

April 27, 2025

Nevada Department of Taxation ("NDOT")
Committee on Local Government Finance ("CLGF")
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Re: April 29, 2025 CLGF Meeting, Agenda Item 3(a) - Incline Village General Improvement District ["IVGID"] – Consideration Regarding: Potential Fiscal Watch For IVGID Pursuant to NRS 354.675; Conducting Hearings to Determine Whether a Severe Financial Emergency Exists in IVGID; Recommending to The Executive Director NDOT Notify Washoe County That The IVGID Board of Trustees ("The Board") is Neither Being Properly Managed Nor is The District Complying With The NRS And NAC

Chairperson Leavitt and Other Honorable Members of the CLGF:

The Committee has more than necessary evidence to place IVGID on fiscal watch pursuant to NRS 354.675. It has given the District every opportunity to dig itself out of the hole it has created for itself, so I won't belabor these points.

Nevertheless, since the notice for this meeting is broad enough to encompass "any other actions deemed necessary by the Committee pursuant to NRS Chapter 354," with the Committee's permission, that's what I'd like to discuss.

The first step in the ten (10) step program for solving a problem. Admit you have one!

Trustee Homan had represented that IVGID's cash position is the envy of the State. I would say yes, if you condone theft.

For some years IVGID staff and past Boards have been taking money from local parcel owners under false pretenses¹ with the intent of building up unrestricted balances in several of

¹ Where "any bailee of any money [here the District's public Recreation ("RFF") and Beach ("BFF") Facility Fees], goods or property...uses or appropriates the money, property or effects or any part thereof in any manner or for any other purpose *than that for which they were deposited or entrusted*, is guilty of embezzlement, and shall be punished in the manner prescribed by law for the stealing or larceny of property of the kind and name of the money, goods, property or effects so taken, converted, stolen, used or appropriated" [see NRS 205.300(1)].

the District's funds so they can be spent by future Boards on grossly excessive employee compensation and benefits, and unidentified, unappropriated and unbudgeted pet projects. So that at a given point in time, the cash position of the District is the product of that theft. Absolutely nothing to be proud of. Since this is a serious allegation, please allow me to provide some evidence.

The District, in effect, steals from revenues assigned to two proprietary funds: the District's Community Services and Beach enterprise Funds. It also steals from net positions in the District's Utility, Community Services, and Beach enterprise funds. This *de facto* theft takes place surreptitiously through the artifice of "central services cost" transfers (discussed below).

The District has submitted a tentative 2025-26 budget to the NDOT. I ask committee members to examine the same because it proves my point.

Let's begin with the District's Community Services Fund. Pages 12 and 13 of Form 4404LGF (copies are attached as Exhibit "A") depicts a statement of Community Services Fund cash flows. The bottom of column (2) which depicts current year ending 6/30/2025 cash and cash equivalents discloses an unbelievable \$13,639,599. And we see it was \$19,382,337 as of July 1, 2024. Pretty good for a fund which has *never* been able to operationally break even financially but for the infusion of a subsidy which the District disingenuously labels a "facility fee"² or here the RFF (this is the genesis of the theft). Even though the Board hasn't set any Community Service facility fee for 2025-26, staff have inserted a whopping 261% (\$3,214,850) **increase** from the current fiscal year's \$1,233,150 fee to now \$4,448,000. And why is this? Because the RFF is something *other than* represented.

Remember, these "fees" are not in compliance with NRS statutes and NAC regulations given they are not the product of exchange transactions (i.e., local Incline Village/Crystal Bay parcel owners receive nothing of value in consideration of payment). Although IVGID offers resident discounts, remember the phrase, "A bargain for something you don't need (or don't want) is not bargain". IVGID's so-called resident (which are not automatically available to renters, just owners) discounts are of no value for many. Which makes them taxes. Invalid taxes no less inasmuch as there is no such thing in Nevada as a uniform (in other words, not based upon assessed valuation) special tax against property.

² "It is a well-nigh universal principle that courts will determine and classify taxation on the basis of realities, rather than what the tax is called in the taxing statute or ordinance (as) the nature of a monetary exaction must be determined by its operation rather than its specially descriptive phrase...Thus, to distinguish between a 'fee' and a 'tax' (we apply the test adopted by) the Hawaii Supreme Court in *Medeiros* (see 973 P.2d 742)...which analyzes whether the charge '(1) applies to the direct beneficiary of a particular service, (2) is allocated directly to defraying the costs of providing the service, and (3) is reasonably proportionate to the benefit received.' If those criteria fit the charge, it is a fee (*Id.*, at 742-745)" [see *Clean Water Coalition v. M Resort, LLC*, 127 Nev. 301, 255 P.3d 247, 315-16 (2011)]. Otherwise, it is a tax [See *State v. Medeiros*, 89 Haw. 361, 973 P.2d 736, 742-745 (1999); *Douglas Co. Contractors v. Douglas Co.*, 112 Nev. 1452, 1457, 929 P.2d 253, 256 (1996); *State ex rel. City of Reno v. Boyd*, 27 Nev. 249, 256, 74 P. 654, 655 (1903)].

Moreover, the District intentionally misrepresents to the public what these "fees" allegedly represent: standby service charges for the mere availability to access and use the District's public recreation **facilities**³ (but only **after** paying user fees), even though any member of the public is entitled to the same "availability to access" and use without paying anything other than the same type of user fee local parcel owners pay.

