

## MEMORANDUM

**TO:** Board of Trustees

**THROUGH:** Audit Committee

**FROM:** Gerald W. Eick CPA CGMA  
Director of Finance

**SUBJECT:** Receive, discuss and direct Staff to file the June 30, 2019 Comprehensive Annual Financial Report including an Unmodified Report by the District's Auditor, as required by NRS 354.624.

**DATE:** December 24, 2019

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### **I. RECOMMENDATION**

Staff recommends, with concurrence by the District's Audit Committee from December 11, 2019, that the Board of Trustees note receipt of the June 30, 2019 unmodified audit report, and direct Staff to file the Comprehensive Annual Financial Report (CAFR) with the State of Nevada and make it generally available for public use.

### **II. BACKGROUND**

As required by Nevada Revised Statute 354.624, an annual audit will be concluded and the audit report submitted not later than five months after the close of the fiscal year (June 30). The report was received November 18. The Audit Committee has monitored progress to date and met December 11 to receive the report under the State's guidance to do so no later than thirty days from that submission. The Board of Trustees also met December 11, and had an agenda item for the report, but choose to table it to allow the full Board to act at a later date. Staff requested an extension from the Department of Taxation to accommodate a January 15, 2020 meeting.

The District has engaged the audit firm of Eide Bailly LLP to conduct a financial audit in accordance with generally accepted auditing standards in the United States. This is required under NRS 354.624. The District's auditor have completed their audit of the District's 2018-2019 financial report and have issued an unmodified report. An unmodified report (clean opinion) is the best audit report that

can be issued and states that the financial statements are fairly presented in conformity with generally accepted accounting principles.

Eide Bailly LLP's scope of work for 2018-19 included various responsibilities in connection with the audit requirement. The Audit Committee met with Eide Bailly, LLP on December 11 to receive their report on those responsibilities. The CAFR includes a Report on Compliance and Internal Control in relation to the audit of the basic financial statements. Our auditors also reported no material weaknesses in our internal controls over financial reporting.

### **III. COMMENT**

Staff recognizes there is interest in having the District's accounting reviewed at a level beyond what is covered by the Comprehensive Annual Financial Report. The provisions of NRS 354.624 do not preclude other scopes of work, but does require the District to perform the prescribed financial audit. By receiving and filing the report, the District is complying with the law. If a report is not filed, the State can order a financial audit be completed and bill the District for the work. The suggested action allows the District to comply with the legal requirements. At the December 11 meeting, Staff and the Board began a discussion about other types of work that could be conducted for internal controls. Such a review can be performed as directed by the Board, but it would not meet the requirements of NRS 354.624.

Once the Board has directed the report be filed, it will be assembled in a final bound or electronic form and then will be distributed to a number of Local, State and Federal agencies, as well as bond consultants, banks, the Municipal Securities Rulemaking Board and the general public. The audit report will also be posted on the District's Financial Transparency website. This will be accomplished as soon as possible to meet the extension granted by the State of Nevada.



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DEPARTMENT OF TAXATION

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December 27, 2019

Incline Village General Improvement District  
Gerald W. Eick, Dir. Of Finance  
893 Southwood Boulevard  
Incline Village, NV 89451

Re: Request for Extension on Annual Audit Report  
IVGID

Dear Mr. Eick,

The Department of Taxation is in receipt of your request for an extension of the filing requirements for the above referenced annual audit reports. It is the Department's policy to grant extensions only where unforeseen and uncontrollable conditions exist, and where due care and adequate planning by both the entity and the auditor make the five-month statutory audit preparation period insufficient.

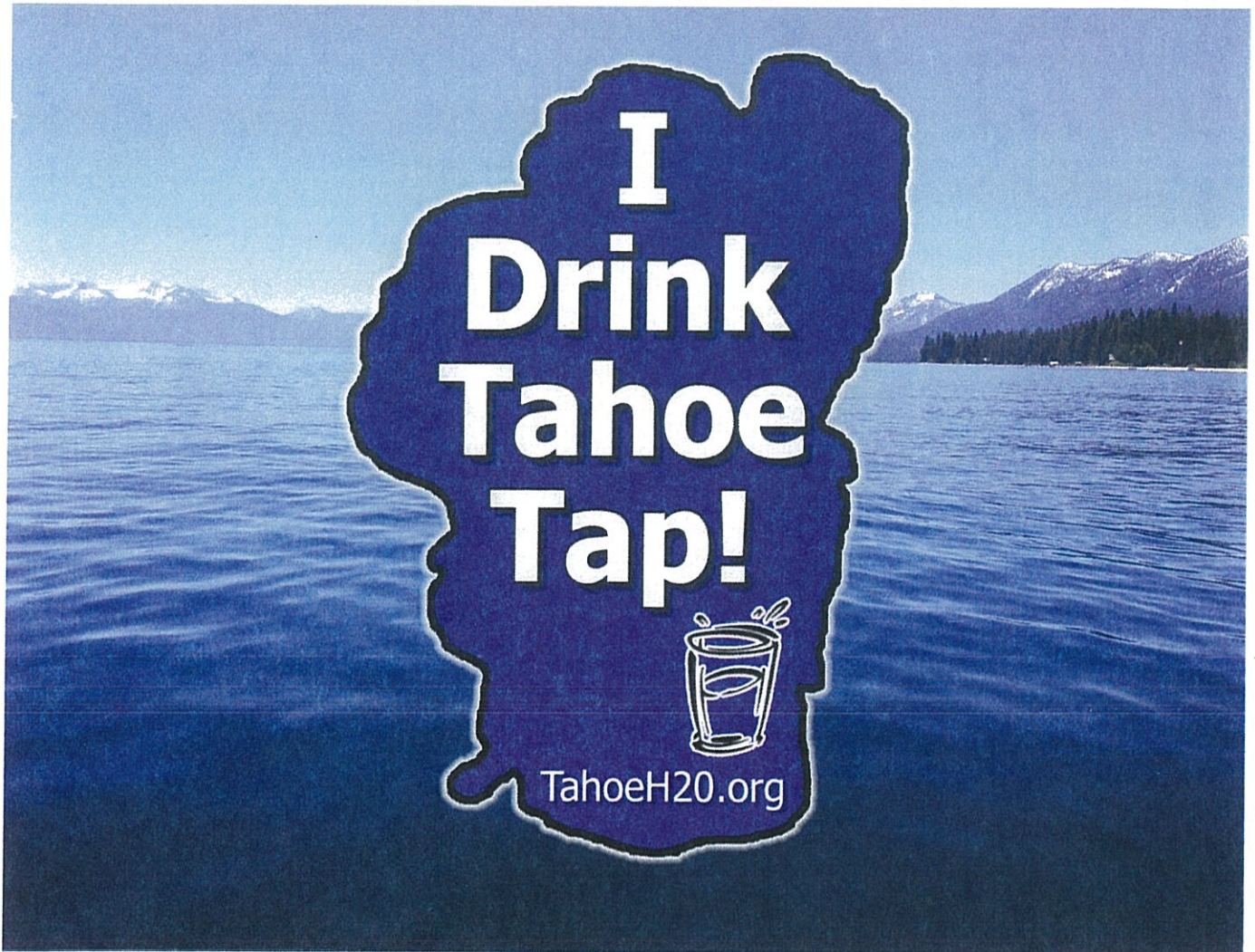
Pursuant to your letter dated December 12, 2019 and the Department's policy on granting extensions, IVGID is hereby granted an extension until January 15, 2020 for the adoption by its governing body the audit report for the fiscal year ending June 30, 2019. This date is after the expected appointment of a replacement to fill the unexpired term of a member on the Board of Trustees.

The extension is contingent on the submission of two copies of the audit report to the Department of Taxation no later than January 31, 2020.

If you should have any questions, do not hesitate to call me at (775) 684-2073. My e-mail address is [klangley@tax.state.nv.us](mailto:klangley@tax.state.nv.us).

Sincerely,

Kelly S. Langley, CTP  
Local Government Finance, Supervisor  
Department of Taxation



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2019

PREPARED BY: DEPARTMENT OF FINANCE & ACCOUNTING



GENERAL IMPROVEMENT DISTRICT  
ONE DISTRICT ~ ONE TEAM

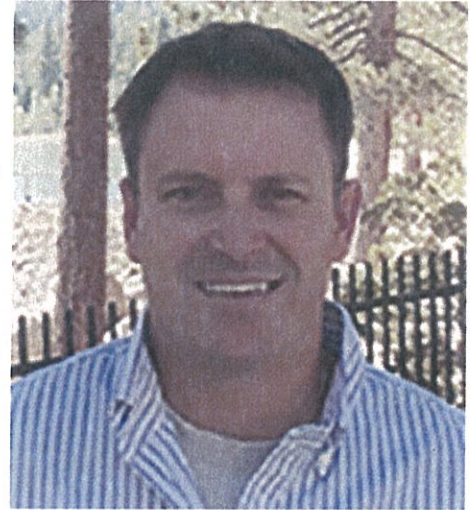
# WELCOME!

The following pages comprise the Incline Village General Improvement District (IVGID) Comprehensive Annual Financial Report (CAFR) for the Fiscal Year ended June 30, 2019. Our financial reports support our sustainable government model, which IVGID offers the communities of Incline Village and Crystal Bay.

