	1,355,678	92,770,167	94,125,845
Total assets	<u>8,805,487</u>	<u>176,002,926</u>	<u>184,808,413</u>
LIABILITIES			
Accounts payable	376,929	6,127,889	6,504,818
Accrued personnel costs	295,485	279,518	575,003
Accrued interest payable	-	30,889	30,889
Due to other governments	-	9,438	9,438
Unearned revenue	-	2,465,249	2,465,249
Refundable deposits	-	313,129	313,129
Noncurrent liabilities:			
Compensated absences due within one year	92,720	214,289	307,009
Long-term liabilities due within one year	109,998	472,468	582,466
Claims payable due within one year	406,946	-	406,946
Compensated absences due in more than one year	205,272	502,262	707,534
Long-term liabilities due in more than one year	239,996	2,049,656	2,289,652
Total liabilities	<u>1,727,346</u>	<u>12,464,787</u>	<u>14,192,133</u>
DEFERRED INFLOW OF RESOURCES			
Deferred Inflow related to leases	-	1,564,525	1,564,525
NET POSITION			
Net investment in capital assets	3,675,588	120,246,571	123,922,159
Restricted	-	474,720	474,720
Unrestricted	3,402,553	41,252,323	44,654,876
Total net position	<u>\$ 7,078,141</u>	<u>\$ 161,973,614</u>	<u>\$ 169,051,755</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, 2023**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	
Primary government:							
Governmental activities:							
General government	\$ 4,799,635	\$ -	\$ 97	\$ -	\$ (4,799,538)	\$ -	\$ (4,799,538)
Interest on long-term debt	20,000	-	-	-	(20,000)	-	(20,000)
Total governmental-type activities	<u>4,819,635</u>	<u>-</u>	<u>97</u>	<u>-</u>	<u>(4,819,538)</u>	<u>-</u>	<u>(4,819,538)</u>
Business-type activities:							
Utilities	11,893,546	14,701,341	-	-	-	2,807,795	2,807,795
Community services	25,487,501	20,579,508	156,995	1,139,421	-	(3,611,577)	(3,611,577)
Beach	2,364,133	616,642	-	-	-	(1,747,491)	(1,747,491)
Total business-type activities	<u>39,745,180</u>	<u>35,897,491</u>	<u>156,995</u>	<u>1,139,421</u>	<u>-</u>	<u>(2,551,273)</u>	<u>(2,551,273)</u>
Total primary government	<u>\$ 44,564,815</u>	<u>\$ 35,897,491</u>	<u>\$ 157,092</u>	<u>\$ 1,139,421</u>	<u>\$ (4,819,538)</u>	<u>\$ (2,551,273)</u>	<u>\$ (7,370,811)</u>
General revenues:							
Property taxes					2,388,045	-	2,388,045
Combined taxes					2,026,338	-	2,026,338
Facility fees (Assessed)					-	6,820,534	6,820,534
Investment income					211,516	460,899	672,415
Insurance proceeds					-	2,260	2,260
Miscellaneous revenues					360	131,864	132,224
Transfers					(1,000,000)	1,000,000	-
Gain (loss) on sale of assets					-	(111,806)	(111,806)
Total general revenues					<u>3,626,259</u>	<u>8,303,751</u>	<u>11,930,010</u>
Change in net position					(1,193,279)	5,752,478	4,559,199
Net positions, beginning					8,271,420	156,221,136	164,492,556
Net position - ending					<u>\$ 7,078,141</u>	<u>\$ 161,973,614</u>	<u>\$ 169,051,755</u>

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
GOVERNMENTAL FUND
BALANCE SHEET
JUNE 30, 2023**

	<u>GENERAL FUND</u>
ASSETS	
Cash, cash equivalents and investments	\$ 3,548,879
Accounts receivable, net	349
Interest receivable on investments	79,245
Due from other funds	585,843
Due from other governments	301,362
Prepaid items	<u>747,155</u>
Total assets	<u><u>\$ 5,262,833</u></u>
LIABILITIES AND FUND BALANCES	
Liabilities	
Accounts payable	\$ 316,669
Accrued personnel costs	<u>263,638</u>
Total liabilities	<u>580,307</u>
Fund balance	
Non-spendable	747,155
Unassigned	<u>3,935,371</u>
Total fund balance	<u>4,682,526</u>
Total liabilities and fund balance	<u><u>\$ 5,262,833</u></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 FUND
TO THE GOVERNMENT WIDE STATEMENT OF NET POSITION
JUNE 30, 2023**

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

Total Fund Balance for Governmental Activities	\$ 4,682,526
Capital Assets, net of accumulated depreciation, are not financial resources, and therefore are not reported in the General Fund	3,994,019
Long Term Liability for Compensated Absences	(228,386)
Long Term Liability for Washoe County Property Tax Litigation	(406,946)
Long Term Liability for SBITAs	(349,994)
Total Balance from Internal Services Fund	<u>\$ (613,078)</u>
Net Position of Governmental Activities	<u><u>\$ 7,078,141</u></u>

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
GOVERNMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2023**

	GENERAL FUND
REVENUES	
Ad valorem taxes	\$ 2,013,975
Personal Property Tax	17,537
Intergovernmental:	
Consolidated taxes	1,719,029
Local Government Tax Act	307,309
Operating grants	97
Investment income	211,780
Total revenues	4,269,727
 EXPENDITURES	
GENERAL GOVERNMENT	
Current:	
General manager	680,385
Trustees	166,875
Accounting	329,199
Information services	1,088,570
Human resources	262,471
Health & wellness	26,987
Community & employee relations	166,444
Administration	1,124,751
Risk management	146,679
Capital outlay	483,103
Debt Service:	
Principal	104,998
Interest	20,000
Total expenditures	4,600,462
Excess revenues (expenditures)	(330,735)
 OTHER FINANCING SOURCES:	
Transfers out	(1,000,000)
Net change in fund balance	(1,330,735)
Fund Balance, July 1	6,013,261
Fund balance, June 30	\$ 4,682,526

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 FUND
TO THE GOVERNMENT WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

Amounts reported for governmental activities are different because the Governmental Fund accounts 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 Fund	\$ (1,330,735)
Payroll expense associated with compensated absences	(82,186)
Settlement Expense	356,533
Capital Assets acquired during the year and capitalized	486,650
Depreciation expense for the fiscal year	(266,351)
Payments made on SBITAs	104,998
Internal Services change in Net Position	<u>(462,188)</u>
Change in Net Position of Governmental Activities	<u><u>\$ (1,193,279)</u></u>

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2023**

	Enterprise Funds				Total
	Utility Fund	Community Services Fund	Beach Fund	Internal Service Fund	
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 22,327,880	\$ 19,382,337	\$ 7,028,467	\$ -	\$ 48,738,684
Accounts receivable	1,472,330	100,521	-	-	1,572,851
Lease receivable	-	1,664,393	-	-	1,664,393
Grants receivable	12,881	-	-	-	12,881
Due from other governments	-	85,676	59,733	-	145,409
Inventories	136,365	488,928	-	102,915	728,208
Total current assets	<u>23,949,456</u>	<u>21,721,855</u>	<u>7,088,200</u>	<u>102,915</u>	<u>52,862,426</u>
Noncurrent assets:					
Restricted deposit for debt service reserve	237,346	-	-	-	237,346
Restricted deposit for TRPA deposits	96,902	139,475	997	-	237,374
Total noncurrent assets	<u>334,248</u>	<u>139,475</u>	<u>997</u>	<u>-</u>	<u>474,720</u>
Capital Assets:					
Land	6,715,543	12,315,573	2,304,850	-	21,335,966
Construction in progress	8,031,295	558,914	72,353	-	8,662,562
Buildings and structures	16,185,398	70,631,149	9,273,389	-	96,089,936
Improvements and Infrastructure	114,623,051	-	-	-	114,623,051
Equipment and vehicles	3,845,634	13,800,521	531,928	240,596	18,418,679
Total capital assets	149,400,921	97,306,157	12,182,520	240,596	259,130,194
Less: accumulated depreciation	(83,436,109)	(48,696,563)	(3,988,231)	(209,033)	(136,329,936)
Total capital assets (net)	<u>65,964,812</u>	<u>48,609,594</u>	<u>8,194,289</u>	<u>31,563</u>	<u>122,800,258</u>
Total noncurrent assets	<u>66,299,060</u>	<u>48,749,069</u>	<u>8,195,286</u>	<u>31,563</u>	<u>123,274,978</u>
Total assets	<u>90,248,516</u>	<u>70,470,924</u>	<u>15,283,486</u>	<u>134,478</u>	<u>176,137,404</u>
LIABILITIES					
Current liabilities:					
Accounts payable	5,606,041	493,690	28,158	60,260	6,188,149
Accrued personnel costs	65,706	170,563	43,249	31,847	311,365
Accrued interest payable	30,889	-	-	-	30,889
Due to other funds	-	-	-	585,843	585,843
Due to other governments	-	-	9,438	-	9,438
Unearned revenue	167,400	2,291,673	6,176	-	2,465,249
Deposits payable	-	313,129	-	-	313,129
Current portion of compensated absences	127,073	62,098	25,118	38,564	252,853
Current maturities of long-term liabilities	455,827	16,641	-	-	472,468
Total current liabilities	<u>6,452,936</u>	<u>3,347,794</u>	<u>112,139</u>	<u>716,514</u>	<u>10,629,383</u>
Non-current liabilities:					
Compensated absences	168,846	321,594	11,822	31,042	533,304
Non-current long term liabilities	2,049,656	-	-	-	2,049,656
Total non-current liabilities	<u>2,218,502</u>	<u>321,594</u>	<u>11,822</u>	<u>31,042</u>	<u>2,582,960</u>
Deferred lease inflows	-	1,564,525	-	-	1,564,525
Total liabilities and deferred inflows	<u>8,671,438</u>	<u>5,233,913</u>	<u>123,961</u>	<u>747,556</u>	<u>14,776,868</u>
NET POSITION					
Net investment in capital assets	63,459,329	48,592,953	8,194,289	31,563	120,278,134
Restricted deposits	334,248	139,475	997	-	474,720
Restricted for Capital Projects	14,693,903	3,015,629	570,390	-	18,279,922
Unrestricted	3,089,598	13,488,954	6,393,849	(644,641)	22,327,760
Total net position	<u>\$ 81,577,078</u>	<u>\$ 65,237,011</u>	<u>\$ 15,159,525</u>	<u>\$ (613,078)</u>	<u>\$ 161,360,536</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, 2023**