So my question to the Committee: do members know what legitimate standby service charges are for the availability of whatever? If not, please consider the following:

First of all, understand there's no definition in the NRS for the term "standby service charge." Nor is there any Nevada Supreme Court opinion which has ever construed the term. So to understand the definition, the Committee would have to examine out of state cases [such as *Kennedy v. City of Ukiah*, 69 Cal.App.3d 545, 553, 138 Cal.Rptr. 207 (1977) and *Keller v. Chowchilla Water Dist.*, 80 Cal.App.4th 1006, 1011, 96 Cal.Rptr. 246, 250-51 (2000)]. And if it did, it would discover:

1. Standby fees only apply to services/facilities addressing public health and sanitation like public water and sewer services. IVGID's assesses its "so called" standby service charge for public recreation and beach facilities having nothing to do with public health and sanitation.

2. Standby service charges deliver services to **property** and not people. Here IVGID's "so called" standby service charges allegedly makes public recreation and beach facilities available to **people** and not property.

3. Standby service charges deliver special benefits (i.e., benefits unique to properties assessed rather than the general public as a whole) to those who are involuntarily assessed. Here although IVGID's "so called" standby service charges allegedly furnish "benefits," they're benefits (of questionable value) to **people**. Attached as Exhibit "C" is the District's Resolution No. 1909 which adopted the current 2024-25's RFF/BFF. Members' attention is directed to ¶4(b) which states:

"The Board (of Trustees) specifically finds that the availability of the use of IVGID's beach (and recreation facilities)...including reduced (user) rates...are all benefits which inure to the owners of properties (i.e., **people**) assessed hereunder."

4. Moreover, standby service charges deliver special benefits to those who are assessed. But here IVGID's "so called" standby service charges do not deliver benefits to those who are assessed (that is local Incline Village/Crystal Bay parcels).

5. Standby service charges are only proper where the public service to be furnished is physically connected or capable of physical connection (i.e., adjacent) to the real property

³ I have attached as Exhibit "B" the first three pages of the Report the District adopted for the current 2024-25 fiscal year pursuant to NRS 318.201. Committee members can see that IVGID labels its RFF/BFF a "Recreation Standby and Service Charge." And ¶11 of that Report describes the RFF/BFF as "annual charges...for the (mere) **availability of use** of...recreational **facilities**."

benefitted. Here IVGID's public recreation and beach facilities are neither physically connected nor by and large adjacent to those real properties which are involuntarily assessed.

6. Standby service charges for the availability of services end once the property which is assessed becomes an actual customer. Because those properties are no longer "standing by" and "available" to be furnished. Instead, they are actually being furnished. Yet here IVGID's "so called" standby service charges continue whether or not a local assessed parcel's owner(s) are actual customers of those public recreation and beach facilities the subject thereof.

7. Since essentially all of IVGID's public recreation facilities are "available" to be accessed and used by all members of the general public, and user fees are assessed (even to local parcel owners whose properties are involuntarily assessed), those whose local properties are assessed **pay more** to access and use those facilities compared to those who are non-residents, own no real property in Incline Village/Crystal Bay, nor who are assessed IVGID's "so called" standby service charges. That's right. Although parcel owners and non-parcel owners alike are assessed user fees to access and use the District's public recreation facilities, local parcel owners are compelled to pay IVGID's alleged standby service charge **in addition**.

8. Moreover, **there is no limit** on IVGID's "so called" standby service charge. That's why the current Board can triple the charge in a single year which is what it proposes in its tentative budget! It's also why the current Board can now increase a local parcel owner's property tax bill (IVGID's standby service charge is collected as part of a local parcel owner's *ad valorem* tax bill - see NRS 318.201) to **more** than the *ad valorem* taxes owed to IVGID (which can levy its own *ad valorem* tax - see NRS 318.225) or the county! And effectuate more of an increase than the NRS 361 limits.

9. Naysayers point to the alleged user fee discount local parcel owners realize (see Exhibit "B") when accessing and using the District's public recreation facilities. However, local parcel owners only realize that discount once they elect to access and use a public recreation facility and pay the additional user fee which is assessed. If a local parcel owner is not interested in or capable of accessing and using the District's public recreation facilities, his/her local parcel is **still** involuntarily assessed the charge. So any discount is illusory.

10. Moreover, the so called "discounts" are a joke. Typically a couple of dollars per person per visit (at the District's Rec and Tennis Centers). Even at Diamond Peak the difference in pricing is 20%. Which may sound substantial until one realizes that each local parcel which is assessed is paying \$1,250 or more annually for the owner's ability to claim this discount. Putting aside the fact user fee discounts are benefits to people rather than property, the so called discount is meaningless. Plus this doesn't take into consideration the District regularly offers to the world's tourists which all members of the general public can realize which typically meet or approximate the so called parcel owner discount.

11. IVGID has come up with its own "exemption" system which saves the owners of "favored" local parcels the obligation to pay its standby service charge. The problem is that although NRS 318.197 allows GIDs to charge standby service charges, **nowhere** does it allow them to exempt any properties from paying the rates and charges it has adopted. As a limited

purpose special district, IVGID has no power to pass any law nor legislation. Insofar as fee exemptions are concerned, GIDs have no power to "fill the void" in legislation because the Legislature has chosen to be silent on the subject. And since Nevada is a "*Dillon's Rule*" state, that's exactly what NRS 244.137(3) and 268.001(3) instruct. That is,

"A GID's Board "possesses and may exercise **only** the following powers and **no others**:

(a) Those powers granted in express terms by the Nevada Constitution or statute;

(b) Those powers necessarily or fairly implied in or incident to the powers expressly granted; and

(c) Those powers essential to the accomplishment of the declared objects and purposes of the county and not merely convenient but indispensable...