IVGID's enviable financial condition continues with our increases in net position, readily available cash, low debt ratio and no unfunded pension and medical liabilities.

## Current Conditions:

- Our unrestricted net position of \$31.8 million is 5 times greater than our total outstanding indebtedness of \$6.1 million.
- Since 2008, our outstanding indebtedness has dropped from a high of \$27.2 million to \$6.1 million.
- Our outstanding indebtedness is only .7% of our statutory debt capacity.
- Our ratio of debt service to total expenditures has dropped to 2.6%.



I'd like to personally thank our dedicated management staff for all the work that they do throughout the year and in conjunction with this important document. I'd also like to thank all of our stakeholders: property owners, business owners, residents, guests and our employees for their continuing support of all of our operations. Together, we all play a part in making Incline Village/Crystal Bay one of the most livable communities in the nation.

**Indra S. Winquest**  
Interim General Manager

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FISCAL YEAR ENDED JUNE 30, 2019

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# INTRODUCTION





November 18, 2019

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

The Incline Village General Improvement District (the District) hereby submits our Comprehensive Annual Financial Report (the Report) for the year ended June 30, 2019. The Finance Department publishes the Report to provide financial and general information about the District to members of the Incline Village/Crystal Bay community, customers, the investment community, and general public. The data presented is designed to help readers assess the financial condition of the District and to understand the services that the District provides to the Incline Village/Crystal Bay community. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive framework of internal control. Since the cost of internal control should not exceed the anticipated benefits, the objective is to provide reasonable assurance, rather than absolute assurance, that the financial statements are free of any material misstatements.

State law requires that each local government publish, within five months of the close of each fiscal year, an annual audit of all of its financial statements. The audit must be presented at a meeting of the governing body held not more than 30 days after the report is submitted. Also, the report must be presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with United States Generally Accepted Auditing Standards by a firm of licensed certified public accountants. We hereby issue the Comprehensive Annual Financial Report of the Incline Village General Improvement District.

The District's financial statements are audited by Eide Bailly, LLP. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2019, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2019, are fairly presented in conformity with GAAP. The unmodified Independent Auditors' Report appears in the Financial Section.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statement in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with that overview. The District's MD&A can be found immediately following the report of the independent auditors.

**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 public and a quasi-municipal corporation in the State of Nevada. The District is located on the northeast corner of Lake Tahoe, in the Sierra Nevada Mountains, and occupies a land area of approximately 15.36 square miles and serves a base population of approximately 9,000 residents. 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 a skiing hill, two golf courses, a multi-use recreation center, tennis facilities, meeting facilities, parks, recreation programs, beaches, playgrounds and other recreation-related programming. The District serves approximately 4,200 water/sewer customers, accommodates over 100,000 skiers, 35,000 golfers, and 170,000 beach users, and oversees a variety of other activities including over 120,000 visits to the Recreation Center annually.

### **IVGID's Vision Statement**

With passion for quality of life and our environment, Incline Village General Improvement District will enhance the reputation of our community as an exceptional place to live, work, invest, and play.

### **IVGID's Mission Statement**

Incline Village General Improvement District delivers exemplary recreational experiences and provides the highest level of water, sewer, and solid waste services while striving for fiscal and environmental sustainability.

### **IVGID's Value Statement**

We are dedicated people providing quality service, for our community and environment, with integrity and teamwork.

### **IVGID's Mantra Statement**

One District • One Team

### **IVGID's Long Range Principles**

The District adopted a Strategic Plan for July 1, 2015 through June 30, 2018. Part of the plan includes six Long Range Principles. Under the direction of the Board of Trustees and the leadership of the District General Manager, the Principles align our activities to the strategy of the District. Each Principle addresses objectives over the two years of the Plan, as well as annual budget initiatives.

**RESOURCES AND ENVIRONMENT** – Initiating and maintaining effective practices of environmental sustainability for a healthy environment, a strong community and a lasting legacy.

- Review and upgrade District policies and practices to encourage or require waste reduction, recycling and environmentally preferable purchasing.
- Develop sustainability measures, goals and metrics to create and/or maintain a sustainable District.
- Provide the community with environmental education and technical services on watershed protection, water conservation, pollution prevention, recycling and waste reduction.

**FINANCE** – The District will ensure fiscal responsibility and sustainability of service capacities by maintaining effective financial policies for operating budgets, fund balances, and capital improvement and debt management.

- Adhere to Government Generally Accepted Accounting Principles.
- Comply with State and Federal regulations.
- Maintain Performance Measurement.
- Report results and demonstrate value.
- Develop and maintain a long term plan to sustain financial resources.

**WORKFORCE** – Attract, maintain and retain a highly qualified, motivated and productive workforce to meet the needs of District venues.

- Staff will evaluate open position job descriptions, for need to fill, level of and related compensation for the position.
- Re-evaluate, during the budget process, the optimum level of Staff and related total compensation, necessary to each department based on industry standard and level of service.
- Comply with State and Federal regulations.
- Continue to provide a safe environment and continue to strive for low worker's compensation incidents.
- Identify individuals for retention and growth for management succession within the District.

**SERVICE** – The District will provide superior quality service and value to its customers considering responsible use of District resources and assets.

- Provide well defined customer centric service levels consistent with community expectations.
- Apply Performance Management to meet or exceed established venue customer service levels.
- Utilize best practice standards for delivery of services.

- Commit to evaluate customer loyalty/satisfaction to demonstrate the value of results.
- Maintaining customer service training for new, returning and existing employees.

**ASSETS AND INFRASTRUCTURE** – The District will practice perpetual asset renewal, replacement and improvement to provide safe and superior long term utility services and recreation activities.

- Maintain, renew, expand and enhance District infrastructure to meet the capacity needs and desires of the community for future generations.
- Maintain, procure and construct District assets to ensure safe and accessible operations for the public and the District’s workforce.
- Maintain current Community Service and Public Works master plans.
- Maintain a 5-Year and 20-Year capital improvement plan.
- Conduct planning and design, in advance of undertaking projects or procurement, to ensure new District assets meet operational requirements and enhance the customer experience.
- Maintain an asset management program leveraging technology, as appropriate by venue/division, to ensure timely and efficient asset maintenance.
- Comply with regulatory requirements and industry standards.

**COMMUNICATION** – The District will engage, interact and educate to promote understanding of the programs, activities, services, and ongoing affairs.

- Promote transparency in all areas including finance, operations and public meetings.
- Provide clear, concise and timely information in multiple, publicly accessible formats.
- Ensure that both internal and external communication is responsive, comprehensive and inclusive.

#### **District Management**

A five-person elected Board of Trustees, with 4-year terms, governs the District. Every other year, two or three of the trustee terms expire and are up for election. Upon being elected, the trustees assume office on January 1 or the first board meeting of the year. The District has benefited from longevity and management experience. The Senior Management Team is led by the District’s General Manager. The District has made a commitment to developing strategies that lead to results. It has also continued a commitment for sustainability in financing for capital assets. The District has made many capital investments out of current resources, along with paying off bonds utilized to finance improvements. The Facility Fee, which is charged by parcel, is a significant source for both capital expenditure and debt service for the Community Services and the Beach activities. This fee has been at the same total for nine years, but has transitioned more for capital improvement and less for debt service. The Utility Fund has been steadily increasing its rates for several years in anticipation of a major replacement of the effluent export pipeline. .

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. On or before April 15, 2018, the Board of Trustees filed a tentative budget with the Nevada Department of Taxation. Public hearings on the budget and Facility Fees were held on May 23, 2018. On or before June 1, 2018, the Board adopted final budget for the year ended June 30, 2019 was filed with the Nevada Department of Taxation.

Budgets are adopted on a basis consistent with 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 type budgets are adopted on an accrual basis. The District can amend or augment the budget after following State statutes and public hearing procedures. The District did augment its budget for the Community Services Special Revenue to reflect higher than expected activity for the ski resort and filed the documents with the State of Nevada.

#### **District Financial Initiatives and Accomplishments**

The Board of Trustees establishes policy and direction, within the framework of the District Strategic Plan and its Long Range Principles. The Plan covering the years 2018 to 2020 was adopted May 9, 2018. That period emphasis includes developing performance measures, stabilizing planning for capital improvements, and enhancing communication at many levels.

Performance measurement through Fund Accounting Governmental Fund Accounting demonstrates sources and uses through budgeting and reporting. The District's parcel owners pay a facility fee that is dedicated to operational, capital improvement and debt service by functions or activities. By using the Special Revenue, Capital Projects and Debt Service Fund Types; the District can demonstrate and communicate the relationship of the facility fee paid to how it was used for these very different types of transactions. Many of the District's service venues require substantial capital investment and improvements. Operating statements alone do not represent the true scope of activity to make services available. This accounting not only provides a record of accomplishment, but allows for focused planning to meet the strategic objectives of sustainability and capital maintenance

Utility Rates to Support Infrastructure The District has identified approximately 6 miles of effluent pipeline for replacement over a series of years. This project is expected to cost at least \$21,000,000. This replacement will be paid for by rate increases over a period of years, or a combination of cash and debt.. Sewer Rates have been increased to accumulate more resources for this project. Water rates are set to a strictly pay for what you use as a cost of service. The latest rate increase went into effect in May 2019. Results of the Utility operations exceed budget. The resources intended for the long term portion of the effluent project, have been invested.