	Enterprise Funds				Total
	Utility Fund	Community Services Fund	Beach Fund	Internal Service Fund	
OPERATING REVENUES					
Sales and fees	\$ 14,644,009	\$ 20,579,508	\$ 616,642	\$ -	\$ 35,840,159
Recreation fee	-	3,911,100	2,909,434	-	6,820,534
Operating grants	-	156,995	-	-	156,995
Interfund services	57,332	-	-	2,833,010	2,890,342
Total operating revenues	14,701,341	24,647,603	3,526,076	2,833,010	45,708,030
OPERATING EXPENSES					
Wages and benefits	4,804,610	11,053,958	1,274,803	2,217,480	19,350,851
Cost of goods sold	-	1,726,032	244	-	1,726,276
Services and supplies	2,115,760	6,349,111	452,357	1,036,636	9,953,864
Defensible space	89,956	89,956	-	-	179,912
Central services cost	-	1,204,069	127,085	-	1,331,154
Insurance	238,881	495,552	44,493	17,888	796,814
Utilities	1,185,815	1,567,973	150,942	12,971	2,917,701
Professional fees	160,254	30,407	4,900	-	195,561
Depreciation	3,227,844	2,967,926	309,155	9,681	6,514,606
Total operating expenses	11,823,120	25,484,984	2,363,979	3,294,656	42,966,739
Operating income (loss)	2,878,221	(837,381)	1,162,097	(461,646)	2,741,291
NONOPERATING REVENUES (EXPENSES)					
Investment earnings (loss)	200,999	196,111	63,789	(264)	460,635
Insurance proceeds	-	2,260	-	-	2,260
Gain (loss) on sales of assets	-	(110,805)	(1,001)	-	(111,806)
Lease revenue	-	131,864	-	-	131,864
Other expenses	(4,647)	(500)	(150)	(278)	(5,575)
Interest expense	(65,779)	(2,017)	(4)	-	(67,800)
Total nonoperating revenues (expenses)	130,573	216,913	62,634	(542)	409,578
Income before transfers and contributions	3,008,794	(620,468)	1,224,731	(462,188)	3,150,869
CAPITAL CONTRIBUTIONS AND TRANSFERS					
Transfer in	1,000,000	-	-	-	1,000,000
Capital grants	-	1,139,421	-	-	1,139,421
Change in net position	4,008,794	518,953	1,224,731	(462,188)	5,290,290
Total net position, July 1	77,568,284	64,718,058	13,934,794	(150,890)	156,070,246
Total net position, June 30	\$ 81,577,078	\$ 65,237,011	\$ 15,159,525	\$ (613,078)	\$ 161,360,536

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, 2023**

	Utility Fund	Community Services Fund	Beach Fund	Internal Services Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 14,664,179	\$ 24,981,495	\$ 3,549,209	\$ -	\$ 43,194,883
Receipts from interfund services provided	57,332	-	-	3,226,566	3,283,898
Payments to suppliers	(3,395,322)	(11,356,129)	(1,193,006)	(1,038,747)	(16,983,204)
Payments to employees	(4,916,269)	(11,339,870)	(1,334,703)	(2,287,537)	(19,878,379)
Net cash provided (used) by operating activities	<u>6,409,920</u>	<u>2,285,496</u>	<u>1,021,500</u>	<u>(99,718)</u>	<u>9,617,198</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Transfer from other funds	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000,000</u>
Net cash provided (used) by non-capital financing activities	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	(3,423,733)	(2,624,923)	(75,067)	-	(6,123,723)
Proceeds from capital grants	82,500	1,139,421	-	-	1,221,921
Payments on capital debt	(569,407)	(410,554)	(6,291)	-	(986,252)
Interest paid on long term debt	(73,727)	(6,345)	(75)	-	(80,147)
Net cash provided (used) by capital and related financing activities	<u>(3,984,367)</u>	<u>(1,902,401)</u>	<u>(81,433)</u>	<u>-</u>	<u>(5,968,201)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment earnings (losses)	<u>200,999</u>	<u>281,130</u>	<u>63,789</u>	<u>(542)</u>	<u>545,376</u>
Net cash provided (used) by investing activities	<u>200,999</u>	<u>281,130</u>	<u>63,789</u>	<u>(542)</u>	<u>545,376</u>
Net change in cash and cash equivalents	3,626,552	664,225	1,003,856	(100,260)	5,194,373
Cash and cash equivalents, July 1	<u>19,035,576</u>	<u>18,857,587</u>	<u>6,025,608</u>	<u>100,260</u>	<u>44,019,031</u>
Cash, cash equivalents and investments, June 30	<u>\$ 22,662,128</u>	<u>\$ 19,521,812</u>	<u>\$ 7,029,464</u>	<u>\$ -</u>	<u>\$ 49,213,404</u>

(Continued)

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Utility Fund</u>	<u>Community Services Fund</u>	<u>Beach Fund</u>	<u>Internal Services Fund</u>	<u>Total</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 2,878,221	\$ (837,381)	\$ 1,162,097	\$ (461,646)	\$ 2,741,291
Non-cash adjustments -					
Depreciation	3,227,844	2,967,926	309,155	9,681	6,514,606
Misc. Income	-	2,260	-	-	2,260
Increase (decrease) in cash from changes in:					
Accounts receivable	36,289	(73,729)	-	-	(37,440)
Due from other governments	-	(61,644)	58,701	-	(2,943)
Inventories	28,762	100,823	-	20,686	150,271
Prepaid expenses	-	-	762	-	762
Accounts payable	366,582	133,121	(413,747)	8,062	94,018
Accrued personnel costs	(106,651)	(358,496)	(69,217)	(68,879)	(603,243)
Compensated absences	(5,008)	72,584	9,317	(1,178)	75,715
Due to other funds	-	-	-	393,556	393,556
Due to other governments	-	-	(2,501)	-	(2,501)
Deposits payable	-	(126,973)	-	-	(126,973)
Unearned revenue	(16,119)	467,005	(33,067)	-	417,819
Total adjustments	<u>3,531,699</u>	<u>3,122,877</u>	<u>(140,597)</u>	<u>361,928</u>	<u>6,875,907</u>
Net cash provided (used) by operating activities	<u>\$ 6,409,920</u>	<u>\$ 2,285,496</u>	<u>\$ 1,021,500</u>	<u>\$ (99,718)</u>	<u>\$ 9,617,198</u>

There were no significant noncash capital, financing, and investing activities for the year ended June 30, 2023.

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

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

B. Basic Financial Statements - Government-wide financial statements

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

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

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

C. Basic Financial Statements - Fund financial statements

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

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

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

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2023

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

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

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

The District uses the following funds:

Governmental Funds -

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

Proprietary Funds -

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

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

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

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

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

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2023

E. Budgets and Budgetary Accounting

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

1. On or before April 15, 2021, the Board of Trustees filed a tentative budget with the Nevada Department of Taxation. Public hearings on the tentative budget were held after the third Monday in May. On May 26, 2022, at a public hearing, the Board adopted a final budget. On or before June 1, 2022 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.

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

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

F. Cash, Cash Equivalents and Investments

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

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.

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

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2023

investment pool (LGIP) (operated by the Nevada State Treasurer); negotiable certificates of deposit issued by commercial banks or insured savings and loans; short-term negotiable notes or bonds issued by local governments; and bankers' acceptances eligible by law for rediscount with the Federal Reserve Banks not to exceed 180 days.

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

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

G. Receivables

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

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

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

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

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

H. Inventory and Prepaid Items

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

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2023

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

I. Restricted Assets

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

J. Capital Assets

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

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

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

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

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

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

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

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

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2023

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

K. Amortization of Bond Discounts

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

L. Compensated Absences and Accrued Personnel Costs

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

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

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

M. Deferred Outflows/Inflows of Resources

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

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

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2023

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 approved an update to Board Policy 7.1.0, establishing policy related to the appropriate level of fund balances, effective for the fiscal years after June 30, 2022. The target fund balance / reserve levels established by Board policy are summarized as follows:

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

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

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

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

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2023

Q. Net Position

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

R. Estimates

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

S. Central Services Cost Allocation

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

T. Punch Cards Utilized

Under District Ordinance 7, parcel owners may obtain up to five Picture Passes and/or Punch Cards, with the latter “valued” at 1/5th of the annual Facility Fee assessed on each parcel. As a non-exchange transaction, the revenue collected from the annual Facility Fees are reflected as a General Revenue in the Statement of Activities. Punch Cards can be used to pay-down the difference between a regular rate and the resident rate for certain types of recreational fees.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS

At year-end, the carrying amount of the District’s checking deposits was \$17,742,325 while the bank balance was \$18,043,807. 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.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2023

Cash Equivalents and Investments at June 30, 2023 consist of:

Operating Checking Accounts	\$ 17,742,325
Petty cash and change funds	55,905
Nevada LGIP General Account *	14,928,658
US Government Money Market	7,157,096
Government Agency Securities	4,740,580
Certificates of Deposit	<u>7,662,999</u>
Total Cash Equivalents and Investments	<u><u>\$ 52,287,563</u></u>

Restricted Deposits	<u><u>\$ 474,720</u></u>
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Investments at June 30, 2023 consist of:

General LGIP Account	\$ 14,928,658
US Government Money Market	7,157,096
Government Agency Securities	4,740,580
Certificates of Deposit	7,662,999
LGIP – Restricted Deposits	474,720
Total Investments	<u><u>\$ 34,964,053</u></u>