Dillon's Rule also provides that if there is any fair or reasonable doubt concerning the existence of a power, that doubt is resolved *against* the board...and the power is **denied**."

Yet this prohibition hasn't stopped IVGID staff.

12. IVGID has come up with its own means of assessment which denies local parcel owners an important constitutional right; equal protection. Instead of one standby service charge for every parcel, under an archaic and arbitrary application the Board has found a way to assess some parcels multiple charges. Therefore a duplex with two (2) dwelling units is charged two (2) standby service charges. But a mixed use parcel with one (1) dwelling unit and one (1) commercial unit is charged one (1) standby service charge even though the owner may be collecting rent from two (2) tenants. A seventy-seven (77) unit apartment building on a single parcel is charged seventy-seven (77) standby service charges. But a four hundred and twenty-four (424) unit hotel/motel on a single parcel is charged a single standby service charge even though the owner may be collecting rent from four hundred and twenty-four (424) guests. A single parcel owned by a particular type of nonprofit (churches and schools for example) is exempt from paying IVGID's standby service charge. Yet one owned by another type of nonprofit is not. Parcels owned by an element of government (including IVGID itself even though it uses free or discounted use of its public recreation facilities as a tool to attract employees) is exempt from paying IVGID's standby service charge. Those owned by private parties are not. Even though the owners of all parcels in Incline Village/Crystal Bay are arguably "benefited" by the District's public recreation facilities, those which don't benefit from an IVGID created exemption are denied the equal protection of law.

13. Let's address IVGID's beaches because it charges a separate standby service charge (BFF) for the availability to access and use the beaches. But all parcel owners with beach access have an easement recognized in the deed by which IVGID took title to the beaches which

entitles them, their successors in title, and their guests to access and use without the pre-condition to pay anything. So what right to compel the payment of anything?

14. In America we have a constitutional right to due process. In other words, we can't be deprived of life, liberty or property without due process. This means the right to administrative and ultimately, judicial review. But insofar as IVGID's standby service charge is concerned, there is no right. Take a look at NRS 318.201(12) as well as Exhibit "C." Both state that:

"All laws applicable to the levy, collection and enforcement of general taxes of the county, including, but not limited to, those pertaining to the matters of delinquency, correction, cancellation, **refund**, redemption and sale, are applicable to" the District's standby service charges.

However, in the real world that's not true. The way to challenge a general tax of the county (an *ad valorem* tax against property), is to first pay the tax and then file an appeal with the County Board of Equalization. If unsuccessful, the appealing taxpayer can file an appeal with the State Board of Equalization. And if unsuccessful again, since all administrative remedies have been exhausted, the appealing taxpayer is entitled under NRS 233B to seek judicial review.

15. But the Washoe County Board of Equalization **refuses** to accept and process appeals of IVGID's standby service charges. Because they are not based upon assessed valuation (they're uniform in amount against all parcels which are assessed). The inability to obtain a decision from the county Board of Equalization precludes an appealing taxpayer from seeking appeal to the State Board of Equalization and ultimately, judicial review. Translation: those whose properties are involuntarily assessed are deprived of due process.

16. Moreover, no taxpayer has standing to file a lawsuit seeking a challenge to the validity of IVGID's "so called" standby service charges. That's what I attempted to do ten (10) years ago and Judge Flaherty of the Washoe County District Court ruled no citizen has standing to raise the issue (recall I previously provided the CLGF with a copy of Judge Flaherty's order dismissing my case for this very reason).

17. In contrast, if IVGID wanted to test the validity of this same charge, its Board has the standing because of NRS 43.100(1):

Any "governing body may file or cause to be filed a petition at any time in the district court in and for any county in which the municipality is located or any act or project is undertaken, wholly or in part, praying a judicial examination and determination of the validity of any power conferred or of any instrument, act or project of the municipality, whether or not such power has been exercised, such instrument has been executed or otherwise made or such act or project has been taken."

Why have I gone into as much detail as I have about IVGID's standby service charge? Because in addition to it being the product of nonexchange transactions, it is not assessed in compliance with law. And since it forms such a large percentage of IVGID's yearly revenues, without it, IVGID is unable to pay its bills as they accrue (the definition of insolvency). Which has a bearing on the Committee's possible decision to initiate hearings re a severe financial emergency.

Next, let's examine the District's Beach Fund. Page 14-15 of Form 4404LGF (copies are attached as Exhibit "D") depict a statement of Beach Fund cash flows. The bottom of column (2) which depicts current year ending 6/30/2025 cash and cash equivalents discloses a more unbelievable \$10,795,318. Pretty good for a fund which has **never** been able to operationally break even financially but for the infusion of another type of facility fee; the BFF. Not even close because the beaches are private and realize a pittance of revenues (table rentals and food sales). But for the infusion of a subsidy which the District disingenuously labels the BFF (it is this fee which is the product of theft). Even though the Board hasn't set any BFF for 2025-26, staff have inserted a whopping 127% (\$2,945,900) **increase** from the current fiscal year's BFF to now \$5,274,500. And why is this? Because the BFF is something *other than* represented.