Holding the combined Recreation and Beach Facility Fee at \$830 The fiscal year 2018-19 marks the ninth year in which the combined fee totaled \$830. The facility fee revenue was realized as planned

Holding the combined Recreation and Beach Facility Fee at \$830 The fiscal year 2018-19 marks the ninth year in which the combined fee totaled \$830. The facility fee revenue was realized as planned.

Minimizing the year to year changes in the Facility Fee to support capital expenditures Fiscal year 2018-19 also marks the ninth year for what has become known as "smoothing". This is an initiative integrated with the 5-year capital plan, to schedule projects in a way to provide reasonably consistent amounts for capital expenditure thus avoiding increases in the total Facility Fee from year to year. The Recreation and Beach Facility Fee is intended to generate resources for operations, debt service and capital expenditures. The debt service and capital expenditure components are budgeted based on specific issues and projects. Following the maturity of bond issues, resources for debt service were directed toward capital improvement. Results of operations for 2018-19 in the Community Services Special Revenue Fund were over budget. The Community Services Special Revenue fund balance continues to be evaluated and is expected to be used for several major capital projects that have been identified for completion in the next five years.

#### Capital Project and Debt Service Funds Net Position Closes

From July 1, 2015 through June 30, 2019 the District used Capital Projects and Debt Service Funds as a way to demonstrate the use of dedicated revenues for those expenditures. During this period it was clear the focus of users was not at a fund level, but rather primarily on the functional level expenditures. Such reporting can be accomplished through Special Revenue Funds. The District's special revenue funds are the source of the dedicated revenues then transferred to expend. Beginning July 1, 2019 these funds will only be activated in the event of a bond issue or other direct funding source needing a separate accounting. This will simplify reports for our users.

#### Factors Affecting Financial Condition

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 at June 2019 indicates the combined room occupancy rate increased 6.3% from last year.

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

The 2010 census population of 9,087 reflects an 8% decrease since 2000. Of the District's 7,954 housing units, the Census reports 3,353 for seasonal recreation use. This is 14% more than the number in 2000. There is no indication of a change in these factors as of 2019. The median housing value at June 30, 2019 for single family residence and condo sales for Incline Village and Crystal Bay are \$1,400,000 and \$619,000, respectfully, representing a 17% increase on residence and a 11% increase on condos over last year. For the entire Washoe County the values were \$408,500 and \$241,000 respectively. Values in Incline Village and Crystal Bay tend to be more than the general County because of a strong demand by California buyers looking for a preferred tax address in the Tahoe Basin.

The Reno-Sparks June 2019 unemployment rate of 3.2% and is well under the State at 4.0%, and is below the national level at 3.7%.

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 2018-2019 the abatement was \$428,437, based on State of Nevada Department of Taxation formulas. The pre-abated Ad Valorem levy was \$2,040,175.

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 General Fund was able to meet this obligation while maintaining service levels while the refund was completed. Over the course of four years the total offset was approximately \$1,200,000. A new action has been taken to the Nevada Supreme Court, which referred the matter to the Washoe County District Court to decide if another round of refunds should be ordered. A District Court order was issued in October 2019 that is being appealed to the Nevada Supreme Court. A final decision has not been reached, nor is the outcome and possible affect determinable as of June 30, 2019.

### **Budget Highlights**

#### **General Fund**

The General Fund is primarily responsible for governance and administration of the District's activities. The Fund has nominal change year to year. The General Fund is discussed in more detail in the MD&A section.

#### **Community Services Special Revenue Budgetary Highlights**

Community Services cover a variety of recreation venues. The ski resort benefitted from excess snow by having an extended season and higher than budgeted visits. This resulted in over \$2,800,000 in additional revenue while only incurring just over \$430,000 in additional costs. Our golf courses saw a stable level of play. The Parks and Recreation venues saw stable use. A substantial schedule of capital projects were done during the year. However, there were still over \$1,700,000 in capital projects carried over as unexpended and is reflected in Fund Balance.

#### **Beach Budgetary Highlights**

The District's beach venues saw both increased revenues to help offset rising operational costs. The Beach is independent of other operations and has sought to increase its resources for future capital projects. The Beach Study identified a number of possibilities. There is an upcoming replacement project for the Burnt Cedar pool.

#### **Utility Budgetary Highlights**

The net position for the Utility Fund increased \$2,650,244 for the year. Utilities increased rates about 3% to cover its costs of service and to continue to facilitate building resources for the effluent pipeline replacement project.

The Utility Fund saw a year on year increase in expenses mainly for personnel.

## **Internal Services Budgetary Highlights**

Internal Services includes Fleet, Engineering, Building Maintenance and Workers Compensation coverage. Both Engineering and Buildings Maintenance were under budget due to staff vacancies. The overall revenues and expenses balanced out. Following completion of a Loss Transfer and Assumption agreement, which allowed the District to liquidate its Work Comp claims liability from past years, a transfer of \$174,356 was made to the General Fund to close that activity under Internal Services. A transfer for \$800,000 was made in the prior year. Another \$300,000 was budgeted and made during this fiscal year. Readers may refer to Notes 13 and 22 for more details on the changes to the Workers Compensation program.

## **Budget Augmentation, application of budget contingency and other budget reconciliations**

The District approves a budget for each fiscal year by completing Form 4404LGF as prescribed by the State of Nevada Department of Taxation Local Government Finance. Preparation of this form set includes prescribed account titles and allowable levels of detail. This form set in essence creates a Budgetary Basis accounting and presentation. To provide adequate financial planning, the District's approach to the budget includes an evaluation in more detail of the flow of resources for both governmental and business-type activities. This results in the District budgeting for capital expenditure and debt service in the enterprise funds, similar to governmental type funds. The District has presented additional schedules to reconcile basic financial statement presentations with information included in Form 4404LGF for the fiscal year ending June 30, 2019.

As a result of excess snow fall and resulting increased skier visits, a budget augmentation was adopted May 22 which increased Community Service Special Revenue Fund revenues by \$2,800,000 and expenditures by \$430,000. This augmentation was largely focused on setting expenditures at a proper level to be in compliance with Nevada Revised Statutes.

The District budgeted contingency in the General and Special Revenue Funds. None of the contingency was used for 2018-19.

The District has been engaged in a lawsuit for over six years that received a final order, which was then appealed. Legal costs of the appeal were not budgeted.

The District has reported fair market value adjustments to its fixed income investments. In the past these have been reductions. In the current year they resulted in increase to value along with realizing improved rates of return. The reported amount exceeds budget because neither cause was anticipated in early 2018 when the budget was formulated.

## **Awards**

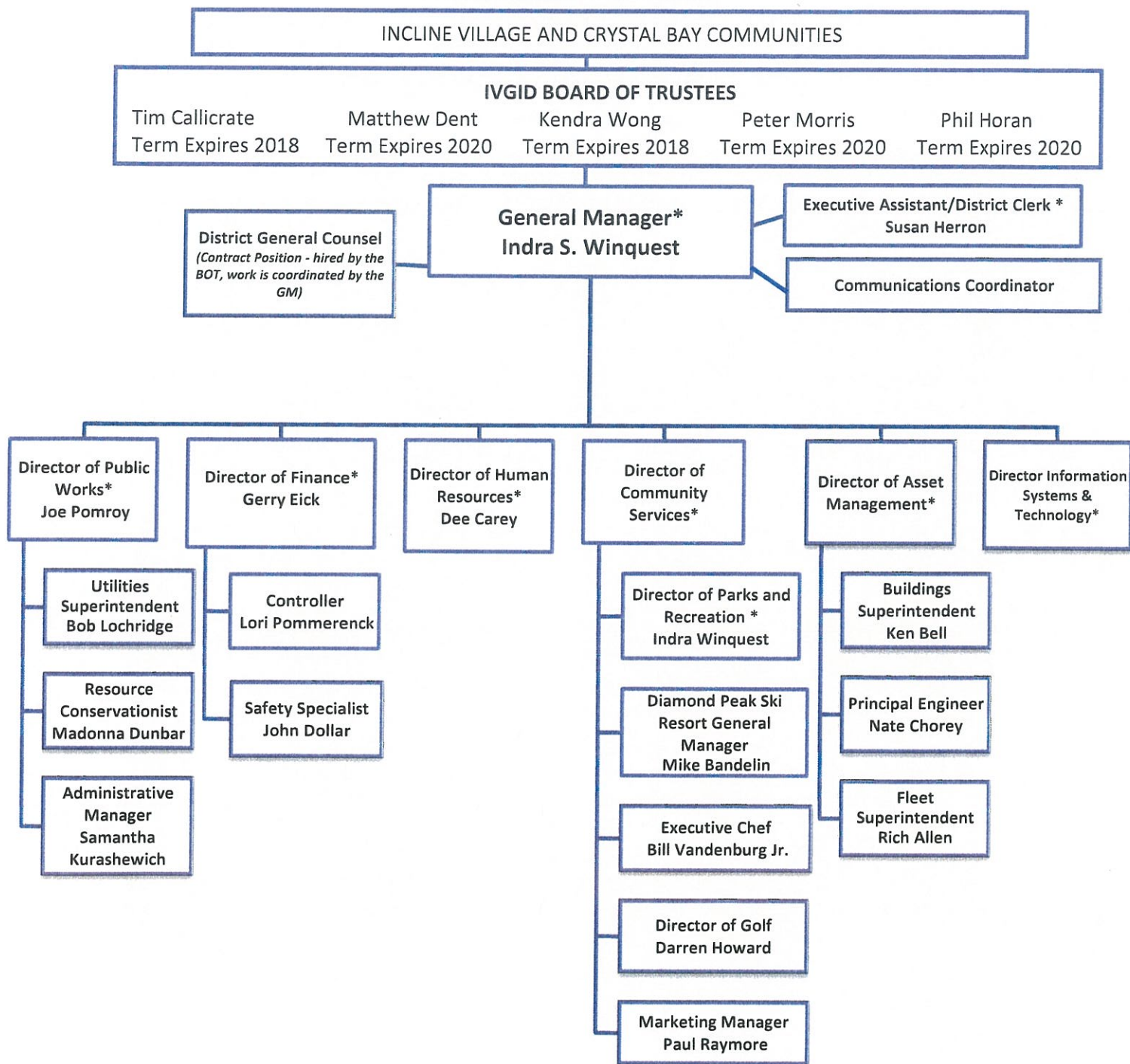
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Incline Village General Improvement District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2017. This was the eighteenth year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both GAAP and applicable legal requirements.