* - Average weighted maturity of 130 Days

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

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

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

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

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2023

	Fair Value Measurements as of June 30, 2023				Total
	Observable		Unobservable		
	Quoted Prices	Inputs	Inputs		
	Level 1	Level 2	Level 3		
Certificates of Deposit	\$ -	\$ 7,662,999	\$ -	\$ -	\$ 7,662,999
Government Agency Securities	-	4,740,580	-	-	4,740,580
Investments not subject to fair value measurement:					
Interest Bearing Amounts - Investments					12,403,579
US Government Money Market					7,157,096
LGIP at Net Asset Value (Cash Equivalent)					14,928,658
LGIP Restricted Deposits at Net Asset Value					474,720
Total Fair Value Measurements					<u>\$ 34,964,053</u>

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

	Investment Maturities by Investment Type as of June 30, 2023					Total
	2024	2025	2026	2027	2028	
Certificates of Deposit	\$ 1,494,873	\$ 1,933,422	\$ 2,850,807	\$ 1,383,897	\$ -	\$ 7,662,999
Government Agency Securities	1,473,521	952,499	1,415,721	435,124	463,715	4,740,580
US Government Money Market	7,157,096	-	-	-	-	7,157,096
LGIP as Cash Equivalent	14,928,658	-	-	-	-	14,928,658
LGIP - Restricted Deposits	474,720	-	-	-	-	474,720
All Investment Types						<u>\$ 34,964,053</u>

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.

	Ratings as of Year End			
	Total	AAA	AA+	Not Rated
Certificates of Deposit *	\$ 7,662,999	\$ -	\$ -	\$ 7,662,999
Government Agency Securities **	4,740,580	4,740,580	-	-
US Government Money Market	7,157,096	-	-	7,157,096
LGIP as Cash Equivalent	14,928,658	-	-	14,928,658
LGIP - Restricted Deposits	474,720	-	-	474,720
	<u>\$ 34,964,053</u>	<u>\$ 3,346,241</u>	<u>\$ -</u>	<u>\$ 30,223,473</u>

* Federally-insured bank CD's

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

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2023

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. The District has investments with Federal Home Loan Bank that represent approximately 7% of the entire investment portfolio.

3. RESTRICTED DEPOSITS

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 \$237,346. 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 \$237,374.

4. LEASES RECEIVABLE

The District is a lessor in 4 cancellable leases for radio tower space rental. The leases require payments of \$933 and \$1,815 monthly and annual payments from \$20,764 to 119,166. The District recognized \$131,864 in lease revenue and \$43,343 in interest revenue during the current fiscal year related to these agreements. As of June 30, 2023, the lease receivable is \$1,664,393 and deferred inflows of resource is \$1,564,525.

5. CAPITAL ASSETS

Capital Asset activity for the year ended June 30, 2023:

	Balance 7/1/2022 *	Increases	Decreases	Balance June 30, 2023
Governmental Activities				
Capital assets, not being depreciated				
Land	\$ 2,669,904	\$ -	\$ -	\$ 2,669,904
Construction in Progress	335,903	69,275	(405,178)	-
Total governmental capital assets, not being depreciated	<u>3,005,807</u>	<u>69,275</u>	<u>(405,178)</u>	<u>2,669,904</u>
Capital assets, being depreciated				
Buildings and Structures	828,251	-	-	828,251
Equipment and Vehicles	2,058,455	822,553	-	2,881,008
Subscription based IT arrangements	454,992	-	-	454,992
Total governmental capital assets, being depreciated	<u>3,341,698</u>	<u>822,553</u>	<u>-</u>	<u>4,164,251</u>
Less accumulated depreciation for:				
Buildings and Structures	(766,774)	(17,756)	-	(784,530)
Equipment and Vehicles	(1,765,767)	(153,278)	-	(1,919,045)
Subscription based IT arrangements	-	(104,998)	-	(104,998)
Total accumulated depreciation	<u>(2,532,541)</u>	<u>(276,032)</u>	<u>-</u>	<u>(2,808,573)</u>
Total governmental capital assets being depreciated, net	809,157	546,521	-	1,355,678
Governmental Activities Capital Assets, net	<u>\$ 3,814,964</u>	<u>\$ 615,796</u>	<u>\$ (405,178)</u>	<u>\$ 4,025,582</u>

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2023

Capital Asset activity for the year ended June 30, 2023:	Balance			Balance
	July 1, 2022	Increases	Decreases	June 30, 2023
Business-Type Activities				
Capital assets not being depreciated				
Land - Utilities	\$ 6,715,543	\$ -	\$ -	\$ 6,715,543
Land - Community Services	12,315,573	-	-	12,315,573
Land - Beach	2,304,850	-	-	2,304,850
Construction in progress - Utilities	1,498,869	7,520,487	(988,061)	8,031,295
Construction in progress - Community Services	537,741	1,305,728	(1,284,555)	558,914
Construction in progress - Beach	-	72,353	-	72,353
Total capital assets, not being depreciated	<u>23,372,576</u>	<u>8,898,568</u>	<u>(2,272,616)</u>	<u>29,998,528</u>
Capital assets, being depreciated				
Buildings and structures - Utilities	15,959,753	225,645	-	16,185,398
Buildings and structures - Community Services	33,627,523	1,186,266	(14,700)	34,799,089
Buildings and structures - Beach	7,232,131	2,564	-	7,234,695
Services infrastructure - Utilities	113,353,076	1,269,975	-	114,623,051
Venue improvements - Community Services	35,896,434	-	(64,374)	35,832,060
Venue improvements - Beach	2,038,694	-	-	2,038,694
Equipment and vehicles - Utilities	3,797,362	48,272	-	3,845,634
Equipment and vehicles - Community Services	12,457,874	1,353,285	(89,175)	13,721,984
Right to use leased equipment - Community Services	78,537	-	-	78,537
Equipment and vehicles - Beach	531,928	-	-	531,928
Total capital assets at historical cost	<u>224,973,312</u>	<u>4,086,007</u>	<u>(168,249)</u>	<u>228,891,070</u>
Less accumulated depreciation for:				
Buildings and structures - Utilities	(8,697,389)	(398,184)	-	(9,095,573)
Buildings and structures - Community Services	(16,516,882)	(995,135)	46,813	(17,465,204)
Buildings and structures - Beach	(1,811,430)	(196,320)	-	(2,007,750)
Services infrastructure - Utilities	(68,749,976)	(2,641,889)	-	(71,391,865)
Venue improvements - Community Services	(21,395,251)	(942,203)	63,376	(22,274,078)
Venue improvements - Beach	(1,507,960)	(77,771)	-	(1,585,731)
Equipment and vehicles - Utilities	(2,760,900)	(187,771)	-	(2,948,671)
Equipment and vehicles - Community Services	(7,977,817)	(1,002,024)	89,175	(8,890,666)
Right to use leased equipment - Community Services	(38,051)	(28,564)	-	(66,615)
Equipment and vehicles - Beach	(359,686)	(35,064)	-	(394,750)
Total accumulated depreciation	<u>(129,815,342)</u>	<u>(6,504,925)</u>	<u>199,364</u>	<u>(136,120,903)</u>
Total capital assets being depreciated, net	<u>95,157,970</u>	<u>(2,418,918)</u>	<u>31,115</u>	<u>92,770,167</u>
Business-Type Activities Capital Assets, net	<u>\$ 118,530,546</u>	<u>\$ 6,479,650</u>	<u>\$ (2,241,501)</u>	<u>\$ 122,768,695</u>

* Balance as of June 30, 2023 has been restated to implement GASB Statement No. 96

The District has a number of Construction in Progress projects open as of June 30, 2023. The Utility Fund includes \$7,170,331 for the Effluent Export Line that project will be ongoing through in 2024. The Community Services Fund has \$1,147,142 for the Locker Room Improvements. The District's primary building season is limited to May to October because of regulations from the Tahoe Regional Planning Agency. Most equipment purchases follow the budget and fiscal year cycle.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2023

Depreciation expenses for the year ended June 30, 2023 were charged to functions as follows:

Governmental Activities:	
General Government	\$ 276,032
Business-Type Activities:	
Utilities	3,227,844
Community Services	2,967,926
Beach	<u>309,155</u>
Total Proprietary Depreciation	<u>6,504,925</u>
Total Depreciation Expense	<u>\$ 6,780,957</u>

6. COMPENSATED ABSENCES

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

	Balance	Provisions		Balance	Amount due
	<u>June 30, 2022</u>	<u>Additions</u>	<u>Payments</u>	<u>June 30, 2023</u>	within one year
Sick Leave Retirement Benefit	\$ 245,000	\$ 56,838	\$ 8,885	\$ 292,953	\$ -
Accrued Vacation	<u>611,282</u>	<u>447,468</u>	<u>337,160</u>	<u>721,590</u>	<u>307,009</u>
Total compensated absences	<u>\$ 856,282</u>	<u>\$ 504,306</u>	<u>\$ 346,045</u>	<u>\$ 1,014,543</u>	<u>\$ 307,009</u>

7. UNEARNED REVENUE

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

	Community			
	<u>Services</u>	<u>Beach</u>	<u>Utility</u>	<u>Total</u>
Billed in advance	\$ 839,460	\$ 6,176	\$ 167,400	\$ 1,013,036
Unexpired season passes	1,413,116	-	-	1,413,116
Internal Gift Cards	<u>39,097</u>	<u>-</u>	<u>-</u>	<u>39,097</u>
Total	<u>\$ 2,291,673</u>	<u>\$ 6,176</u>	<u>\$ 167,400</u>	<u>\$ 2,465,249</u>

8. INTERFUND ACCOUNTS AND TRANSFERS

The outstanding balances between funds results mainly from the time lag between the dates that (1) inter fund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All interfund receivables and payables resulted from short-term borrowing to cover negative cash balances. Interfund receivable and payable balances at June 30, 2023 are as follows:

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2023

Due To	Due from	Amount
Internal Service Fund	General Fund	\$ 585,843

Interfund transfers consisted of the following for the year ended June 30, 2023:

Transfers In	Transfers Out	Amount
Utility Fund	General Fund	\$ 1,000,000

The District transferred \$1,000,000 from the General Fund to the Utility Fund to aid in the cost of construction on the Effluent Pipeline.