Next let's examine the District's Internal Service Fund. Doesn't the Committee recall where I documented before that IVGID staff made unapproved loans to this fund (I pointed out that NRS 354.6118 and NAC 354.290 mandate public hearings and governing body resolutions), going back to 2022, now totaling \$1.8M or more? Yet take a look at pages 17 of Schedule F-2 and 18 of Schedule C-1 of Form 4404LGF (copies are attached as Exhibit "E"). Nowhere will the Committee see where any of those loans have been repaid or are disclosed as outstanding. Another example of noncompliance with laws and regulations.

Next let's examine the District's General Fund. According to page 9 of Schedule B-11 of Form 4404LGF (a copy is attached as Exhibit "F") \$2,245,015 of intentional overspending for the prior year ending 6/30/2024, \$3,742,043 of intentional overspending for the current year ending 6/30/2025, and \$3,100,000 of intentional overspending as estimated for the District's 2025-26 tentative budget. All plugged by alleged central services cost transfers from the District's Community Services, Beach and Utilities enterprise funds.

I've written to the Committee before about the District's violation of the enterprise fund transfer limitations of NRS 354.613 and NAC 354.865-354.867. Bottom line, the District fails to comply with the limitation on said transfers making them contrary to law [see NRS 354.626(1)]. The Committee can very easily confirm this fact because no financial officer for the District has ever attested to compliance⁴ as mandated by NAC 354.866(8). If no IVGID finance person will make the required attestation, why should the Committee conclude there's any validity to the District's "simplistic" central services cost allocation plan?

Finally, where does the money come from to pay for the Community Services Fund's \$2,045,972 of current year central services transfers (see Exhibit "A")? Since without the

⁴ I previously provided the Committee with the District's latest central services cost allocation plan which is devoid of that language.

subsidy of RFF revenue for the Community Services Fund, the simple answer to this question is the District's RFF!

Where does the money come from to pay for the Beach Fund's \$224,424 of current year central services transfers (see Exhibit "D")? Since without the subsidy of the BFF there is no source of revenue for the Beach Fund, the simple answer to this question is the District's BFF!

Where does the money come from to pay for the Utility Fund's \$1,471,647 of current year central services transfers [see page 11 of Schedule F-2 of Form 4404LGF (a copy is attached as Exhibit "G")]? Since without the subsidy of the water and sewer rates and charges billed to local parcel owners there is no source of revenue for the Utilities Fund, the simple answer to this question is the District's water and sewer rates and charges!

But it's really worse! IVGID Policy No. 18.1.0 dictates that its central services cost transfers shall **not** total more than the amounts arguably required therefore⁵. But that's not what happens in the real world. The Committee can see that for 2025-26, with a tentative central services cost transfers of \$3,100,000 (see Exhibit "F") the District proposes transferring \$1,568,909 **more** than those amounts arguably required. Now why would it do this unless central services cost transfers are something *other than* represented?

Finally, let's not forget IVGID is incapable of securing an auditor for its 2024-45 audit as NRS 354.624(3) mandates.

So what we have here is evidence that the District uses:

1. Its invalid RFF to subsidize intentional overspending assigned to its Community Services Fund;
2. Its invalid BFF to subsidize intentional overspending assigned to its Beach Fund; and,
3. Its invalid RFF and BFF combined with the water and sewer rates local parcel owners involuntarily pay to subsidize intentional overspending assigned to its General Fund.

And I ask, is not all of this evidence of a severe financial emergency? Is it evidence IVGID is not being properly managed? And if so, when is the Committee going to recommend to the Executive Director that:

1. IVGID be placed on fiscal watch pursuant to NRS 354.675;
2. Hearings be ordered pursuant to NRS 354.685 to determine whether a severe financial emergency exists in a local government;
3. The Washoe County Board of Commissioners be notified to conduct public hearings addressing the future of IVGID pursuant to NRS 318.515.

⁵ I have attached as Exhibit "H" ¶3.01 of said Policy No. 18.1.0 which declares this prohibition.

Since the District is not capable of securing an auditor, the Committee can, and should. Because then unbiased auditor not under the influence of IVGID staff won't put up with IVGID's shenanigans. And it won't allow staff to report its finances in any manner other than in full compliance with law and regulations. The public requires no less. Thank you.

Respectfully submitted,



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ALK/a
encl.

EXHIBIT "A"

COMMUNITY SERVICES

PROPRIETARY FUND	(1)	(2)	(3) (4) BUDGET YEAR ENDING 6/30/2026	
	ACTUAL PRIOR YEAR ENDING 6/30/2024	ESTIMATED CURRENT YEAR ENDING 6/30/2025	Tentative	FINAL APPROVED
OPERATING REVENUE				
Charges for Services	20,619,013	23,399,650	24,115,500	
Facility Fee	2,338	1,233,150	4,448,000	
Operating Grants	17,000	67,000	17,000	
Total Operating Revenue	20,638,351	24,699,800	28,580,500	-
OPERATING EXPENSE				
Salaries & Benefits	11,445,890	11,696,329	13,234,800	
Services & Supplies	7,551,784	9,143,365	11,905,940	
Central Services Cost	1,360,878	2,045,972	1,641,000	
Depreciation/Amortization	2,880,673	-	2,900,000	
Total Operating Expense	23,239,225	22,885,666	29,681,740	-
Operating Income or (Loss)	(2,600,874)	1,814,134	(1,101,240)	
NONOPERATING REVENUES (EXPENSES)				
Investment Earnings	764,335	439,800	194,800	
Lease Revenue	208,022	135,783	136,400	
Insurance Proceeds	-	-	4,500	
Other Revenues				
Interest Expense	(1,874)	(1,406)	-	
Other Expenses				
Total Nonoperating Revenues (EXPENSES)	970,483	574,177	335,700	-
Total Nonoperating Expenses	-	-	-	
Net Income before Operating Transfers	(1,630,391)	2,388,311	(765,540)	-
Capital Contributions and Transfers (Schedule T)				
Transfers In				
Capital Grants				
Transfers Out				
Net Operating Transfers				
CHANGE IN NET POSITION	(1,630,391)	2,388,311	(765,540)	-

