

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

**Single Audit Report on Federal Awards**

**Fiscal Year ended June 30, 2023**

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

**Single Audit Report on Federal Awards**

**Fiscal Year ended June 30, 2023**

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**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***

**Independent Auditor's Report**

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

We were engaged to audit, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Incline Village General Improvement District (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, and have issued our report thereon dated March 27, 2024. Our report disclaims an opinion on such financial statements because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, 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 such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2023-001 and 2023-002 to be material weaknesses.

*A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as item 2023-003, to be a significant deficiency.

## **Report on Compliance and Other Matters**

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

## **The District's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the findings identified in our engagement and described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

## **Purpose of this Report**

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

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

Irvine, California  
August 22, 2025

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON  
INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF  
EXPENDITURES OF FEDERAL AWARDS REQUIRED  
BY THE UNIFORM GUIDANCE**

**Independent Auditor's Report**

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

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Incline Village General Improvement District (District)'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2023. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

## ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, On a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2023-004 and 2023-005. Our opinion on each major federal program is not modified with respect to these matters. *Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

## ***Report on Internal Control Over Compliance***

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material

weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-004 and 2023-005, to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed. *Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

#### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We were engaged to audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the 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 issued our report thereon, dated March 27, 2024. However, the scope of our audit of the financial statements was not sufficient to enable us to express an opinion because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, and accordingly we did not express an opinion on such financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Because of the significance of the matter discussed above, it is inappropriate to and we do not express an opinion on the supplementary information referred to above.



Irvine, California  
August 22, 2025

# **INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

## **Notes to Schedule of Expenditures of Federal Awards**

**Fiscal Year ended June 30, 2023**

**(1) Summary of Significant Accounting Policies Applicable to the Schedule of Expenditures of Federal Awards**

**(a) Scope of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (Schedule) presents the activity of all federal financial assistance programs of the Incline Village General Improvement District under programs of the federal government for the year ended June 30, 2023. For the purposes of this schedule, federal financial assistance includes the Capitalization Grants for Clean Water State Revolving Funds passed through the Nevada Division of Environmental Protection. Only the portion of program expenditures reimbursable with such federal funds are reported in the accompanying schedule. The District did not use the 10% de minimis indirect cost rate covered in section 200.414 of the Uniform Guidance.

The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net assets or cash flows of the District.

**(b) Summary of Significant Accounting Policies**

Expenditures included in the accompanying schedule were reported on the accrual basis of accounting. Under the accrual basis of accounting, expenditures are recognized when incurred. Such expenditures are recognized following the cost principles contained in Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**(c) Subrecipients**

During the fiscal year ended June 30, 2023, there were no payments made to subrecipients.



**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**  
**Schedule of Expenditures of Federal Awards**  
**Fiscal Year ended June 30, 2023**

| <b>Federal Grantor / Pass-Through Grantor / Program or Cluster Title</b> | <b>Federal Assistance Listing Number</b> | <b>Pass-Through Entity Identifying Number</b> | <b>Federal Expenditures</b> |
|--------------------------------------------------------------------------|------------------------------------------|-----------------------------------------------|-----------------------------|
| <b>Environmental Protection Agency (EPA)</b>                             |                                          |                                               |                             |
| Passed through from:                                                     |                                          |                                               |                             |
| Nevada Division of Environmental Protection                              |                                          |                                               |                             |
| Clean Water State Revolving Fund Cluster:                                |                                          |                                               |                             |
| Capitalization Grants for Clean Water State Revolving Funds              | 66.458                                   | 4C-98T68401-0<br>CS-32000123-0                | \$ 4,071,804                |
| <b>Total Environmental Protection Agency</b>                             |                                          |                                               | <u>4,071,804</u>            |
| <b>Total Federal Expenditures</b>                                        |                                          |                                               | <u><u>\$ 4,071,804</u></u>  |

See accompanying notes to schedule of expenditures of federal awards

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

**Schedule of Findings and Questioned Costs**

**Fiscal Year ended June 30, 2023**

**Section I - Summary of Auditor's Results**

**Financial Statements**

- |                                                                                                                     |                              |
|---------------------------------------------------------------------------------------------------------------------|------------------------------|
| 1. Type of auditors' report issued on whether the financial statement audited was prepared in accordance with GAAP: | Disclaimer                   |
| 2. Internal control over financial reporting:                                                                       |                              |
| a. Material weakness(es) identified?                                                                                | Yes (2023-001)<br>(2023-002) |
| b. Significant deficiency(ies) identified?                                                                          | Yes (2023-003)               |
| 3. Noncompliance material to the financial statement noted?                                                         | No                           |

**Federal Awards**

- |                                                                                                        |                              |
|--------------------------------------------------------------------------------------------------------|------------------------------|
| 1. Internal control over major programs:                                                               |                              |
| a. Material weakness(es) identified?                                                                   | No                           |
| b. Significant deficiency(ies) identified?                                                             | Yes (2023-004)<br>(2023-005) |
| 2. Type of auditor's report issued on compliance for major programs:                                   | Unmodified                   |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516 (a)? | Yes                          |
| 4. Identification of major programs:                                                                   |                              |