9. LONG-TERM DEBT

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

Outstanding Long-Term Debt as of June 30, 2023:

Issue	Issue Date	Maturity Date	Interest Rate	Amount Issued	Principal Outstanding	Current Portion
Governmental Activities:						
SBTIA Payable	6/30/2021	7/1/2027	4.00%	454,992	\$ 349,994	\$ 109,998
Total Governmental Long-Term Liabilities					<u>349,994</u>	<u>109,998</u>
Business-Type Activities:						
Community Services:						
PNC Equipment Lease	2/12/2020	1/12/2024	4.30%	78,537	16,641	16,641
Utilities:						
State of Nevada:						
Water IVGID-1	9/9/2004	7/1/2025	3.08%	1,687,282	271,444	106,093
Sewer CS32-0404 (G.O.)	8/1/2006	1/1/2026	2.73%	3,000,000	593,965	192,655
Water DW-1201 (G.O.)	3/16/2012	1/1/2032	2.39%	3,000,000	1,557,574	157,079
Water SRF -CW2303	4/11/2023	1/1/2053	2.19%	15,760,000	82,500	-
Total Business Type Long-Term Liabilities					<u>2,522,124</u>	<u>472,468</u>
Total Long-Term Liabilities					<u>\$ 2,872,118</u>	<u>\$ 582,466</u>

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2023

Long-Term Debt changes for the year:

	Beginning Balance	New Issues	Principal Reductions	Ending Balance	Due Within One Year
2012 Recreation	\$ 391,000	\$ -	\$ 391,000	\$ -	\$ -
Bond discounts	(278)	-	278	-	-
SBITAs Payable	454,992	-	104,998	349,994	109,998
Governmental Type Total	<u>845,714</u>	<u>-</u>	<u>496,276</u>	<u>349,994</u>	<u>109,998</u>
Sewer C32-0204	125,609	-	125,609	-	-
Water IVGID-1	374,340	-	102,896	271,444	106,093
Sewer CS32-0404 (GO)	781,475	-	187,510	593,965	192,655
Water DW-1201 (GO)	1,710,967	-	153,393	1,557,574	157,079
Water SRF -CW2303	-	82,500	-	82,500	-
PNC Equipment Lease	42,766	-	26,125	16,641	16,641
Business Type Total	<u>3,035,157</u>	<u>82,500</u>	<u>595,533</u>	<u>2,522,124</u>	<u>472,468</u>
Total Debt	<u>\$ 3,880,871</u>	<u>\$ 82,500</u>	<u>\$ 1,091,809</u>	<u>\$ 2,872,118</u>	<u>\$ 582,466</u>

By Bond Type:

General Obligation	\$ 2,492,442	\$ -	\$ 340,903	\$ 2,151,539	\$ 270,727
Revenue	499,949	-	228,505	271,444	106,093
SRF Loan	-	82,500	-	82,500	-
Total Debt	<u>\$ 2,992,391</u>	<u>\$ 82,500</u>	<u>\$ 569,408</u>	<u>\$ 2,505,483</u>	<u>\$ 376,820</u>

Future Debt Service Requirements as of June 30, 2023:

Fiscal Year Ending June 30	Debt Supported by Utility Revenue		Debt Supported by Lease Debt		SBITAs Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 455,827	\$ 73,728	\$ 16,641	\$ 1,093	\$ 109,998	\$ 15,000
2025	468,183	46,373	-	-	114,998	10,000
2026	424,055	33,677	-	-	124,998	-
2027	168,683	24,689	-	-	-	-
2028	172,739	20,633	-	-	-	-
2029-2032	<u>733,496</u>	<u>39,990</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 2,422,983</u>	<u>\$ 239,090</u>	<u>\$ 16,641</u>	<u>\$ 1,093</u>	<u>\$ 349,994</u>	<u>\$ 25,000</u>

The Water SRF – CW2303 loan balance of \$82,500 is not included in the debt service requirement schedule above as the payment terms have not yet been determined.

At June 30, 2023, principal and interest to maturity to be paid from pledged future Utility Revenues totals \$2,422,984 and \$39,990 paid from future pledged Recreation Revenues.

Subscription-Based Information Technology Arrangements

Subscription-based information technology arrangements (SBITAs) that meet the requirements of GASB 96 for which the District is a subscriber are disclosed as SBITA liabilities on the District’s financial statements that are presented on the accrual basis of accounting with an economic resources measurement focus. Included in

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2023

the District’s SBITA liabilities are subscriptions related to Enterprise Resource Planning system (Tyler Munis). GASB 96 excludes certain outflows (e.g., certain variable payments, etc.) from the measurement of SBITA liabilities. Future subscription payments for the District’s SBITA liabilities are included in the schedule above.

10. DISTRICT RETIREMENT BENEFIT PLANS

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

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

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

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

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

<u>FYE June 30</u>	<u>401(a) Money Purchase</u>	<u>Operating Engineers</u>	<u>Employer Section 457</u>	<u>Employee Section 457</u>
2023	\$1,241,550	\$ 75,992	\$ 507,865	\$ 716,114

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

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2023

11. SCHEDULE OF INSURANCE COVERAGE AND RISK MANAGEMENT

Insurance Coverage on June 30, 2023 consists of the following:

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

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

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

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

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

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

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

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2023

12. PLEDGED REVENUE AND COVERAGE

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

<u>Description of Pledge Revenue</u>	<u>Annual Amount of Pledged Revenue</u>	<u>Annual Debt Service Payments</u>	<u>Debt Service as a Percentage of Pledged Revenue</u>
Sewer Service Revenue	\$8,061,513	\$207,536	2.57%
Water Service Revenue	5,658,081	307,020	5.43%

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>
FY2022	\$1,359,736	-	596,257	763,479
FY2023	763,479	-	356,533	406,946

14. UNRESTRICTED FUNDS

At its meeting of March 3, 2020, the Board of Trustees took action to “restrict” \$9,656,890 for the purpose of earmarking these funds for the Effluent Export Pipeline Project. On August 12, 2020, the Board designated an additional \$1,912,767 as “restricted” for this purpose. As of June 30, 2021, the total funding intended to be “restricted” by the Board of Trustees for the Effluent Export Pipeline Project amounted to \$14,213,435. As of June 30, 2023 the level of funding set-aside by the Board for this purpose has decreased to a net total of \$8,669,535 as a result of project spending. In fiscal year 2023 additional project funds were secured through a State Revolving Fund loan. 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.

15. LEASE AGREEMENTS

Revenue:

Non-operating revenue includes rent received for cell towers on District property. The District has an agreement with American Tower for a tower at the Mountain Golf Course. The current term started in April 2017, is for 5 years and will extend every five years through 2027 with rent increases of \$3 per year, cancelable by either party. The District has two agreements with AT&T for a tower at the Mountain Golf Course and a tower at Diamond Peak. The term for the tower at the Mountain Golf Course Tower started in October 2015 for 5 years and will automatically extend every five years, through 2039, with rent increases of 3\$ per year, cancelable by the tenant. The tower at Diamond Peak Ski Resort has a term started in July 2018 for 5 years and will extend every five years, with rent increases of 3.5% per year, cancelable by the tenant, through 2037. The District has an agreement with T-Mobile (assigned to Crown Castle) for a cell tower lease at Diamond Peak Ski Resort with a term from June 2017 to 2027. In fiscal year 2023 the District received from these agreements \$131,864 in lease revenue and \$43,343 in interest revenue.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2023

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

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

Expenses:

The District holds a Use Permit for Diamond Peak operations and activities on property owned by the U.S. Forest Service adjacent to District-owned property. The District pays an annual permit fee based on revenues generated by selected Ski operations. The agreement does not meet the criteria for recording a lease payable as the payment amounts are dependent on future events.

16. COMMUNITY SERVICES AND BEACH FUNDS

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

17. COMMITMENTS AFFECTING FUTURE PERIODS

General Fund:

The District entered into an unemployment insurance contract with First Nonprofit Companies for total premiums of \$220,800 for calendar year 2023 services. As of June 30, 2023, \$110,400 in quarterly deposits are remaining as a part of the subsequent year's budget.

Capital Improvement Project Budget Carry-Forward:

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

General Fund	\$ 161,020
Utility Fund	14,693,903
Community Services Fund	3,015,629
Beach Fund	570,390

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2023

The District has committed to contractual obligations for selected capital improvement projects through contracts, resulting in encumbered funds at year-end. These are included in the appropriations carry-forward to the FY2023/24 budget, and are summarized as follows:

Contractor	Project	Contract Amount	Completed (06/30/23)	Remaining Amount
Burdick Excavating Co Inc.	Watermain Replacement - Crystal Peak Road	1,372,260	915,764	456,496
Dell, Inc. and SHI International Co.	Network Upgrades - Switches, Controllers, WAP	285,000	235,613	49,387
McCuen Construction	Wetlands Effluent Disposal Facility Improvements	273,523	18,483	255,040

18. 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 \$83,865.