Incline Village General Improvement District
(Local Government)

SCHEDULE F-1 REVENUES, EXPENSES AND NET POSITION

Community Services Fund

Page: 12
Schedule F-1

COMMUNITY SERVICES

PROPRIETARY FUND	(1)	(2)	(3) (4) BUDGET YEAR ENDING 6/30/26	
	ACTUAL PRIOR YEAR ENDING 6/30/2024	ESTIMATED CURRENT YEAR ENDING 6/30/2025	Tentative	FINAL APPROVED
A. CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users	20,619,013	23,399,650	24,115,500	
Receipts from facility fees	2,338	1,233,150	4,448,000	
Receipts from operating grants	17,000	67,000	17,000	
Receipts from interfund services	-			
Receipts from rent				
Payments to and for employees	(11,445,890)	(11,696,329)	(13,234,800)	
Payments to vendors	(7,551,784)	(9,143,365)	(11,905,940)	
Payments for interfund services	(1,360,878)	(2,045,972)	(1,641,000)	
a. Net cash provided by (or used for) operating activities	279,799	1,814,134	1,798,760	
B. CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
b. Net cash provided by (or used for) noncapital financing activities		-		
C. CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of capital assets (Capital outlay)	(6,688,577)	(2,696,034)	(5,935,000)	
Capital Grant				
Proceeds from Capital Grants				
Proceeds from Debt Service				
Payments of principal capital related debt				
Payments of principal capital related debt				
Payments of interest				
c. Net cash provided by (or used for) capital and related financing activities	(6,480,555)	(2,696,034)	(5,935,000)	
D. CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment Earnings (losses)	764,335	439,800	194,800	
Non-operating Leases	208,022	135,783	136,400	
Receipts from insurance-claims-settlements			4,500	
d. Net cash provided by (or used in) investing activities	972,357	575,583	335,700	-
NET INCREASE (DECREASE) in cash and cash equivalents (a+b+c+d)	(5,436,421)	(306,317)	(3,800,540)	
CASH AND CASH EQUIVALENTS AT JULY 1, 20xx	19,382,337	13,945,916	13,639,599	9,839,059
CASH AND CASH EQUIVALENTS AT JUNE 30, 20xx	13,945,916	13,639,599	9,839,059	9,839,059

Incline Village General Improvement District
(Local Government)

SCHEDULE F-2 STATEMENT OF CASH FLOWS

Community Services Fund

13

Last Revised 4/13/2025

Page: 13
Schedule F-2

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EXHIBIT "B"



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

**REPORT
FOR COLLECTION ON THE COUNTY TAX ROLL OF
RECREATION STANDBY AND SERVICE CHARGES
(ALSO KNOWN AS THE RECREATION FACILITY FEE AND BEACH FACILITY FEE)**

**PROCEDURE FOR COLLECTION
UNDER NRS 318.201**

**FOR THE
INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
WASHOE COUNTY, NEVADA**

**FISCAL YEAR ENDING
JUNE 30, 2025**



Report

FOR COLLECTION ON THE COUNTY TAX ROLL OF RECREATION STANDBY AND SERVICE CHARGES

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

This report has been prepared pursuant to the order of the Board of Trustees (herein called "Board") of the Incline Village General Improvement District (herein called "District"), Washoe County (herein called "County"), Nevada, for the purpose of having recreation standby and service charges, herein called ("charges"), for the fiscal year 2024-2025, collected on the general tax roll for said year of the County, and is based on the following facts, determinations and orders. The Board has adopted charges pursuant to NRS 318.201 through prior annual reports and other actions including:

Resolution Number	Date Approved	Venue Affected	Related Bond Maturity Date
419	10/5/1967	Burnt Cedar and Incline Beach	N/A
420	10/5/1967	Burnt Cedar and Incline Beach	N/A
450	4/16/1968	Burnt Cedar and Incline Beach	N/A
1261	7/13/1976	Golf Courses, Ski Area, Beaches	N/A
1262	7/29/1976	Golf Courses, Ski Area, Beaches, Tennis and Recreation Parcels	2022**
1750	1/14/2004	Golf Courses, Ski Area, Parks, Tennis and Facilities	2014
1785	5/28/2008	Ski Area	2018

** Resolution 1262 related bond issue was part of refunding in 1991, 2002 and 2012.



★ I.

The following annual charges are for the availability of use of the recreational facilities above described, and such charges (excepting those charges collected directly by the District) shall be collected by the Washoe County Treasurer at the same time and in the same manner and by the same persons as, together with and not separately from, the general taxes for the District.