Acknowledgments

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the accounting department and the District's venues. We wish to express our appreciation to all staff assisting with the preparation of this report. Credit also must be given to the Board of Trustees for their commitment to serving the communities of Incline Village and Crystal Bay.

Indra S. Winqest  
Interim General Manager  
Incline Village General Improvement District

Gerald W. Eick, CPA CGMA  
Director of Finance  
Incline Village General Improvement District



\* Members of the Senior Team



# ACHIEVEMENT



Government Finance Officers Association

## Certificate of Achievement for Excellence in Financial Reporting

Presented to

**Incline Village General  
Improvement District, Nevada**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

*Christopher P. Morill*

Executive Director/CEO

This prestigious and national award, presented by the Government Finance Officers Association (GFOA) of the United States and Canada, recognized conformance with the highest standards for preparation of state and local government financial reports.

IVGID received the Certificate of Achievement of Excellence in Financial Reporting for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2018

**NATIONAL  
AWARD**

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

**INCLINE VILLAGE**  
**GENERAL IMPROVEMENT DISTRICT**

**FINANCIALS**



## Independent Auditor's Report

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Incline Village General Improvement District (the "District"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund, Community Services Special Revenue Fund, and Beach Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Correction of an Error**

As discussed in Note 22 to the financial statements, certain errors occurred in the transfer of funds between operating funds for the year ended June 30, 2018 and were discovered by management during the current year. Accordingly, these transfers were corrected in the current year and have resulted in a restatement of fund balance as of July 1, 2018. Our opinions are not modified with respect to this matter.

#### **Other Matters**

##### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 13 through 20 and the schedule of employer required contributions on page 57, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods or preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

##### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, individual fund schedules including budgetary comparisons, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The individual fund schedules including budgetary comparisons are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and

other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund schedules including budgetary comparisons are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2019 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 the District's 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.



Reno, Nevada  
November 18, 2019

**Incline Village General Improvement District  
Management's Discussion and Analysis  
For the Fiscal Year ended June 30, 2019**

As management of the Incline Village General Improvement District (District), we offer readers of the District's financial statements this narrative and analysis of the financial activities of the Incline Village General Improvement District for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction additional information that we have furnished in our letter of transmittal, financial statements, and notes to the financial statements to gain a more complete picture of the information presented.

**Financial Highlights**

Weather continues to play a key role in financial performance of the District. The Community Services ski venue had an extended season due to good snow conditions resulting in additional revenue and costs to require a budget augmentation. A normal golf season allowed both courses to work on programming and the continued use of dynamic pricing for their revenue realization. The Mountain golf course experienced an increase in golf rounds, despite an August 2018 kitchen fire. The beach season had above average attendance. The Utility services had an average year for their flows. Overall the District still maintains a healthy financial condition for liquidity, operations and capital management. The District continues to meet its financial obligations and provide services to the community at large. Maintaining the care and condition of infrastructure is a high priority for all venues. The Utility Fund continues to build resources for a future Effluent Pipeline Project, while executing the preliminary study and design.

June 30, 2019 Fiscal Year Highlights Based on Government-wide Financial Statements:

- The assets of the District exceeded its liabilities and deferred inflows of resources, at the close of the most recent fiscal year, by \$153 million (net position). Of this amount, \$31.8 million (unrestricted net position) may be used to meet the District's ongoing obligations.
- The District's net position increased \$7.1 million. A significant portion will serve to provide resources for future capital projects.
- The General Fund's ending fund balance is at \$3.8 million.
- The governmental activities included depreciation of \$3.5 million while making investments in capital assets of \$6.5 million.
- The District retired \$859,678 in bond principal during the 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** 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. For example, the vacation wages liability recognizes a current cost while payment is in the future.

**Incline Village General Improvement District  
Management's Discussion and Analysis  
For the Fiscal Year ended June 30, 2019  
(continued)**

Both of the government-wide financial statements (*Net Position* and *Statement of Activities*) distinguish functions of the District that are principally supported by taxes, intergovernmental revenue and charges for services (*governmental activities*) from other functions that are intended to recover all or a significant portion of their cost(s) through user fees and charges (*business-type activities*). The governmental activity of the District includes the administration by the General Fund, recreation and internal service activities. The business-type activities of the District include utility 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 that is used to maintain control over resources that have been segregated for specific activities. The District uses fund accounting to ensure and demonstrate compliance with financial related legal requirements, hence, 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 and proprietary.

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 on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of government funds 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 maintains multiple governmental funds. Information is presented separately in the governmental fund financial statements for the General Fund, Community Services Special Revenue, Capital Projects and Debt Services Funds, and the Beach Special Revenue, Capital Projects and Debt Service Funds.

The District adopts an annual budget for its governmental funds. A budgetary comparison statement has been provided for the General Fund and Special Revenue Funds to demonstrate compliance with these budgets. For the other governmental funds similar comparisons are provided in the Supplemental Information section.

Proprietary funds. The District operates two types of proprietary funds. *Enterprise funds* are used to report the same functions presented in business-type activities in the government-wide statements. The District uses enterprise funds to account for its Utility Fund. *Internal Service funds* are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses an internal service fund to account for its maintenance of its fleet of vehicles, buildings maintenance, and engineering functions. The District internal services fund also accounts for the Workers Compensation function. Each department pays for coverage based on its payroll costs. Workers Compensation serves the entire District and uses these charges, rather than costs being allocated by department. The Internal Service Fund is classified as governmental-type activities in the government-wide statement since the governmental funds are the most substantial users of these services.

**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. The District has prepared a schedule for its Multi-Employer Retirement Plans. There are individual fund schedules, providing budget to actual comparisons. These schedules indicate compliance with budgetary constraints and management directives to enhance accountability at the fund and function level. The State of Nevada Department of Taxation, Local Government Division, has a prescribed format for budget data. The supplementary information reports actual results according to that format and terminology. 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, 2019  
(continued)**

**Governmental-wide Financial Analysis**

Net position is a useful indicator of a government's financial position. The District's assets exceeded liabilities and deferred inflows of resources by \$153 million at June 30, 2019. The largest portion of net position (79%) 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.

<b>Incline Village General Improvement District Net Position</b>						
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	2019	2018	2019	2018	2019	2018
<b>Assets</b>						
Current and Other assets	\$ 18,211,423	\$ 13,170,824	\$ 8,207,132	\$ 8,435,236	\$ 26,418,555	\$ 21,606,060
Long Term assets	6,656,389	9,546,374	5,843,465	3,762,165	12,499,854	13,308,539
Net Capital Assets	57,639,775	54,721,037	69,158,284	69,496,001	126,798,059	124,217,038
<b>Total Assets</b>	<b>82,507,587</b>	<b>77,438,235</b>	<b>83,208,881</b>	<b>81,693,402</b>	<b>165,716,468</b>	<b>159,131,637</b>
<b>Liabilities</b>						
Current liabilities	5,477,847	4,631,434	1,815,665	2,306,442	7,293,512	6,937,876
Long-term liabilities	1,131,683	1,491,016	4,084,938	4,608,926	5,216,621	6,099,942
<b>Total Liabilities</b>	<b>6,609,530</b>	<b>6,122,450</b>	<b>5,900,603</b>	<b>6,915,368</b>	<b>12,510,133</b>	<b>13,037,818</b>
<b>Deferred Inflows of Resources</b>						
Deferred inflows	242,584	242,019	-	-	242,584	242,019
<b>Net Position</b>						
Net investment in capital assets	56,147,092	52,880,021	64,549,358	64,377,397	120,696,450	117,257,418
Restricted by Third Party Agreement	136,993	183,037	316,611	309,344	453,604	492,381
Unrestricted	19,371,388	18,010,708	12,442,309	10,091,293	31,813,697	28,102,001
<b>Total Net Position</b>	<b>\$ 75,655,473</b>	<b>\$ 71,073,766</b>	<b>\$ 77,308,278</b>	<b>\$ 74,778,034</b>	<b>\$ 152,963,751</b>	<b>\$ 145,851,800</b>