CFDA Number

Name of Federal Program or Cluster

Environmental Protection Agency (EPA):

66.458

Capitalization Grants for Clean  
Water State Revolving Funds  
(CWSRF) Cluster

- |                                                                             |           |
|-----------------------------------------------------------------------------|-----------|
| 5. Dollar threshold used to distinguish between Type A and Type B programs: | \$750,000 |
| 6. Auditee qualified as a low-risk auditee?                                 | No        |

## **INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

### **Schedule of Findings and Questioned Costs**

**Fiscal Year ended June 30, 2023**

#### **Section II – Financial Statement Findings**

##### **2023-001 Journal Entries Detected During the Audit - Material Weakness**

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 the District 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 – Material Weakness**

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.

## **INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

### **Schedule of Findings and Questioned Costs**

**Fiscal Year ended June 30, 2023**

#### **Section II – Financial Statement Findings (Continued)**

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.

#### **2023-003 Physical Inventory Observation - Significant Deficiency**

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.

##### Recommendation

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.

## **INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

### **Schedule of Findings and Questioned Costs**

**Fiscal Year ended June 30, 2023**

#### **Section III - Federal Award Findings and Questioned Costs**

##### **(2023-004) Documentation of Purchasing Compliance - Significant deficiency**

###### Criteria

Per CFR §180.300 and 2 CFR §200.214, the District must verify vendors are not suspended or debarred or otherwise excluded from participating in a covered transaction. This verification may be accomplished by checking the Excluded Parties List System (EPLS) maintained by the General Services Administration (GSA); collecting a certification from the entity, or adding a clause or condition to the covered transaction with that entity.

###### Condition

During our testing of suspension and debarment compliance, we noted that the District did not retain documentation demonstrating that vendors were verified as not suspended, debarred, or otherwise excluded from participation in federal programs prior to execution of two contracts, each with expenditures exceeding \$25,000.

###### Cause

The District did not have formalized procedures to ensure suspension and debarment verifications were performed and documented prior to executing covered contracts.

###### Effect

Without adequate verification and documentation, there is a risk that the District could contract with vendors who are ineligible to receive federal funds, resulting in noncompliance with federal regulations.

###### Questioned Costs

No questioned costs were identified as a result of our procedures.

###### Context/Sampling

Two vendor contracts with expenditures greater than \$25,000 were selected for testing. In both cases, the District did not provide documentation of suspension and debarment verification at the time of contract execution.

###### Recommendation

We recommend that the District implement procedures to verify vendor eligibility prior to entering into federally funded contracts. Acceptable methods include retaining a SAM.gov screenshot, obtaining vendor certification, or including a suspension and debarment clause in the contract. The District should also ensure documentation is retained in the procurement file and assign responsibility for this task to appropriate staff. Training and periodic reviews should be conducted to reinforce compliance and reduce the risk of using ineligible vendors.

###### Management's Corrective Action Planned

Management concurs with the recommendation. IVGID will implement a procedure to document the procurement process and review of suspension and debarment for all vendors that undergo the bidding process.

## **INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

### **Schedule of Findings and Questioned Costs**

**Fiscal Year ended June 30, 2023**

#### **Section III - Federal Award Findings and Questioned Costs (Continued)**

##### **(2023-005) Late Submission of Single Audit Reporting Package**

###### Criteria

Per 2 CFR § 200.512(l), non-federal entities must submit the Single Audit reporting package to the Federal Audit Clearinghouse within the earlier of 30 calendar days after receipt of the auditor's report or nine months after the fiscal year-end.

###### Condition

The District's reporting package for the fiscal year ended June 30, 2023, was not submitted to the Federal Audit Clearinghouse within the required timeframe. As of the date of this report, the reporting package has not yet been submitted.

###### Cause

The District did not have adequate procedures in place to ensure timely completion of the financial audit and preparation of the reporting package.

###### Effect

The District did not comply with the Uniform Guidance submission deadline, which may impact the timeliness of federal oversight and potentially affect future federal funding decisions.

###### Questioned Costs

No questioned costs were identified as a result of our procedures.

###### Context/Sampling

The FY2023 Single audit was performed in 2025 after it was determined that the grant funds were expended on eligible activities, triggering the Single Audit requirement. The delay was due to the District not identifying the requirement timely and lacking procedures to ensure prompt submission.

###### Recommendation

We recommend that the District implement processes and internal controls to ensure future Single Audits are completed and submitted within the required timeframe.

###### Management's Corrective Action Planned

Management concurs with the recommendation. IVGID will establish a procedure to review and reconcile grants both federal and state at year-end to determine the need for a single audit and submission to the required agencies.

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

**Summary Schedule of Prior Audit Findings**

**Fiscal Year ended June 30, 2023**

There are no prior year single audit findings.