- A. Single Family Parcels, or Multi Residential Unit Parcels Included in the District Prior to June 1, 1968.** A \$450.00 annual base Recreation Facility Fee for each single family parcel, and a \$450.00 annual base Recreation Facility Fee per dwelling unit on a multi-residential unit parcel, whether such dwelling unit stands alone or is part of a multiple unit residential structure and whether or not such dwelling unit is separately assessed by the County Assessor; and an additional \$330.00 annual Beach Facility Fee per single family parcel or per dwelling unit in the case of multi-residential unit parcels, pertaining to the use of the beaches or boat launching area. (For purposes hereof, a dwelling unit shall be placed on the roll at the earlier of the commencement of construction, site preparation, or utility meter installation on any portion of the lot on which the dwelling unit is located).
- B. Other Parcels in the District Prior to June 1, 1968.** For each parcel separately assessed by the County Assessor, which parcel is not a single family parcel or multi-residential unit parcel, a \$450.00 annual base Recreation Facility Fee and an additional \$330.00 annual Beach Facility Fee pertaining to the use of the beaches or boat launch area.
- C. Properties Annexed After June 1, 1968.** Properties annexed to the District after June 1, 1968, shall have an annual base Recreation Facility Fee of \$450.00. Properties annexed after June 1, 1968, are not entitled to the use of the beaches or boat launching area and pay no Beach Facility Fee, as such will not be assessed an annual Beach Facility Fee.
- D. Exceptions.** Lots, parcels and areas of land used, or the portions thereof used, or intended to be used, for religious purposes or educational purposes; common areas without occupied structures appurtenant to a condominium or townhouse cluster; and publicly owned lands, are excepted and excluded from the charges imposed by subsections A through C of this section. In addition, any parcel which is (1) undeveloped, and (2) subject to a deed restriction, acceptable to IVGID staff, preventing any and all development of the parcel in perpetuity, which deed restriction is recorded in the Washoe County Recorder's Office, and (3) whose owner agrees to waive in perpetuity on his own behalf as well as on behalf of his successors and assigns any right to demand in the future any recreation privileges arising from or associated with said parcel is also excepted and excluded from the charges imposed by subsections A through C of this section.

EXHIBIT "C"



RESOLUTION NO. 1909

A RESOLUTION PRELIMINARILY APPROVING THE REPORT FOR COLLECTION OF RECREATION STANDBY AND SERVICE CHARGES (ALSO KNOWN AS THE RECREATION FACILITY FEE AND BEACH FACILITY FEE) FISCAL YEAR 2024-2025

RESOLVED by the Board of Trustees of the Incline Village General Improvement District, Washoe County, Nevada, that

WHEREAS, pursuant to Resolutions No. 419 and 420, as amended, and the order of this Board, a report entitled "Report for Collection on the County Tax Roll of Recreation Standby and Service Charges" has been prepared and filed with this Board, related to recreation revenue charges to be collected for the fiscal year 2024-2025 for the use of Burnt Cedar, Ski and Incline Beaches as well as the availability of use of the Incline Village Championship and Mountain Golf Courses, Diamond Peak Ski Resort, Recreation Center, Tennis Center, Event Facilities, Parks, and other recreational properties, facilities and programs for the District and its people;

WHEREAS, this Board has examined said report and finds the same to be sufficient for further proceedings in relation thereto;

WHEREAS, it is proposed that the charges contained in said report be collected on the general County tax roll (in two separate and distinct line items identified as Recreation Facility Fee and Beach Facility Fee) on which general District taxes are to be collected for said year;

WHEREAS, the Board of Trustees agreed to fixing May 29, 2024 at 6:00 p.m. at the IVGID Administration Bldg. 893 Southwood Blvd., Village, Nevada, as the time and place when and where the Board would hear said report and all objections and protests, if any, to the report, and might revise, change, reduce or modify any charge therein, and finally approve and adopt same.

WHEREAS, notice of said hearing has been given by publication once a week for four weeks prior to the date of hearing, in the Tahoe Daily Tribune, a newspaper of general circulation printed and published within the District.

WHEREAS, said Board met at said time and place and the Board fully heard all persons and considered all matters and was fully advised in the premises;

NOW, THEREFORE, IT IS ORDERED as follows:

1. That protests were not made at or before said hearing by the owners of a majority of separate parcels of property described in said report, and that said Board has jurisdiction to take further proceedings in relation thereto;
2. That all revisions, changes, reductions or modifications required, be made in said report that are, in the opinion of the Board, required to be made in order that said charges be equitably distributed among the parcels of property contained therein, and all other protests are overruled.
3. That said report contains all of the properties within the District that will be benefited by being charged for the costs of the acquisition, administration, operation, maintenance and improvement of the recreational facilities, including the improvements thereon, and of the servicing of bonds issued or to be issued therefor.
4. The Board of Trustees finds that each parcel assessed pursuant to this Resolution and in its report for the collection on the Washoe County tax roll of standby and service charges for the fiscal year 2024-2025 is specifically benefited as follows:
 - (a) Ordinance No. 7 sets forth in detail the specifics of the benefits available to property owners of all properties, whether improved or unimproved.
 - (b) The Board specifically finds that the availability of the use of IVGID's beaches; boat launch ramp; Championship golf course; Mountain golf course; tennis facilities; parks; the Chateau and Aspen Grove; Diamond Peak Ski Resort; and Recreation Center, including reduced rates for season passes and reduced daily rates, are all benefits which inure to the owners of properties assessed hereunder. The Board also finds that such benefits are provided to said properties whether or not they are developed. ★
 - (c) In conclusion, the Trustees find that the owners of the parcels set forth herein are directly benefited in a fair and reasonable way for the sums which they are charged.
5. That the rates charged for natural, intrinsic and fundamental distinctions are reasonable in their relation to the object of the charges imposed in said report, and that said charges have been apportioned in relation to said natural, intrinsic, fundamental and reasonable distinctions among said rates.
6. That said report, as revised, changed, reduced or modified, if any, is hereby adopted and that all of the charges herein constitute a perpetual lien on and against each of the parcels of property in the amount set opposite their description in said report, which lien is effective as of the date on which general taxes for the fiscal year 2024-2025 become a lien. ★