<b>Incline Village General Improvement District Change in Net Position</b>						
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	2019	2018	2019	2018	2019	2018
<b>Revenues</b>						
<b>Program Revenues:</b>						
Charges for services	\$ 23,715,593	\$ 20,278,250	\$ 12,785,742	\$ 11,925,557	\$ 36,501,335	\$ 32,203,807
Operating grants	17,000	17,000	1,440	-	18,440	17,000
Capital grants and contributions	267	558,128	-	199,934	267	758,062
<b>General Revenues:</b>						
Ad valorem tax	1,622,486	1,546,575	-	-	1,622,486	1,546,575
Consolidated tax	1,690,222	1,637,250	-	-	1,690,222	1,637,250
Facility Fees	6,756,410	6,771,522	-	-	6,756,410	6,771,522
Unrestricted investment earnings	563,685	175,122	282,484	77,280	846,169	252,402
Other	204,245	190,578	15,066	50,020	219,311	240,598
<b>Total Revenues</b>	<b>34,569,908</b>	<b>31,174,425</b>	<b>13,084,732</b>	<b>12,252,791</b>	<b>47,654,640</b>	<b>43,427,216</b>
<b>Expenses</b>						
General Government	4,194,237	3,828,917	-	-	4,194,237	3,828,917
Internal Services	3,306,507	3,056,400	-	-	3,306,507	3,056,400
Utility	-	-	10,554,488	10,253,834	10,554,488	10,253,834
Community Services	20,345,198	19,043,639	-	-	20,345,198	19,043,639
Beach	2,142,259	1,849,659	-	-	2,142,259	1,849,659
<b>Total Expenses</b>	<b>29,988,201</b>	<b>27,778,615</b>	<b>10,554,488</b>	<b>10,253,834</b>	<b>40,542,689</b>	<b>38,032,449</b>
Excess Revenue (Expenses)	4,581,707	3,395,810	2,530,244	1,998,957	7,111,951	5,394,767
Transfers In (Out)	(120,000)	(120,000)	120,000	120,000	-	-
<b>Changes in Net Position</b>	<b>4,461,707</b>	<b>3,275,810</b>	<b>2,650,244</b>	<b>2,118,957</b>	<b>7,111,951</b>	<b>5,394,767</b>
<b>Beginning Net Position, as reported</b>	<b>71,073,766</b>	<b>67,797,956</b>	<b>74,778,034</b>	<b>72,659,077</b>	<b>145,851,800</b>	<b>140,457,033</b>
Prior Period Adjustment	120,000	-	(120,000)	-	-	-
<b>Beginning Net Position, as adjusted</b>	<b>71,193,766</b>	<b>67,797,956</b>	<b>74,658,034</b>	<b>72,659,077</b>	<b>145,851,800</b>	<b>140,457,033</b>
<b>Ending Net Position</b>	<b>\$ 75,655,473</b>	<b>\$ 71,073,766</b>	<b>\$ 77,308,278</b>	<b>\$ 74,778,034</b>	<b>\$ 152,963,751</b>	<b>\$ 145,851,800</b>



**Incline Village General Improvement District  
Management's Discussion and Analysis  
For the Fiscal Year ended June 30, 2019  
(continued)**

**Governmental-wide Financial Analysis (continued)**

**Governmental activities** increased the Districts' net position by \$4,461,707. The majority of this increase is attributed to an excellent operating season for the District's ski resort.

Total governmental activity revenue overall increased year-on-year in the area of charges for services. The increase in Charges for Services is attributed to the ski resort and increases for banquets and events. The significant increase in investment income is an increase in rates and changes in market values from a loss to a gain. Sales and consolidated taxes, mostly comprised of business and vehicle tax, and increased year-on-year. These combined taxes come through an allocation of state-wide collections. Ad valorem taxes saw an increase. During 2005, the Nevada Legislature passed a law to provide property tax relief (Assembly Bill 489) which provided 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 other properties beginning with the 2005/2006 tax roll in Washoe County. For the fiscal year the abatement has a value of \$428,437 as a reduction of otherwise eligible ad valorem taxes.

The District ski resort budgets its operations on 110,000 skier visits. For 2018-19 the resort had 130,922 visits. The added usage resulted in revenue exceeding the original budget by over \$2,863,000. Though some expenses also increased by \$477,000, many costs are fixed and the resulting increased results flows to fund balance. By comparison, the Community Services Special Revenue Fund for 2018 was very close to budget.

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

	2019		2018	
Property taxes	\$ 1,622,486	5%	\$ 1,546,575	5%
Combined taxes	1,690,222	5%	1,637,250	5%
Charges for Services -Community Service	17,748,644	51%	14,726,788	47%
Charges for Services - Beach	1,492,687	4%	1,266,613	4%
Charges for Services - Internal Services	4,474,262	13%	4,284,849	14%
Facility Fees - Community Services	5,781,289	17%	5,799,206	19%
Facility Fees- Beach	975,121	3%	972,316	3%
Operating Grants	17,000	0%	17,000	0%
Capital Grants	267	0%	558,128	1%
Unrestricted investment earnings	563,685	2%	175,122	1%
Miscellaneous revenues	204,245	0%	190,578	1%
<b>Total governmental revenues</b>	<b>\$ 34,569,908</b>	<b>100%</b>	<b>\$ 31,174,425</b>	<b>100%</b>

The facility fee, assessed on parcel owners, is the most stable of the revenue streams for the District. The facility fee is assessed by the District for recreation and beach privileges and is collected by Washoe County Assessor's office through the real property quarterly billing process. For 2018-19 the District assessed \$5,788,050 in recreation facility fees and \$969,500 in beach facility fees. The shift to the Beach Fund in fiscal year 2018 was to provide more resources for future capital expenditure.

**IVGID Facility Fees**

Fiscal Year	Per Eligible Parcel		Total Assessment Roll		District Assessed
	Beach	Community Services	Beach	Community Services	Recreation Facility
2018-19	\$ 125	\$ 705	\$969,500	\$5,788,050	\$6,757,550
2017-18	125	705	969,500	5,776,770	6,746,270
2016-17	100	730	774,400	5,972,860	6,747,260
2015-16	100	730	774,300	5,972,130	6,746,430
2014-15	100	730	774,300	5,971,400	6,745,700

**Incline Village General Improvement District  
Management's Discussion and Analysis  
For the Fiscal Year ended June 30, 2019  
(continued)**

**Governmental-wide Financial Analysis (continued)**

Total governmental activities include the General Fund which provides District wide administration, Internal Services, and Recreation and Beach programming, capital projects and debt service. Expenditures in the General Fund increased year on year primarily related to Human Resources and increased legal expenses from litigation. Internal services increased reflecting higher service levels and the prior year having a reduced cost in Work Comp because of claim liability changes. Recreation and Beach programming reflect higher costs based on increase in service demand, while also increasing wages to hourly staff.

**Incline Village General Improvement District  
Governmental Activities Functional Expenses**

	2019	2018
Manager	\$ 418,829	\$ 355,012
Trustees	175,882	176,450
Accounting	884,240	833,348
Information Services	828,368	820,658
Risk Management	137,019	127,032
Human Resources	682,394	597,875
Health & Wellness	28,816	24,594
Community & Employee Relations	194,398	188,682
Administration	583,203	462,552
Depreciation	261,088	242,714
<b>Total General Government</b>	<b>\$ 4,194,237</b>	<b>\$ 3,828,917</b>
Fleet	\$ 1,146,886	\$ 1,045,987
Engineering	631,999	751,111
Buildings Maintenance	1,022,743	909,796
Works Compensation	504,879	349,506
<b>Total Internal Services</b>	<b>\$ 3,306,507</b>	<b>\$ 3,056,400</b>
Championship Golf	\$ 4,985,709	\$ 4,724,811
Mountain Golf	1,155,483	1,165,185
Facilities	678,964	626,149
Ski	9,098,577	8,230,147
Recreation and Community Programming	2,634,298	2,564,677
Parks	1,082,530	1,063,374
Tennis	302,493	281,020
Recreation Administration	407,144	388,276
<b>Total Community Services</b>	<b>\$ 20,345,198</b>	<b>\$ 19,043,639</b>
<b>Total Beach</b>	<b>\$ 2,142,259</b>	<b>\$ 1,849,659</b>

**Incline Village General Improvement District  
Management's Discussion and Analysis  
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(continued)**

**Business-type activities:** Business-type activities increased their net position by \$2,650,244. The prior year was \$2,118,957. The Utility Fund has little fluctuation from year to year in its units of service. It continues to build added resources for a major capital project on the effluent pipeline. Capital expenditures were \$2,816,092, while depreciation expense was \$3,153,809. Principal reduction on bonds was \$509,678.

**Financial Analysis at the Fund Level**

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

**Governmental Funds:** The focus of the District's governmental funds is to provide information on current inflows, outflows, and balances of resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance of \$3,568,844 may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At the end of the fiscal year, the District's General Fund balance increased to \$3,765,586, with \$196,742 non-spendable. A prior period adjustment has been made to the General Fund to reflect a 2018 transfer of \$800,000 from the Worker Comp activity within Internal Services, which was redistributed to the Community Services, Beach and Utility funds during 2018-2019. The General Fund also received \$300,000 during 2018-19 that will likewise be distributed during 2019-2020 and \$174,356 which will be retained. The Work Comp self-insured function Internal Services is no longer required having transferred all liability to a risk pool.