INCLINE VILLAGE
GENERAL IMPROVEMENT DISTRICT

**REQUIRED
SUPPLEMENTARY
INFORMATION**

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

		<u>Operating Engineers</u>		
For the year ending June 30:		<u>Number of Participants</u>	<u>Covered Payroll</u>	<u>Required Contributions</u>
	2023	7	\$ 571,293	\$ 72,992
	2022	4	407,132	54,149
	2021	4	373,171	45,900
	2020	4	323,455	39,810
	2019	4	318,699	39,200
	2018	4	308,114	37,898
	2017	4	315,764	38,839
	2016	5	346,008	42,559
	2015	4	275,846	33,929
	2014	5	346,797	42,656

See notes to required supplementary information

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Ad valorem taxes	\$ 2,008,289	\$ 2,008,289	\$ 2,013,975	\$ 5,686
Personal Property Tax	12,480	12,480	17,537	5,057
Intergovernmental:				
Consolidated Tax	1,821,440	1,821,440	1,719,029	(102,411)
Local Government Tax Act	258,965	258,965	307,309	48,344
Operating Grants	-	-	97	97
Investment income (loss)	13,308	13,308	211,780	198,472
Miscellaneous	2,520	2,520	-	(2,520)
Total revenues	<u>4,117,002</u>	<u>4,117,002</u>	<u>4,269,727</u>	<u>152,725</u>
EXPENDITURES				
Current:				
General manager	695,871	695,871	680,385	15,486
Trustees	237,742	237,742	166,875	70,867
Accounting	601,932	601,932	329,199	272,733
Information services	1,377,954	1,377,954	1,088,570	289,384
Human resources	448,672	448,672	262,471	186,201
Health & wellness	86,821	86,821	26,987	59,834
Community & employee relations	307,395	307,395	166,444	140,951
Administration	903,797	879,739	1,124,751	(245,012)
Risk management	184,882	184,882	146,679	38,203
Capital Outlay	633,000	633,000	483,103	149,897
Debt Service:				
Principal	-	-	104,998	(104,998)
Interest	-	-	20,000	(20,000)
Total expenditures	<u>5,478,066</u>	<u>5,454,008</u>	<u>4,600,462</u>	<u>853,546</u>
Excess (deficiency) of revenues over expenditures	<u>(1,361,064)</u>	<u>(1,337,006)</u>	<u>(330,735)</u>	<u>1,006,271</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	(1,000,000)	(1,000,000)	(1,000,000)	-
Net change in fund balance	<u>(2,361,064)</u>	<u>(2,337,006)</u>	<u>(1,330,735)</u>	<u>1,006,271</u>
Fund Balance, July 1	<u>6,013,261</u>	<u>6,013,261</u>	<u>6,013,261</u>	<u>-</u>
Fund balance, June 30	<u>\$ 3,652,197</u>	<u>\$ 3,676,255</u>	<u>\$ 4,682,526</u>	<u>\$ 1,006,271</u>

INCLINE VILLAGE
GENERAL IMPROVEMENT DISTRICT

SUPPLEMENTARY
INFORMATION

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
UTILITIES FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION - BUDGET AND ACTUALS
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
OPERATING REVENUES				
Sales and fees	\$ 14,369,893	\$ 14,369,893	\$ 14,644,009	\$ (274,116)
Interfund services	156,500	156,500	57,332	99,168
Total operating revenues	<u>14,526,393</u>	<u>14,526,393</u>	<u>14,701,341</u>	<u>(174,948)</u>
OPERATING EXPENSES				
Wages and benefits	5,710,786	5,653,678	4,804,610	849,068
Services and supplies	3,635,124	4,088,196	2,115,760	1,972,436
Defensible space	100,000	100,000	89,956	10,044
Insurance	221,900	221,900	238,881	(16,981)
Utilities	958,691	958,691	1,185,815	(227,124)
Professional fees	167,050	167,050	160,254	6,796
Depreciation	3,188,160	3,188,160	3,227,844	(39,684)
Total operating expenses	<u>13,981,711</u>	<u>14,377,675</u>	<u>11,823,120</u>	<u>2,554,555</u>
Operating income	<u>544,682</u>	<u>148,718</u>	<u>2,878,221</u>	<u>2,379,607</u>
NONOPERATING REVENUES (EXPENSES)				
Investment earnings (losses)	41,688	41,688	200,999	(159,311)
Other expenses	-	-	(4,647)	4,647
Interest expense	<u>(73,728)</u>	<u>(73,728)</u>	<u>(65,779)</u>	<u>(7,949)</u>
Total nonoperating revenues (expenses)	<u>(32,040)</u>	<u>(32,040)</u>	<u>130,573</u>	<u>(162,613)</u>
Income before transfers and contributions	<u>512,642</u>	<u>116,678</u>	<u>3,008,794</u>	<u>2,216,994</u>
Transfer In	1,000,000	1,000,000	1,000,000	-
Capital Grant Contributions	<u>-</u>	<u>204,258</u>	<u>-</u>	<u>(204,258)</u>
Change in net position	<u>1,512,642</u>	<u>1,320,936</u>	<u>4,008,794</u>	<u>2,012,736</u>
Total net position, July 1	<u>77,568,284</u>	<u>77,568,284</u>	<u>77,568,284</u>	<u>-</u>
Total net position, June 30	<u>\$ 79,080,926</u>	<u>\$ 78,889,220</u>	<u>\$ 81,577,078</u>	<u>\$ 2,012,736</u>

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
COMMUNITY SERVICES FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION - BUDGET AND ACTUALS
FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance
	Original	Final		
OPERATING REVENUES				
Sales and fees	\$ 18,857,354	\$ 20,544,490	\$ 20,579,508	(35,018)
Operating grants	101,975	151,975	156,995	(5,020)
Recreation fee	3,692,700	3,692,700	3,911,100	(218,400)
Total operating revenues	<u>22,652,029</u>	<u>24,389,165</u>	<u>24,647,603</u>	<u>(258,438)</u>
OPERATING EXPENSES				
Wages and benefits	11,190,130	11,324,366	11,053,958	270,408
Cost of goods sold	1,793,049	1,793,049	1,726,032	67,017
Services and supplies	5,458,773	5,769,708	6,349,111	(579,403)
Defensible space	100,000	100,000	89,956	10,044
Central services cost	1,178,206	1,178,206	1,204,069	(25,863)
Insurance	427,200	427,200	495,552	(68,352)
Utilities	1,285,095	1,285,128	1,567,973	(282,845)
Professional fees	41,425	41,425	30,407	11,018
Depreciation	2,711,592	2,711,592	2,967,926	(256,334)
Total operating expenses	<u>24,185,470</u>	<u>24,630,674</u>	<u>25,484,984</u>	<u>(854,310)</u>
Operating income	<u>(1,533,441)</u>	<u>(241,509)</u>	<u>(837,381)</u>	<u>(1,112,748)</u>
NONOPERATING REVENUES (EXPENSES)				
Investment earnings (losses)	40,008	40,008	196,111	156,103
Loss on disposition of capital assets	-	-	(110,805)	(110,805)
Insurance proceeds	-	-	2,260	2,260
Lease revenue	129,074	129,074	131,864	2,790
Other expenses	-	-	(500)	(500)
Interest expense	(6,157)	(6,157)	(2,017)	4,140
Total nonoperating revenues (expenses)	<u>162,925</u>	<u>162,925</u>	<u>216,913</u>	<u>53,988</u>
Income before transfers and contributions	<u>(1,370,516)</u>	<u>(78,584)</u>	<u>(620,468)</u>	<u>(1,058,760)</u>
Capital Grant Contributions	<u>25,535,000</u>	<u>1,239,421</u>	<u>1,139,421</u>	<u>(100,000)</u>
Change in net position	<u>24,164,484</u>	<u>1,160,837</u>	<u>518,953</u>	<u>(1,158,760)</u>
Total net position, July 1	<u>64,718,058</u>	<u>64,718,058</u>	<u>64,718,058</u>	<u>-</u>
Total net position, June 30	<u>\$ 88,882,542</u>	<u>\$ 65,878,895</u>	<u>\$ 65,237,011</u>	<u>\$ (1,158,760)</u>

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
 BEACH FUND
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
 NET POSITION - BUDGET AND ACTUALS
 FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance
	Original	Final		
OPERATING REVENUES				
Sales and fees	\$ 623,890	\$ 623,890	\$ 616,642	\$ (7,248)
Recreation fee	2,556,840	2,556,840	2,909,434	352,594
Total operating revenues	3,180,730	3,180,730	3,526,076	345,346
OPERATING EXPENSES				
Wages and benefits	1,231,824	1,190,505	1,274,803	(84,298)
Cost of goods sold	-	-	244	(244)
Services and supplies	585,020	898,115	452,357	445,758
Central services cost	141,194	141,194	127,085	14,109
Insurance	41,300	41,300	44,493	(3,193)
Utilities	128,817	128,817	150,942	(22,125)
Professional fees	17,850	24,240	4,900	19,340
Depreciation	184,260	184,260	309,155	(124,895)
Total operating expenses	2,330,265	2,608,431	2,363,979	244,452
Operating income	850,465	572,299	1,162,097	589,798
NONOPERATING REVENUES (EXPENSES)				
Investment earnings (losses)	11,400	11,400	63,789	52,389
Loss on disposition of capital assets	-	-	(1,001)	(1,001)
Other expenses	-	-	(150)	(150)
Interest expense	(70)	(70)	(4)	66
Total nonoperating revenues (expenses)	11,330	11,330	62,634	51,304
Change in net position	861,795	583,629	1,224,731	641,102
Total net position, July 1	13,934,794	13,934,794	13,934,794	-
Total net position, June 30	\$ 14,796,589	\$ 14,518,423	\$ 15,159,525	\$ 641,102

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
INTERNAL SERVICES FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION - BUDGET AND ACTUALS
FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance
	Original	Final		
OPERATING REVENUES				
Interfund services	\$ 3,467,103	\$ 3,467,103	\$ 2,833,010	\$ (634,093)
Total operating revenues	3,467,103	3,467,103	2,833,010	(634,093)
OPERATING EXPENSES				
Wages and benefits	2,465,077	2,440,426	2,217,480	222,946
Services and supplies	959,912	959,912	1,036,636	(76,724)
Insurance	16,600	16,600	17,888	(1,288)
Utilities	9,910	9,910	12,971	(3,061)
Professional fees	15,000	15,000	-	15,000
Depreciation	9,876	9,876	9,681	195
Total operating expenses	3,476,375	3,451,724	3,294,656	157,068
Operating income	(9,272)	15,379	(461,646)	(477,025)
NONOPERATING REVENUES (EXPENSES)				
Investment earnings (losses)	(456)	(456)	(264)	192
Other expenses	-	-	(278)	(278)
Total nonoperating revenues (expenses)	(456)	(456)	(542)	(86)
Change in net position	(9,728)	14,923	(462,188)	(477,111)
Total net position (deficit), July 1	(150,890)	(150,890)	(150,890)	-
Total net position (deficit), June 30	\$ (160,618)	\$ (135,967)	\$ (613,078)	\$ (477,111)