[Type here]



7. The Secretary shall file with the Washoe County Treasurer a copy of the report with a statement endorsed thereon over his signature that it has been finally adopted by the Board, and the Washoe County Treasurer shall enter the amounts of the charges (in two separate and distinct lines items identified as Recreation Facility Fee and Beach Facility Fee) against the respective lots or parcels of land as they appear on the current Washoe County tax roll, (including children parcels if the parent is closed as defined by the Washoe County Assessor).

8. The Washoe County Treasurer shall include the amount of the charges (in two separate and distinct lines items identified as Recreation Facility Fee and Beach Facility Fee) on the bills for taxes levied against respective lots or parcels of land in said report, or, in his discretion, issue separate bills therefor and separate receipts for collection on account thereof; and said amounts shall be collected at the same time and in the same manner and by the same persons as, together with and not separately from the general taxes for the District, and shall be delinquent at the same time and thereafter be subject to the same delinquent penalties; and all laws applicable to the levy, collection, and enforcement of general taxes of the District, including, but not limited to, those pertaining to the matters of delinquency, correction, cancellation, refund, redemption and sale, are applicable to such charges. ★

I hereby certify that the foregoing is a full, true and correct copy of a resolution duly passed and adopted at a regularly held meeting of the Board of Trustees of the Incline Village General Improvement District on the 31st day of May, 2024, by the following vote:

AYES, and in favor thereof,
NOES,
ABSENT, Trustees:

Heidi H. White
District Clerk

EXHIBIT "D"

BEACH FUND				
PROPRIETARY FUND	(1)	(2)	(3)	(4)
	ACTUAL PRIOR YEAR ENDING 6/30/2024	ESTIMATED CURRENT YEAR ENDING 6/30/2025	BUDGET YEAR ENDING 06/30/2026	
			Tentative	FINAL APPROVED
OPERATING REVENUE				
Sales and Services	1,490,363	1,401,700	1,288,550	
Facility Fees	3,539,409	2,328,600	5,274,500	
Total Operating Revenue	5,029,772	3,730,300	6,563,050	-
OPERATING EXPENSE				
Salaries & Benefits	1,609,463	1,255,000	1,922,000	
Services & Supplies	929,458	905,106	1,225,350	
Central Service Cost	176,403	224,424	110,000	
Depreciation/Amortization	365,851	-	400,000	
Total Operating Expense	3,081,175	2,384,530	3,657,350	
Operating Income or (Loss)	1,948,597	1,345,770	2,905,700	
NONOPERATING REVENUES (Expenses)				
Investment Income	263,962	96,400	100,000	
Gain (loss) on Sales of Capital Assets				
Other Expenses				
Interest Expense				
Total Nonoperating Revenues (Expenses)	263,962	96,400	100,000	-
Net Income before Operating Transfers	2,212,559	1,442,170	3,005,700	-
Capital Contributions and Transfers (Schedule 1)				
Transfers In				
Capital Grants				
Transfers Out				
Net Operating Transfers				
CHANGE IN NET POSITION	2,212,559	1,442,170	3,005,700	-

* Per Board direction, Facility Fees are being reported as Non-Operating revenues, beginning with FY2023-24
 ** Prior to FY2023-24 Facility Fees were reported as a component of Operating Revenues.

Incline Village General Improvement District
(Local Government)

SCHEDULE F-1 REVENUES, EXPENSES AND NET POSITION

Beach Fund

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 Schedule F-1

BEACH FUND

PROPRIETARY FUND	(1) ACTUAL PRIOR YEAR ENDING 6/30/2024	(2) ESTIMATED CURRENT YEAR ENDING 6/30/2025	(3) (4) BUDGET YEAR ENDING 06/30/2026	
			Tentative	FINAL APPROVED
A. CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from Customers	1,490,363	1,401,700	1,288,550	
Receipts from Facility Fee	3,539,409	2,328,600	5,274,500	
Payments to and for employees	(1,609,463)	(1,255,000)	(1,922,000)	
Payments to vendors	(929,458)	(905,106)	(1,225,350)	
Payments for interfund services	(176,403)	(224,424)	(110,000)	
a. Net cash provided by (or used for) operating activities	2,314,448	1,345,770	3,305,700	
B. CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
* Receipts from facility fees - operating				
b. Net cash provided by (or used for) noncapital financing activities				
C. CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of Capital Assets	(244,201)	(9,528)	(11,000,000)	
Proceeds from Capital Grants				
Payments on Capital Debt				
Interest paid on long term debt				
Proceeds from sale of capital assets (loss)				
c. Net cash provided by (or used for) capital and related financing activities	(244,201)	(9,528)	(11,000,000)	
D. CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment Earnings (loss)	263,962	96,400	100,000	
d. Net cash provided by (or used in) investing activities	263,962	96,400	100,000	
NET INCREASE (DECREASE) in cash and cash equivalents (a+b+c+d)	2,334,209	1,432,642	(7,594,300)	
CASH AND CASH EQUIVALENTS AT JULY 1, 20xx	7,028,467	9,362,676	10,795,318	3,201,018
CASH AND CASH EQUIVALENTS AT JUNE 30, 20xx	9,362,676	10,795,318	3,201,018	3,201,018

* Per Board direction, Facility Fees are being reported as Non-Operating revenues, beginning with FY2023-24
 ** Prior to FY2023-24 Facility Fees were reported as a component of Operating Revenues.