The District's recreational programming is conducted under two activities; they are Community Services and Beach. As a result of a deed restriction, a distinct constituency is served by the Beach fund and thus its inflows and outflows are measured separately to demonstrate compliance. The Community Services Special Revenue Fund Balance increased to \$13,333,953. The Beach Special Revenue Fund Balance increased to \$1,810,378.

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 functional expenditures performed better to budget by \$484,833. The increase in investment earnings is attributed to rate increases, and market value improvement. Much of that is a one-time occurrence, and past years have recognized the reductions. Savings occurred in Information Services because of staff vacancies. Several planned capital expenditure were not made including \$195,000 for two software systems. General Fund actual expenditures has increased slightly over the prior year. Administration includes legal defense costs of about \$130,000.

**Incline Village General Improvement District  
Management's Discussion and Analysis  
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(continued)**

**Capital Asset and Debt Administration**

**Capital Assets:** The Incline Village General Improvement District's investment in capital assets for its governmental and business-type activities, as of June 30, 2019 amounts to \$126,798,059 (net of accumulated depreciation). Investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, and recreation facilities. Readers desiring more information, with respect to capital asset activity, should see Note 4 to the financial statements.

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

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land - Governmental Activities	\$ 16,971,753	\$ 16,971,753	\$ -	\$ -	\$ 16,971,753	\$ 16,971,753
Construction in Progress - Governmental Activities	2,157,103	2,755,328	-	-	2,157,103	2,755,328
Land - Utility Activities	-	-	6,715,544	6,715,544	6,715,544	6,715,544
Construction in Progress - Utility Activities	-	-	1,418,052	4,151,041	1,418,052	4,151,041
Buildings and Improvements	913,462	846,899	-	-	913,462	846,899
Equipment and Vehicles	1,647,472	1,591,187	-	-	1,647,472	1,591,187
Internal services equipment furniture and fixtures	253,869	263,912	-	-	253,869	263,912
Utility service infrastructure	-	-	113,807,857	108,626,081	113,807,857	108,626,081
Utility buildings and improvements	-	-	15,503,863	15,166,010	15,503,863	15,166,010
Utility equipment, furniture and fixtures	-	-	3,696,213	3,721,984	3,696,213	3,721,984
Community services buildings and improvements	64,695,501	58,884,392	-	-	64,695,501	58,884,392
Community services equipment, furniture and fixtures	11,942,698	11,613,546	-	-	11,942,698	11,613,546
Beach buildings and improvements	4,957,906	4,861,698	-	-	4,957,906	4,861,698
Beach equipment, furniture and fixtures	569,383	510,786	-	-	569,383	510,786
Total Cost	104,109,147	98,299,501	141,141,529	138,380,660	245,250,676	236,680,161
Accumulated Depreciation	(46,469,372)	(43,578,464)	(71,983,245)	(68,884,659)	(118,452,617)	(112,463,123)
Capital Assets, Net	\$ 57,639,775	\$ 54,721,037	\$ 69,158,284	\$ 69,496,001	\$ 126,798,059	\$ 124,217,038

The major capital asset events during the fiscal year was completion of a Diamond Peak Culvert Project and capitalizing multi-year improvements for the effluent pipeline.

**Long-term debt:** At the end of the current fiscal year, the District had total bonded debt outstanding of \$6,106,926. Of that amount, \$4,962,361 comprises debt backed by the full faith and credit of the District. The actual source for repayment is service revenues. The remainder of the District debt, \$1,144,565 represents bonds secured solely by specified utility revenue sources.

**Long-term liability activity for the year ended June 30, 2019 was as follows:**

	Beginning Balance	New Issues	Principal Paid	Ending Balance
<b>Governmental Type Activities:</b>				
Bonds Payable;				
Recreation Revenue Supported	\$ 1,848,000	\$ -	\$ 350,000	\$ 1,498,000
<b>Business Type Activities:</b>				
Bonds Payable;				
Utility Revenue Supported	5,118,604	-	509,678	4,608,926
Total	\$ 6,966,604	\$ -	\$ 859,678	\$ 6,106,926

Readers desiring more information, with respect to the District's debt, should see Note 8 to the financial statements.

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

**Incline Village General Improvement District  
Management's Discussion and Analysis  
For the Fiscal Year ended June 30, 2019  
(continued)**

**Economic Factors and Next Year's Budgets and Rates**

- The District's primary revenue sources are from service charges from users. These are mostly in two forms as amounts charged at the point of service delivery and a standby charge paid by parcel owners to support the availability of services. The standby charge, also known as the Facility Fee, is determined annually by venue to support its operations, capital expenditure and debt service. The District has adopted a multi-year Strategic Planning process. Along with that, we continue to look at capital expenditure and debt service planning, five to twenty years ahead.
- Weather impacts demand for golf and ski and, to a much smaller extent, water and sewer charges based on the choice of residents and visitors to spending time in our community. We have recovered from the prior several years of drought affecting the beach and ski resort. With a more normal weather pattern, we look forward to less fluctuation year to year. A major initiative is to look at summer usage of the ski resort. A regulatory review of those possibilities has begun. However, this may take three to five years to be resolved. The general economy and discretionary spending are considered during the budget process. Anticipated user levels are revisited each year to assess probable service demands.
- Beginning with the 2009-10 fiscal year, the Utility Rate structure was evaluated by the Board one year at a time. For 2009-10 the Board decided on no increase in rates. This was applied to both the operating and capital component of rates. Rate increases were implemented for the 2010-19 fiscal years. These increases were for additional costs and to provide resources for the construction of the now completed Burnt Cedar Water Disinfection Plant Upgrade and the planned replacement project for several miles of our effluent pipeline. There are also a multitude of projects to upgrade pump stations. The design of these projects is ongoing. Both rates and planning for major construction is reviewed annually for the next five years.
- Parcel Owner user rates are based on market data and operating needs of the community activities as determined during budget preparation and adopted by the Board of Trustees.
- Personnel cost comprised 36% of annual expenditures. The 2018-19 budgeted for base wages and salaries, and benefits to increase including 3% cost of living wage or merit increases, and 12% for health benefits rates in January 2019. It also right sized staffing for increased service levels.
- In these economic times employee retention is a key to the success of the District. The District continues to seek a balance of market forces and its economic realities with the benefits of longevity and employee institutional knowledge. Though many employees are part time we strive to have them move from venue to venue or season to season.

**Request of Information**

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

**INCLINE VILLAGE**  
GENERAL IMPROVEMENT DISTRICT

**BASIC FINANCIALS**

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

**STATEMENT OF NET POSITION  
JUNE 30, 2019**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 10,215,642	\$ 4,366,202	\$ 14,581,844
Short term investments	5,741,868	2,248,044	7,989,912
Receivables:			
Accounts receivable, net	17,780	1,204,623	1,222,403
Interest on investments	36,806	32,109	68,915
Taxes and Fees from Washoe County	38,914	-	38,914
Grants Receivable	371,079	12,881	383,960
Due from other governments	505,808	-	505,808
Inventories and supplies	675,985	154,393	830,378
Prepaid items	607,541	188,880	796,421
Long term investments	6,276,812	5,526,854	11,803,666
Restricted assets:			
Temporarily restricted investments	379,577	316,611	696,188
Capital assets:			
Land	16,971,753	6,715,544	23,687,297
Construction in progress	2,157,103	1,418,052	3,575,155
Buildings, Structures, Improvements, Infrastructure, Equipment and Vehicles, net of accumulated depreciation	38,510,919	61,024,688	99,535,607
Total assets	<u>82,507,587</u>	<u>83,208,881</u>	<u>165,716,468</u>
<b>LIABILITIES</b>			
Accounts payable	1,395,283	736,835	2,132,118
Accrued personnel costs	1,657,774	344,526	2,002,300
Accrued interest payable	11,235	61,387	72,622
Due to other governments	45,284	-	45,284
Unearned revenue	2,007,271	148,929	2,156,200
Noncurrent liabilities:			
Due within one year	361,000	523,988	884,988
Due in more than one year	1,131,683	4,084,938	5,216,621
Total liabilities	<u>6,609,530</u>	<u>5,900,603</u>	<u>12,510,133</u>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Deferred Inflow	<u>242,584</u>	<u>-</u>	<u>242,584</u>
<b>NET POSITION</b>			
Net investment in capital assets	56,147,092	64,549,358	120,696,450
Restricted Investments by Third Party Agreement	136,993	316,611	453,604
Unrestricted	19,371,388	12,442,309	31,813,697
Total net position	<u>\$ 75,655,473</u>	<u>\$ 77,308,278</u>	<u>\$ 152,963,751</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, 2019**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
<b>Primary government:</b>							
Governmental activities:							
General government	\$ 4,194,237	\$ 1,169,400	\$ -	\$ -	\$ (3,024,837)	\$ -	\$ (3,024,837)
Community Services	20,345,198	17,748,644	17,000	267	(2,579,287)	-	(2,579,287)
Beach	2,142,259	1,492,687	-	-	(649,572)	-	(649,572)
Fleet, Engineering, Bldgs. & Work Comp	3,306,507	3,304,862	-	-	(1,645)	-	(1,645)
Total governmental-type activities	<u>29,988,201</u>	<u>23,715,593</u>	<u>17,000</u>	<u>267</u>	<u>(6,255,341)</u>	<u>-</u>	<u>(6,255,341)</u>
Business-type activities:							
Utilities	10,554,488	12,785,742	1,440	-	-	2,232,694	2,232,694
Total primary government	<u>\$ 40,542,689</u>	<u>\$ 36,501,335</u>	<u>\$ 18,440</u>	<u>\$ 267</u>	<u>(6,255,341)</u>	<u>2,232,694</u>	<u>(4,022,647)</u>
General revenues:							
Property taxes					1,622,486	-	1,622,486
Combined taxes					1,690,222	-	1,690,222
Facility Fees					6,756,410	-	6,756,410
Unrestricted investment earnings					563,685	282,484	846,169
Gain on sale of capital assets					39,168	15,066	54,234
Insurance Proceeds					50,300	-	50,300
Miscellaneous revenues					114,777	-	114,777
Transfers In (Out)					(120,000)	120,000	-
Total general revenues and transfers					<u>10,717,048</u>	<u>417,550</u>	<u>11,134,598</u>
Changes in net position					<u>4,461,707</u>	<u>2,650,244</u>	<u>7,111,951</u>
Net position - beginning, as previously reported					71,073,766	74,778,034	145,851,800
Prior period adjustment					120,000	(120,000)	-
Net position - beginning, as adjusted					<u>71,193,766</u>	<u>74,658,034</u>	<u>145,851,800</u>
Net position - ending					<u>\$ 75,655,473</u>	<u>\$ 77,308,278</u>	<u>\$ 152,963,751</u>