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)**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental Activities										
Net invested in capital assets	\$ 3,675,588	\$ 3,318,368	\$ 58,015,190	\$ 57,665,962	\$ 56,147,092	\$ 52,880,021	\$ 50,729,901	\$ 48,555,965	\$ 3,634,557	\$ 3,071,179
Restricted		763,479	142,727	142,135	136,993	183,037	180,564	178,426	-	-
Unrestricted	3,402,553	3,982,089	24,788,140	21,457,789	19,371,388	18,130,708	16,887,487	13,973,745	1,501,287	1,391,021
Total governmental activities net position	\$ 7,078,141	\$ 8,063,936	\$ 82,946,057	\$ 79,265,886	\$ 75,655,473	\$ 71,193,766	\$ 67,797,952	\$ 62,708,136	\$ 5,135,844	\$ 4,462,200
Business-type activities										
Net invested in capital assets	\$ 120,246,571	\$ 115,267,216	\$ 60,139,428	\$ 63,202,365	\$ 64,549,358	\$ 64,377,397	\$ 59,817,845	\$ 57,974,014	\$ 101,460,934	\$ 98,127,357
Restricted	474,720	468,044	324,306	322,895	316,611	309,344	305,022	226,208	413,260	471,789
Unrestricted	41,252,323	40,527,272	16,521,859	15,172,503	12,442,309	9,971,293	12,536,210	12,026,276	18,842,492	18,829,347
Total business-type activities net position	\$ 161,973,614	\$ 156,262,532	\$ 76,985,593	\$ 78,697,763	\$ 77,308,278	\$ 74,658,034	\$ 72,659,077	\$ 70,226,498	\$ 120,716,686	\$ 117,428,493
Primary government										
Net invested in capital assets	\$ 123,922,159	\$ 118,585,584	\$ 118,154,618	\$ 120,868,327	\$ 120,696,450	\$ 117,257,418	\$ 110,547,746	\$ 106,529,979	\$ 105,095,491	\$ 101,198,536
Restricted	474,720	1,231,523	467,033	465,030	453,604	492,381	485,586	404,634	413,260	471,789
Unrestricted	44,654,876	44,509,361	41,309,999	36,630,292	31,813,697	28,102,001	29,423,697	26,000,021	20,343,779	20,220,368
Total primary government net position	\$ 169,051,755	\$ 164,326,468	\$ 159,931,650	\$ 157,963,649	\$ 152,963,751	\$ 145,851,800	\$ 140,457,029	\$ 132,934,634	\$ 125,852,530	\$ 121,890,693

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

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund										
Non-spendable	\$ 747,155	\$ 2,394	\$ 582,459	\$ 159,611	\$ 196,742	\$ 224,707	\$ 213,462	\$ 268,005	\$ 218,623	\$ 237,021
Restricted		845,103	1,359,736	1,359,737	-	-	-	-	-	-
Committed		-	-	-	-	-	-	400,000	400,000	400,000
Unassigned	3,935,371	4,833,798	3,788,365	3,110,801	3,568,844	3,098,079	1,648,787	1,151,988	882,664	754,000
Total General Fund	\$ 4,682,526	\$ 5,681,295	\$ 5,730,560	\$ 4,630,149	\$ 3,765,586	\$ 3,322,786	\$ 1,862,249	\$ 1,819,993	\$ 1,501,287	\$ 1,391,021
Community Services										
Special Revenue Fund										
Non-spendable	\$ -	\$ -	\$ 617,076	\$ 503,176	\$ 936,311	\$ 868,600	\$ 878,949	\$ 751,640	\$ -	\$ -
Restricted	-	-	141,727	141,135	135,993	78,157	77,136	76,674	-	-
Committed	-	-	15,207,996	14,636,603	-	-	-	-	-	-
Assigned - operations					12,261,649	9,053,712	9,364,056	7,026,514	-	-
Capital Projects - Committed	-	-	(105,443)	-	-	2,327,477	2,423,806	2,061,541	-	-
Debt Service - Committed	-	-	29,576	-	-	51,553	27,394	2,111	-	-
Total Comm. Services	\$ -	\$ -	\$ 15,890,932	\$ 15,280,914	\$ 13,333,953	\$ 12,379,499	\$ 12,771,341	\$ 9,918,480	\$ 5,357,755	\$ 6,023,946
Beach										
Special Revenue Fund										
Non-spendable	\$ -	\$ -	\$ -	\$ -	\$ 34,532	\$ 47,075	\$ 30,328	\$ 19,614	\$ -	\$ -
Restricted	-	-	1,000	1,000	1,000	1,000	1,000	-	-	-
Committed	-	-	2,379,224	2,590,632	-	-	-	-	-	-
Assigned - operations					1,774,846	1,330,016	1,038,909	1,040,136	-	-
Capital Projects - Committed	-	-	1,950,811	-	-	85,740	5,155	20,379	-	-
Debt Service - Committed	-	-	1,450	-	-	4,606	3,104	1,572	-	-
Total Beach	\$ -	\$ -	\$ 4,332,485	\$ 2,591,632	\$ 1,810,378	\$ 1,468,437	\$ 1,078,496	\$ 1,081,701	\$ 1,107,786	\$ 1,672,205

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)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues										
Taxes	\$ 4,057,850	\$ 3,952,499	\$ 3,701,406	\$ 3,478,074	\$ 3,323,633	\$ 3,174,544	\$ 2,960,847	\$ 2,984,992	\$ 2,747,287	\$ 2,571,243
Charges for Services	-	-	17,062,123	17,105,010	19,241,331	15,993,401	17,886,620	16,598,740	-	-
Facility Fees	-	-	6,537,641	6,740,884	6,797,896	6,737,396	6,754,489	6,760,224	-	-
Central Services Charges	-	-	-	-	1,169,400	1,094,000	1,177,200	1,123,000	1,101,000	1,068,996
Operating and Capital Grants	97	2,000	105,505	1,654,399	17,000	17,000	17,000	19,880	-	-
Investment Earnings	211,780	(16,517)	73,595	587,208	563,325	161,551	81,366	115,690	43,295	43,959
Miscellaneous	-	1,404	128,060	193,552	114,779	111,495	198,729	516,763	2,540	2,990
Total Revenues	<u>4,269,727</u>	<u>3,939,386</u>	<u>27,608,330</u>	<u>29,759,127</u>	<u>31,227,364</u>	<u>27,289,387</u>	<u>29,076,251</u>	<u>28,119,289</u>	<u>3,894,122</u>	<u>3,687,188</u>
Expenditures										
General Government:										
General Fund - current	4,117,359	3,192,181	2,556,921	2,432,435	3,933,149	3,586,203	3,603,667	3,510,247	3,139,473	3,111,518
Capital Outlay	483,103	98,550	365,878	279,424	121,257	113,813	148,435	79,331	644,383	84,849
Recreation:										
Community Services - current	-	-	15,289,187	16,546,104	17,288,580	16,137,428	15,919,959	14,853,575	-	-
Community Services - Capital Projects	-	-	2,907,254	5,059,031	6,043,500	3,905,926	3,633,210	2,344,198	-	-
Community Services - Debt Service	-	-	383,172	384,354	381,401	1,285,340	1,284,257	1,283,074	-	-
Beach - current	-	-	1,700,422	1,758,394	1,906,516	1,619,746	1,587,259	1,493,554	-	-
Beach - Capital Projects	-	-	1,245,205	82,009	284,298	221,248	256,161	319,152	-	-
Beach - Debt Service	-	-	6,270	6,289	6,241	6,237	6,215	6,189	-	-
Total Expenditures	<u>4,600,462</u>	<u>3,290,731</u>	<u>24,454,309</u>	<u>26,548,040</u>	<u>29,964,942</u>	<u>26,875,941</u>	<u>26,439,163</u>	<u>23,889,320</u>	<u>3,783,856</u>	<u>3,196,367</u>
Other Financing Sources (Uses)										
Transfers In	-	-	537,835	-	474,356	800,000	-	-	-	-
Transfer (Out)	(1,000,000)	(192,287)	(537,835)	(45,000)	(120,000)	-	-	-	-	-
Sale of assets	-	-	53,750	44,639	40,159	88,415	141,216	37,016	-	13,536
Insurance Proceeds	-	-	-	243,548	50,300	-	-	-	-	-
Capital Grants	-	-	-	-	31,958	156,775	113,615	586,361	-	-
Washoe Co Tax Refund	-	-	-	-	-	-	-	-	-	-
Total Other Sources (Uses)	<u>(1,000,000)</u>	<u>(192,287)</u>	<u>53,750</u>	<u>243,187</u>	<u>476,773</u>	<u>1,045,190</u>	<u>254,831</u>	<u>623,377</u>	<u>-</u>	<u>13,536</u>
Net Changes in Fund Balance	<u>\$ (1,330,735)</u>	<u>\$ 456,368</u>	<u>\$ 3,207,771</u>	<u>\$ 3,454,274</u>	<u>\$ 1,739,195</u>	<u>\$ 1,458,636</u>	<u>\$ 2,891,919</u>	<u>\$ 4,853,346</u>	<u>\$ 110,266</u>	<u>\$ 504,357</u>