Incline Village General Improvement District
 (Local Government)

SCHEDULE F-2 STATEMENT OF CASH FLOWS

Beach Fund

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 Schedule F-2

EXHIBIT "E"

INTERNAL SERVICE FUND

PROPRIETARY FUND	(1)	(2)	(3) (4) BUDGET YEAR ENDING 06/30/26	
	ACTUAL PRIOR YEAR ENDING 6/30/2024	ESTIMATED CURRENT YEAR ENDING 6/30/2025	Tentative	FINAL APPROVED
A. CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from Interfund Services Provided	3,705,174	3,851,787	4,515,200	
Receipts from Services	-			
Payments to Vendors	(1,099,460)	(942,289)	(1,453,800)	
Payments to and for employees	(2,607,459)	(2,909,498)	(3,061,400)	
a. Net cash provided by (or used for) operating activities	(1,745)	-	-	
B. CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
b. Net cash provided by (or used for) noncapital financing activities				
C. CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of Capital Assets				
c. Net cash provided by (or used for) capital and related financing activities				
D. CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment interest received	-			
d. Net cash provided by (or used in) investing activities	-	-	-	
NET INCREASE (DECREASE) in cash and cash equivalents (a+b+c+d)	(1,745)	-	-	-
CASH AND CASH EQUIVALENTS AT JULY 1, 20xx	(99,982)	(101,727)	(101,727)	(101,727)
CASH AND CASH EQUIVALENTS AT JUNE 30, 20xx	(101,727)	(101,727)	(101,727)	(101,727)

Incline Village General Improvement District
(Local Government)

SCHEDULE F-2 STATEMENT OF CASH FLOWS

Internal Services Fund

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Schedule F-2

EXHIBIT "F"

EXHIBIT "G"

UTILITY FUND				
PROPRIETARY FUND	(1)	(2)	(3) BUDGET YEAR ENDING 6/30/26	
	ACTUAL PRIOR YEAR ENDING 6/30/2024	ESTIMATED CURRENT YEAR ENDING 6/30/2025	Tentative	FINAL APPROVED
A. CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users	15,979,633	17,468,866	19,361,100	
Receipts from interfund services	-	-	-	
Receipts from operating grants	-	-	-	
Payments to and for employees	(5,211,463)	(5,988,099)	(6,460,100)	
Payments to vendors	(5,554,502)	(7,804,784)	(6,228,210)	
Payments for Central Service Costs	(707,734)	(1,471,647)	(1,349,000)	
a. Net cash provided by (or used for) operating activities	4,505,934	2,204,336	5,323,790	
B. CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
TRANSFER FROM OTHER FUNDS	-	-	-	
b. Net cash provided by (or used for) noncapital financing activities				
C. CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of capital assets (Capital outlay)	(10,629,636)	(17,680,000)	(27,135,000)	
Proceeds from capital grants		9,539,089	1,600,000	
Proceeds from Debt Service		10,000,000	21,400,000	
Payments of principal capital related debt			203,370	
Payment of interest	92,006	365,600	322,600	
c. Net cash provided by (or used for) capital and related financing activities	(10,537,630)	2,224,689	(3,609,030)	
D. CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment Earnings (loss)	1,276,788	352,600	450,000	
d. Net cash provided by (or used in) investing activities	1,276,788	352,600	450,000	
NET INCREASE (DECREASE) in cash and cash equivalents (a+b+c+d)	(4,754,908)	4,781,625	2,164,760	
CASH AND CASH EQUIVALENTS AT JULY 1, 20xx	22,327,880	17,572,972	22,354,597	24,519,357
CASH AND CASH EQUIVALENTS AT JUNE 30, 20xx	17,572,972	22,354,597	24,519,357	24,519,357

Incline Village General Improvement District
(Local Government)

SCHEDULE F-2 STATEMENT OF CASH FLOWS

Utility Fund

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Schedule F-2

EXHIBIT "H"



**Budgeting and Fiscal Management
Adoption of Central Service Cost Allocation Plan
Policy 18.1.0**

an off-set to General Fund expenditures.

- 3.0.2 The June billing each year, shall be adjusted such that the total charges to the Enterprise Funds, for the fiscal year ending that respective June, does not exceed the actual allowed incurred costs net of actual applicable credits. The District may bill less than the budgeted total for a fiscal year, but in no case can the total billing exceed the total approved with the adoption of the District Annual Operating Budget for that fiscal year, including any Board approved amendments or budget augmentation. ★
- 3.0.3 Payment for billings will be considered completed by an entry in the general ledger for the District, through the Cash Clearing Fund, with appropriate amounts posted to the General Fund and the respective Enterprise Fund(s).