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



**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2019**

	<u>GENERAL</u>	<u>COMMUNITY SERVICES SPECIAL REV.</u>	<u>BEACH SPECIAL REVENUE</u>	<u>COMMUNITY SERVICES CAP. PROJECTS</u>	<u>BEACH CAPITAL PROJECTS</u>	<u>COMMUNITY SERVICES DEBT SERV.</u>	<u>BEACH DEBT SERVICE</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<b>ASSETS</b>								
Cash, cash equivalents and investments	\$ 4,619,435	\$ 14,751,053	\$ 1,945,888	\$ 372,676	\$ 109,433	\$ -	\$ -	\$ 21,798,485
Accounts receivable, net	4,754	13,026	-	-	-	-	-	17,780
Interest receivable on investments	16,732	17,704	2,370	-	-	-	-	36,806
Taxes and Fees from Washoe County	7,147	27,153	4,614	-	-	-	-	38,914
Grants receivable	-	1,417	-	369,662	-	-	-	371,079
Due from other governments	336,693	144,868	24,247	-	-	-	-	505,808
Inventories	-	573,951	-	-	-	-	-	573,951
Prepaid items	196,742	362,360	34,532	-	-	-	-	593,634
Restricted deposits	242,584	135,993	1,000	-	-	-	-	379,577
Total assets	<u>\$ 5,424,087</u>	<u>\$ 16,027,525</u>	<u>\$ 2,012,651</u>	<u>\$ 742,338</u>	<u>\$ 109,433</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,316,034</u>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>Liabilities</b>								
Accounts payable	\$ 305,100	\$ 507,537	\$ 42,169	\$ 372,676	\$ 109,433	\$ -	\$ -	\$ 1,336,915
Accrued personnel costs	1,078,016	298,132	28,253	-	-	-	-	1,404,401
Due to other governments	32,756	-	12,528	-	-	-	-	45,284
Unearned revenue	45	1,887,903	119,323	-	-	-	-	2,007,271
Total liabilities	<u>1,415,917</u>	<u>2,693,572</u>	<u>202,273</u>	<u>372,676</u>	<u>109,433</u>	<u>-</u>	<u>-</u>	<u>4,793,871</u>
<b>Deferred Inflow of Resources</b>								
Deferred Inflow	<u>242,584</u>	<u>-</u>	<u>-</u>	<u>369,662</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>612,246</u>
<b>Fund balance:</b>								
Non-spendable	196,742	936,311	34,532	-	-	-	-	1,167,585
Restricted Deposits by Third Party Agreement	-	135,993	1,000	-	-	-	-	136,993
Assigned	-	12,261,649	1,774,846	-	-	-	-	14,036,495
Unassigned	3,568,844	-	-	-	-	-	-	3,568,844
Total fund balance	<u>3,765,586</u>	<u>13,333,953</u>	<u>1,810,378</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,909,917</u>
Total liabilities and fund balance	<u>\$ 5,424,087</u>	<u>\$ 16,027,525</u>	<u>\$ 2,012,651</u>	<u>\$ 742,338</u>	<u>\$ 109,433</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,316,034</u>

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
RECONCILIATION OF BALANCE SHEET FOR GOVERNMENTAL FUNDS  
TO THE GOVERNMENT WIDE STATEMENT OF NET POSITION  
JUNE 30, 2019**

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

Total Fund Balance for Governmental Activities	\$ 18,909,917
General Fund:	
Capital Assets, net of accumulated depreciation, and are not financial resources, and therefore are not reported in that fund	3,220,082
Community Services Fund:	
Capital Assets, net of accumulated depreciation, and are not financial resources, and therefore are not reported in that fund	49,497,425
Accrued interest, not to be liquidated from currently available resources	(11,054)
Capital Grants in Deferred Inflows due to collection beyond 60 days	369,662
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported in that fund	(1,473,882)
Unamortized Bond Discount, for the remaining bond liability, and therefore not reported in the fund	5,232
Beach Fund:	
Capital Assets, net of accumulated depreciation, and are not financial resources, and therefore are not reported in that fund	4,845,360
Accrued interest, not to be liquidated from currently available resources	(181)
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported in that fund	(24,118)
Unamortized Bond Discount, for the remaining bond liability, and therefore not reported in the fund	85
Internal Services Fund:	
Total Net Position of this fund, as it is reported as a governmental activity since a majority of the services are consumed by the governmental -type activities	316,945
Net Position of Governmental Activities	\$ 75,655,473

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2019**

	GENERAL	COMMUNITY SERVICES SPECIAL REV.	BEACH SPECIAL REVENUE	COMMUNITY SERVICES CAP. PROJECTS	BEACH CAPITAL PROJECTS	COMMUNITY SERVICES DEBT SERV.	BEACH DEBT SERVICE	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES</b>								
Ad valorem taxes	\$ 1,615,540	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1,615,540
Personal Property Tax	17,871	-	-	-	-	-	-	17,871
Intergovernmental:								
Consolidated taxes	1,440,607	-	-	-	-	-	-	1,440,607
Local Government Tax Act Services	249,615	-	-	-	-	-	-	249,615
Charges for Services	-	14,570	-	-	-	-	-	14,570
Interfund Services	-	17,648,014	1,492,687	-	-	-	-	19,140,701
Facility Fees - Operations	-	86,060	-	-	-	-	-	86,060
Facility Fees - Capital Expenditure	-	2,984,399	774,928	-	-	-	-	3,759,327
Facility Fees - Debt Service	-	2,508,528	198,558	-	-	-	-	2,707,086
Operating Grants	-	329,848	1,635	-	-	-	-	331,483
Capital Grants	-	17,000	-	31,958	-	-	-	17,000
Investment income	327,815	199,322	36,188	-	-	-	-	563,325
Miscellaneous	2,002	112,777	-	-	-	-	-	114,779
Total revenues	3,653,450	23,900,518	2,503,996	31,958	-	-	-	30,089,922
<b>EXPENDITURES</b>								
<b>GENERAL GOVERNMENT</b>								
Manager	418,829	-	-	-	-	-	-	418,829
Trustees	175,882	-	-	-	-	-	-	175,882
Accounting	884,240	-	-	-	-	-	-	884,240
Information Services	828,368	-	-	-	-	-	-	828,368
Risk Management	137,019	-	-	-	-	-	-	137,019
Human Resources	682,394	-	-	-	-	-	-	682,394
Health & Wellness	28,816	-	-	-	-	-	-	28,816
Community & Employee Relations	194,398	-	-	-	-	-	-	194,398
Administration	583,203	-	-	-	-	-	-	583,203
Central Services Cost Allocation Income	(1,169,400)	-	-	-	-	-	-	(1,169,400)
Capital Outlay	121,257	-	-	-	-	-	-	121,257
<b>RECREATION</b>								
Championship Golf	-	4,285,423	-	-	-	-	-	4,285,423
Mountain Golf	-	960,442	-	-	-	-	-	960,442
Facilities	-	482,527	-	-	-	-	-	482,527
Ski	-	7,830,948	-	-	-	-	-	7,830,948
Community Programming and Recreation Center	-	2,296,972	-	-	-	-	-	2,296,972
Parks	-	815,439	-	-	-	-	-	815,439
Tennis	-	253,544	-	-	-	-	-	253,544
Recreation Administration	-	363,285	-	-	-	-	-	363,285
Beads	-	-	1,906,516	-	-	-	-	1,906,516
Capital Outlay	-	-	-	6,043,500	284,298	-	-	6,327,798
Debt Service	-	-	-	-	-	344,365	5,635	350,000
Principal	-	-	-	-	-	37,036	606	37,642
Interest	-	-	-	-	-	-	-	-
Total expenditures	2,885,006	17,288,580	1,906,516	6,043,500	284,298	381,401	6,241	28,795,512
Excess revenues (expenditures)	768,444	6,611,938	597,480	(6,011,542)	(284,298)	(381,401)	(6,241)	1,294,380
<b>OTHER FINANCING SOURCES:</b>								
Sale of Capital and Intraigible Assets	-	34,567	-	5,592	-	-	-	40,159
Insurance Proceeds	-	50,300	-	-	-	-	-	50,300
Transfers In (Out) - Facility Fees for Capital Expenditure	-	(2,508,528)	(198,558)	2,508,528	198,558	-	-	-
Transfers In (Out) - Facility Fees for Debt Service	-	(329,848)	(1,635)	-	-	329,848	1,635	-
Transfers In (Out) - From (for) Other Sources	(325,644)	(521,945)	35,000	1,169,945	-	-	-	354,356
Net change in fund balance	442,800	3,333,484	432,287	(2,327,477)	(85,740)	(51,553)	(4,606)	1,739,195
Fund balance, July 1, as previously reported	2,522,786	10,645,469	1,413,091	2,327,477	85,740	51,553	4,606	17,050,722
Prior period adjustment	800,900	(645,000)	(35,000)	-	-	-	-	120,000
Fund balance, July 1, as adjusted	3,322,786	10,000,469	1,378,091	2,327,477	85,740	51,553	4,606	17,170,722
Fund balance, June 30	\$ 3,765,586	\$ 13,333,953	\$ 1,810,378	\$ -	\$ -	\$ -	\$ -	\$ 18,909,917