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
2023	\$ 1,967,556,463	0.1298	\$ 5,621,589,894	35%
2022	1,902,632,649	0.1328	5,436,093,283	35%
2021	1,817,882,343	0.1311	5,193,949,551	35%
2020	1,717,224,973	0.1267	4,906,357,066	35%
2019	1,666,387,475	0.1224	4,761,107,071	35%
2018	1,623,315,601	0.1182	4,638,044,574	35%
2017	1,532,912,733	0.1183	4,379,750,666	35%
2016	1,484,624,556	0.1269	4,241,784,446	35%
2015	1,456,574,018	0.1157	4,161,640,051	35%
2014	1,392,531,036	0.1105	3,978,660,103	35%

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)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Incline Village GID-Direct	\$ -	\$ 0.1328	\$ 0.1311	\$ 0.1267	\$ 0.1224	\$ 0.1182	\$ 0.1183	\$ 0.1269	\$ 0.1157	\$ 0.1105
Overlapping-										
Washoe County	-	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
North Lake Tahoe Fire District	-	0.6480	0.6480	0.6291	0.6291	0.6291	0.6291	0.6291	0.6291	0.6291
State of Nevada	-	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700
Total Rate Per \$100 assessed valuation	\$ -	\$ 3.4810	\$ 3.4793	\$ 3.4560	\$ 3.4517	\$ 3.4475	\$ 3.4476	\$ 3.4562	\$ 3.4450	\$ 3.4398

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	2023 Assessed Value	% of Total Assessed Value	2014 Assessed Value	% of Total Assessed Value	Rank
Top Ten (Current Year):							
Incline Hotel LLC	Hotel/Casino	2	\$ 36,397,874	1.50%	\$ 24,227,507	1.74%	1
Cascade Beach LLC	Residential Property	2	18,160,508	0.75%			
Tahoe Estates LLC	Residential Property	3	17,856,046	0.74%	10,319,086	0.74%	4
Nevada Pacific Development Corp	Residential Property	48	14,222,498	0.59%	18,183,959	1.31%	2
1145 Lakeshore Boulevard	Residential Property	1	13,860,038	0.57%	7,788,119	0.56%	7
Lakeshore Trust	Residential Property	1	12,602,187	0.52%	7,707,749	0.55%	8
SF Pacific LLC	Residential Property	1	11,254,130	0.46%	7,981,269	0.57%	6
Ponderosa Ranch LLC	Residential Property	21	10,454,568	0.43%	10,771,894	0.77%	3
KWS Nevada Residential LLC	Residential Property	3	9,997,795	0.41%	5,556,941	0.40%	10
NNLFP LLC	Residential Property	60	9,588,513	0.40%			
David A Duffield Trust	Residential Property				8,188,045	0.59%	5
O'Neal Family Trust	Residential Property				5,746,342	0.41%	9
			<u>\$ 154,394,157</u>	<u>6.37%</u>	<u>\$ 106,470,911</u>	<u>7.65%</u>	
Total IVGID Community			<u>\$ 2,422,481,513</u>	<u>100.00%</u>	<u>\$ 1,392,531,036</u>	<u>100.00%</u>	

SOURCE: Washoe County Assessors Office

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

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

Fiscal Year Ending June 30,	Net Levy Roll	Current Tax Collected	Percent of Levy Collected	Delinquent Tax Collected	Total Cumulative Taxes Collected	Total Taxes Collected as a % of Net Levy Roll
2023	\$ 658,271	\$ 655,884	99.64%	\$ 2,387	\$ 655,884	99.64%
2022	608,399	606,530	99.69%	1,870	606,530	99.69%
2021	572,652	570,187	99.57%	3,057	567,124	99.03%
2020	535,123	532,811	99.57%	2,312	535,123	100.00%
2019	500,623	498,311	99.55%	1,817	500,128	99.90%
2018	473,365	471,229	99.55%	1,745	472,974	99.92%
2017	452,327	449,930	99.47%	2,295	452,225	99.98%
2016	440,185	438,074	99.52%	2,093	440,167	100.00%
2015	424,115	421,125	99.30%	2,983	424,108	100.00%
2014	411,260	407,469	99.08%	3,787	411,256	100.00%

SOURCE: Washoe County Comptroller's Office

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

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

Fiscal Year Ended	<u>Governmental-Type Activities:</u>			<u>Business-Type Activities:</u>			Gross Bonded Debt	Percentage Payable by	Percentage Payable by	Population	Debt Per Capita
	G. O. & Revenue Pledged	General Obligation Only	Total	Revenue Pledged	General Obligation	Total		Property Taxes	Pledged Revenues		
2023	\$ -	\$ -	\$ -	\$ 271,443	\$ 2,151,541	\$ 2,422,984	\$ 2,422,984	0%	100%	9440	\$ 257
2022	391,000	-	391,000	499,949	2,492,442	2,992,391	3,383,391	0%	100%	9462	358
2021	769,000	-	769,000	721,499	2,824,734	3,546,233	4,315,233	0%	100%	9462	456
2020	1,137,000	-	1,137,000	936,301	3,148,637	4,084,938	5,221,938	0%	100%	9087	575
2019	1,498,000	-	1,498,000	1,144,565	3,464,361	4,608,926	6,106,926	0%	100%	9087	672
2018	1,848,000	-	1,848,000	1,346,488	3,772,116	5,118,604	6,966,604	0%	100%	9087	767
2017	2,190,000	845,000	3,035,000	1,542,263	4,072,102	5,614,365	8,649,365	0%	100%	9087	952
2016	2,523,000	1,635,000	4,158,000	1,732,078	4,364,517	6,096,595	10,254,595	0%	100%	9087	1,128
2015	2,847,000	2,395,000	5,242,000	1,916,115	4,649,552	6,565,667	11,807,667	0%	100%	9087	1,299
2014	3,901,000	3,125,000	7,026,000	2,094,548	4,927,395	7,021,943	14,047,943	0%	100%	9087	1,546
2013	4,925,000	3,825,000	8,750,000	2,267,548	5,198,228	7,465,776	16,215,776	0%	100%	9087	1,785

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

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

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

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

	General Obligation Indebtedness	Presently Self-Supported General Obligation Indebtedness	Percent Applicable * Incline Village	As of June 30, 2023 Applicable Net Debt
Washoe County	\$ 108,859,517	\$ 28,927,703	9.397%	\$ 7,510,797
Washoe County School District	1,104,645,000	-	9.397%	\$ 103,798,026
State of Nevada	3,063,906,000	1,653,255,000	1.301%	\$ 18,349,041
Total	4,277,410,517	1,682,182,703		129,657,864
Incline Village GID	2,422,984	2,422,984		-
Total	\$ 4,279,833,501	\$ 1,684,605,687		\$ 129,657,864

Applicable Net Debt June 30:

2023	\$ 129,657,864
2022	125,420,208
2021	125,420,208
2020	123,510,730
2019	95,146,841
2018	99,064,878
2017	77,387,251
2016	73,677,678
2015	79,052,199
2014	92,762,454

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

SOURCE: Washoe County Comptrollers Office and Nevada Department of Taxation

Washoe County is using fiscal year 2022 and State of Nevada is using fiscal year 2021 audited statements.

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
2023	\$ 14,644,009	\$ 11,823,120	\$ 1,187,905	\$ 4,008,794	\$ 643,134	6.23
2022	13,030,110	9,964,442	(129,253)	2,936,415	643,134	4.57
2021	12,870,917	7,934,928	(119,698)	4,816,291	643,132	7.49
2020	12,564,466	8,016,675	275,893	4,823,684	643,135	7.50
2019	12,785,742	7,274,328	297,550	5,808,964	643,134	9.03
2018	11,925,557	7,139,740	127,300	4,913,117	643,135	7.64
2017	11,813,170	6,783,853	78,554	5,107,871	643,133	7.94
2016	11,158,119	6,804,140	149,326	4,503,305	636,808	7.07
2015	10,851,123	6,549,802	20,591	4,321,912	636,781	6.79
2014	10,434,118	6,270,919	56,295	4,219,494	636,956	6.62

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
2023	\$ 28,173,679	\$ 27,848,963	\$ 279,547	\$ 604,263	\$ 395,399	1.53
2022	19,588,062	17,956,523	575,857	2,207,396	391,050	5.64
2021	19,618,840	16,989,636	(537,835)	2,091,369	391,050	5.35
2020	24,245,304	18,304,498	288,187	6,228,993	390,643	15.95
2019	26,024,657	19,195,096	112,777	6,942,338	387,642	17.91
2018	22,730,797	17,757,174	71,591	5,045,214	1,291,577	3.91
2017	24,617,436	17,507,218	29,686	7,139,904	1,290,472	5.53
2016	20,666,327	16,347,129	69,701	4,388,899	1,289,263	3.40
2015	18,272,166	14,392,676	173,933	4,053,423	2,028,342	2.00
2014	18,472,073	14,002,615	196,763	4,666,221	2,025,584	2.30

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
2023	\$ -	\$ 1,038,533	1,038,533	\$ 4,600,462	\$ 37,308,104	0.00%	2.78%
2022	\$ -	\$ 1,034,184	1,034,184	\$ 3,192,181	\$ 27,920,965	0.00%	3.70%
2021	391,050	643,132	1,034,182	24,054,816	11,387,762	1.63%	5.65%
2020	390,643	643,135	1,033,778	25,706,138	11,495,874	1.52%	5.59%
2019	387,642	643,134	1,030,776	28,795,542	10,554,488	1.35%	6.09%
2018	1,291,577	643,135	1,934,712	25,781,941	10,113,371	5.01%	6.36%
2017	1,290,472	643,135	1,933,607	25,261,963	9,729,775	5.11%	6.61%
2016	1,289,263	636,808	1,926,071	24,654,345	9,901,095	5.23%	6.43%
2015	2,028,342	636,781	2,665,123	23,737,353	9,442,666	8.54%	6.74%
2014	2,025,584	636,956	2,662,540	21,583,120	9,029,675	9.39%	7.05%

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
2023	2,422,481,513	\$ 1,211,240,757	\$ 2,422,984	1,208,817,773
2022	1,902,632,649	951,316,325	3,383,391	947,932,934
2021	1,817,882,343	908,941,172	4,315,233	904,625,939
2020	1,717,224,973	858,612,000	5,221,938	853,390,062
2019	1,666,387,475	833,193,738	6,106,926	827,086,812
2018	1,623,315,601	811,657,801	6,966,604	804,691,197
2017	1,532,912,733	766,456,367	8,649,365	757,807,002
2016	1,484,624,556	742,312,278	10,254,595	732,057,683
2015	1,456,574,018	728,287,009	11,807,667	716,479,342
2014	1,392,531,036	696,265,518	14,047,943	682,217,575

SOURCE: State of Nevada Department of Taxation

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Demographic Statistics

<u>Year</u>	<u>Population</u>	<u>Median Age</u>	<u>County Personal Income</u>	<u>Housing Units</u>	<u>Occupied Housing Units</u>	<u>Housing Seasonal Use</u>	<u>Reno-Sparks Unemployment Rate ²</u>
2023	9164						4.5%
2022	9462						3.3%
2021	9462						4.9%
2020	9087						8.7%
2019	9087						4.0%
2018	9087						3.5%
2017	9087						4.0%
2016	9087						5.9%
2015	9087						6.4%
2014	9087						7.3%

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 Ten Years Ago (unaudited)

Employer	2023	2014
INCLINE VILLAGE COMMUNITY HOSPITAL	1	
HYATT LAKE TAHOE RESORT	2	1
INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT	3	2
TAHOE BILTMORE	4	8
RALEY'S	5	9
UNIVERSITY OF NEVADA, RENO AT LAKE TAHOE	6	3
NORTH LAKE TAHOE FIRE PROTECTION DISTRICT	7	
GRAND LODGE CASINO AT HYATT (and predecessors)	8	5
WASHOE COUNTY SCHOOL DISTRICT	9	
WASHOE COUNTY GOVERNMENT	10	
ASSOCIATED SIERRA NORTH		
BOC-NEVADA, INC		4
CRYSTAL BAY CLUB CASINO		6
EXCEL TOTAL SERVICES, INC		7
TAHOE FOREST HOSPITAL HEALTH		10

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

User Statistics, Last Ten Fiscal Years

Total number of users (unaudited)

Program	Unit Measured	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Water	Locations	4,276	4,277	4,275	4,272	4,269	4,270	4,251	4,243	4,234	4,229
Sewer	Locations	4,184	4,187	4,185	4,182	4,180	4,178	4,160	4,152	4,144	4,139
Refuse	Locations	4,714	4,432	4,410	4,384	4,345	4,345	4,338	4,177	4,162	4,138
Championship Course	Rounds played	22,785	21,654	20,796	23,446	21,650	23,139	21,353	22,881	23,142	23,784
Mountain Course	Rounds played	15,218	15,808	13,658	15,912	16,062	17,111	15,209	15,687	14,983	14,570
Beach	Individual visits	212,302	167,690	212,458	191,073	192,321	189,291	186,146	171,772	172,628	173,963
Tennis	Individual visits	8,240	11,756	9,167	11,837	13,082	13,630	14,683	14,823	14,129	13,337
Skier	Individual visits	99,424	89,755	126,621	99,424	130,922	120,847	160,613	167,064	84,568	93,935
Recreation Center	Individual visits	170,356	184,231	133,554	94,499	129,831	123,561	121,598	115,662	126,799	130,887

SOURCE: Incline Village General Improvement District

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

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

Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Ski	\$ -	\$ -	\$ (200)	\$ (41)	\$ 29	\$ (83)	\$ (36)	\$ 13	\$ (27)	\$ (20)
Tennis	-	-	14	24	20	20	18	16	9	21
Parks	-	-	89	124	118	117	117	97	108	86
Recreation	450	100	342	285	262	268	269	197	241	204
Championship Golf	-	-	4	119	98	97	83	126	81	75
Mountain Golf	-	-	27	84	63	62	54	69	31	29
Beaches	330	680	500	125	125	125	100	100	100	100
Youth	-	-	26	25	25	26	26	24	21	20
Seniors	-	-	23	21	21	20	20	19	12	19
Adult Programs	-	-	-	-	-	-	-	-	1	1
Catering	-	-	-	-	-	-	-	-	-	(13)
Facilities	-	-	5	64	57	56	57	47	46	52
Reserves for Recreation	-	-	-	-	-	-	-	-	-	49
Golf/Tennis/Ski Bonds	-	-	-	-	-	-	-	-	85	85
Ski Lodge Bond	-	-	-	-	-	110	110	110	110	110
Defensible Space	-	-	-	-	12	12	12	12	12	12
Coverage sales	-	-	-	-	-	-	-	-	-	-
Other/Unclassified	-	-	-	-	-	-	-	-	-	-
Total	\$ 780	\$ 780	\$ 830	\$ 830	\$ 830	\$ 830	\$ 830	\$ 830	\$ 830	\$ 830
Total Collected (in 1,000's)	\$ 6,250	\$ 6,089	\$ 6,569	\$ 6,741	\$ 6,758	\$ 6,746	\$ 6,747	\$ 6,746	\$ 6,746	\$ 6,742

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
2023	\$ 37.89	\$ 2.15	\$ 68.14	\$ 4.75
2022	35.48	1.95	60.78	4.00
2021	32.09	1.55	54.96	3.20
2020	33.45	1.00	59.00	3.35
2019	32.09	0.93	54.96	3.20
2018	30.84	0.93	52.76	3.10
2017	29.82	0.95	51.45	3.00
2016	28.86	0.97	49.83	2.90
2015	28.10	1.35	47.95	2.79
2014	27.03	1.32	41.85	2.68

The District charges are based on pay for what you use.
Rate changes are considered for implementation May each year.

Note: Water Base is made up of: Water Base, Water Capital Improvement Fee, Water Admin, Defensible Space.
Note: Sewer Base is made up of: Sewer Base, Sewer Capital Improvement, Sewer Admin

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

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

Fiscal Year	Residential	Commercial	Total
2023	617	264	881
2022	647	251	898
2021	711	291	1,002
2020	627	259	886
2019	606	259	865
2018	633	282	915
2017	604	256	860
2016	594	255	849
2015	634	258	892
2014	673	292	965

Source: IVGID Utilities Billing Department

INCLINE VILLAGE
GENERAL IMPROVEMENT DISTRICT

COMPLIANCE SECTION

March 27, 2024

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

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

In planning and performing our audit of the basic financial statements of the Incline Village General Improvement District (IVGID) as of and for the year ended June 30, 2023 in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, we considered IVGID's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of IVGID's internal control over financial reporting.

We were engaged to audit, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Incline Village General Improvement District (District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We do not express an opinion on the accompanying financial statements. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

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

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

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

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

We consider the following deficiencies in IVGID's internal control to be material weaknesses:

2023-001 Journal Entries Detected During the Audit

An important element of control over financial reporting is for management to identify adjustments necessary for financial statements to be fairly stated. Whenever possible, adjustments should be reflected in the accounting records prior to the start of the audit. When this is not possible, management should identify and communicate to the auditors the potential areas of adjustment that may need to be addressed during the audit process. Auditing standards require the reporting of material adjustments identified through the audit process as weaknesses in an entity's internal control structure.

Material and immaterial audit adjustments recorded during the audit are included in the attached schedule.

Recommendation

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

Management's Response Regarding Corrective Action Taken or Planned

Management agrees with this recommendation. The year-end check list and timeline that was created for fiscal year 2023 will be updated to ensure that all tasks are included and that assignments are completed in a timely manner to meet the deadlines for the audit. Corrective action will be taken to properly train staff to use the checklist and to complete the year-end functions and schedules so adjustments can be recorded prior to the providing the trial balance to the auditors.

2023-002 Timeliness of Financial Reporting and Account Reconciliations

Due to the introduction of a new accounting system in July 2022 and significant turnover of District finance staff during 2023, there was a significant delay in financial reporting and account reconciliations including bank reconciliations and reconciliations of accounting system balances to subsidiary ledgers. Ultimately, the lack of adequate reconciliation support to the accuracy of revenue, expense, and other accounts was a key reason for the disclaimer of audit opinion.

Recommendation

To allow management and the Board of Trustees with accurate and timely information to enable them to make informed decisions, the bank reconciliations should be completed within 30 days of month end. The District staff should reconcile other asset and liability balances to subsidiary listings on a monthly basis to ensure there are no errors in the financial statements. This would include reconciling receivables, payables, and unearned revenues to supporting documentation. Capital asset accounting should be recorded and reconciled throughout the year to ensure the accuracy of the accounting records. The District should ensure their staffing and systems are sufficient to allow for timely reporting to meet State and other reporting deadlines.

Management's Response Regarding Corrective Action Taken or Planned

To allow management and the Board of Trustees with accurate and timely information to enable them to make informed decisions, the bank reconciliations should be completed within 30 days of month end. The District staff should reconcile other asset and liability balances to subsidiary listings on a monthly basis to ensure there are no errors in the financial statements. This would include reconciling receivables, payables, and unearned revenues to supporting documentation. Capital asset accounting should be recorded and reconciled throughout the year to ensure the

accuracy of the accounting records. The District should ensure their staffing and systems are sufficient to allow for timely reporting to meet State and other reporting deadlines.

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

2023-003 Physical Inventory Observation

For the fiscal year ended June 30, 2023, the District staff performed a physical observation and count of inventory assets held at the Pro Shop and Ski Resort. However, a physical observation and count of inventory assets was not performed at all locations with inventory. For example, there was no inventory of food and beverages which could have resulted in an error in the accounting records.

Recommendations

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

Management's Response Regarding Corrective Action Taken or Planned

Management agrees with this recommendation. We will allocate additional staff to ensure that a timely and accurate physical inventory is taken for each location that maintains an inventory.

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

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



Irvine, California
March 27, 2024