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  
FUND BALANCES FOR THE GOVERNMENTAL FUNDS  
TO THE GOVERNMENT WIDE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

Total Net Change in Fund Balance for Governmental Funds \$ 1,739,195

General Fund:

Taxes for periods through June 30, 2019 that were received after August 30, 2019.	(10,925)
Capital Assets acquired during the year and capitalized	121,257
Unallocated depreciation expense for the fiscal year	(261,088)

Community Services Fund:

Facility Fees for periods through June 30, 2019 that were received after August 30, 2019.	(35,697)
Capital Assets acquired during the year and capitalized	6,043,500
Depreciation expense for the fiscal year	(3,020,525)
Net book value of assets sold	(991)
Pump Track Capital Grants collected for prior year	(31,691)
Principal paid on long-term liabilities, including bonds payable	344,365
Interest accrued versus paid	2,583
Amortize Bond Discount for fiscal year	(1,640)
Miscellaneous revenue	(2)

Beach Fund:

Facility Fees for periods through June 30, 2019 that were received after August 30, 2019.	(5,789)
Capital Assets acquired during the year and capitalized	284,298
Depreciation expense for the fiscal year	(235,152)
Principal paid on long-term liabilities, including bonds payable	5,635
Interest accrued versus paid	42
Amortize Bond Discount for fiscal year	(27)

Internal Services Fund:

Total Change in Net Position of this fund, as it is reported as a governmental activity since a majority of the services are consumed by the governmental -type activities	<u>(475,641)</u>
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Change in Net Position of Governmental Activities	<u>\$ 4,461,707</u>
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The notes to the financial statements are an integral part of this statement.

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Ad valorem taxes	\$ 1,611,738	\$ 1,611,738	\$ 1,615,540	\$ 3,802
Personal Property Tax	12,000	12,000	17,871	5,871
Intergovernmental:				
Consolidated Tax	1,423,595	1,423,595	1,440,607	17,012
Local Government Tax Act	238,000	238,000	249,615	11,615
Investment earnings	138,600	138,600	327,815	189,215
Miscellaneous	3,600	3,600	2,002	(1,598)
Total revenues	<u>3,427,533</u>	<u>3,427,533</u>	<u>3,653,450</u>	<u>225,917</u>
<b>EXPENDITURES</b>				
<b>GENERAL GOVERNMENT:</b>				
Manager	418,809	418,809	418,829	(20)
Trustees	205,930	205,930	175,882	30,048
Accounting	903,274	903,274	884,240	19,034
Information Services	1,012,522	1,012,522	828,368	184,154
Risk Management	146,884	146,884	137,019	9,865
Human Resources	729,083	729,083	682,394	46,689
Health and Wellness	41,090	41,090	28,816	12,274
Communications	191,579	191,579	194,398	(2,819)
Administration	454,118	454,118	583,203	(129,085)
Central Services Cost Allocation Income	(1,169,400)	(1,169,400)	(1,169,400)	-
Capital Outlay	435,950	435,950	121,257	314,693
Total expenditures	<u>3,369,839</u>	<u>3,369,839</u>	<u>2,885,006</u>	<u>484,833</u>
Excess (deficiency) of revenues over expenditures	<u>57,694</u>	<u>57,694</u>	<u>768,444</u>	<u>710,750</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Contingency	(125,000)	(125,000)	-	125,000
Operating Transfers (Out)	-	-	(325,644)	(325,644)
Total other financing sources (uses)	<u>(125,000)</u>	<u>(125,000)</u>	<u>(325,644)</u>	<u>(200,644)</u>
Net changes in fund balance	<u>(67,306)</u>	<u>(67,306)</u>	<u>442,800</u>	<u>510,106</u>
Fund balance, July 1, as previously reported	2,432,349	2,432,349	2,522,786	90,437
Prior Period Adjustment	-	-	800,000	800,000
Fund balance, July 1, as adjusted	<u>2,432,349</u>	<u>2,432,349</u>	<u>3,322,786</u>	<u>890,437</u>
Fund balance, June 30	<u>\$ 2,365,043</u>	<u>\$ 2,365,043</u>	<u>\$ 3,765,586</u>	<u>\$ 1,400,543</u>

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
COMMUNITY SERVICES SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Charges for Services				
Championship Golf	\$ 3,992,444	\$ 3,992,444	\$ 3,902,689	\$ (89,755)
Mountain Golf	690,926	690,926	740,968	50,042
Facilities	406,900	406,900	392,246	(14,654)
Ski	8,915,000	11,715,000	11,778,871	63,871
Community Programming and Recreation Center	1,305,414	1,305,414	1,364,044	58,630
Parks	67,740	67,740	46,580	(21,160)
Tennis	159,700	159,700	153,435	(6,265)
Recreation Administration	(510,600)	(510,600)	(730,819)	(220,219)
Subtotal Charges for Services	15,027,524	17,827,524	17,648,014	(179,510)
Facility Fees - Operations	1,765,150	1,765,150	2,984,399	1,219,249
Facility Fees - Capital Projects	3,612,400	3,612,400	2,508,528	(1,103,872)
Facility Fees - Debt service	410,500	410,500	329,848	(80,652)
Intergovernmental Services	21,000	21,000	14,570	(6,430)
Interfund Services	77,920	77,920	86,060	8,140
Operating Grants	17,000	17,000	17,000	-
Investment income	30,000	30,000	199,322	169,322
Miscellaneous - other	106,480	106,480	112,777	6,297
Total revenues	21,067,974	23,867,974	23,900,518	32,544
<b>EXPENDITURES</b>				
<b>COMMUNITY SERVICES RECREATION:</b>				
Championship Golf	4,171,759	4,171,759	4,285,423	(113,664)
Mountain Golf	1,019,953	1,019,953	960,442	59,511
Facilities	547,202	547,202	482,527	64,675
Ski	7,353,714	7,783,714	7,830,948	(47,234)
Community Programming and Recreation Center	2,350,783	2,350,783	2,296,972	53,811
Parks	848,133	848,133	815,439	32,694
Tennis	263,670	263,670	253,544	10,126
Recreation Administration	375,000	375,000	363,285	11,715
Total expenditures	16,930,214	17,360,214	17,288,580	71,634
Excess (deficiency) of revenues over expenditures	4,137,760	6,507,760	6,611,938	104,178
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers In	241,875	241,875	645,000	403,125
Sale of assets	-	-	34,567	34,567
Insurance Proceeds	-	-	50,300	50,300
Contingency	(500,000)	(500,000)	-	500,000
Operating Transfers (Out) - Capital Projects	(6,070,675)	(6,070,675)	(3,678,473)	2,392,202
Operating Transfers (Out) - Debt Service	(410,500)	(410,500)	(329,848)	80,652
Total other financing sources (uses)	(6,739,300)	(6,739,300)	(3,278,454)	3,460,846
Net changes in fund balance	(2,601,540)	(231,540)	3,333,484	3,565,024
Fund Balance, July 1, as previously reported	11,515,351	10,645,469	10,645,469	-
Prior Period Adjustment	-	-	(645,000)	(645,000)
Fund Balance, July 1, as adjusted	11,515,351	10,645,469	10,000,469	(645,000)
Fund balance, June 30	\$ 8,913,811	\$ 10,413,929	\$ 13,333,953	\$ 2,920,024

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
 BEACH SPECIAL REVENUE FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2019**

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	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Charges for Services				
Beach	\$ 1,338,500	\$ 1,338,500	\$ 1,492,687	\$ 154,187
Facility Fees - Operations	659,260	659,260	774,928	115,668
Facility Fees - Capital Projects	302,484	302,484	198,558	(103,926)
Facility Fees - Debt service	7,756	7,756	1,635	(6,121)
Investment earnings	13,500	13,500	36,188	22,688
Total revenues	<u>2,321,500</u>	<u>2,321,500</u>	<u>2,503,996</u>	<u>182,496</u>
<b>EXPENDITURES</b>				
<b>BEACH RECREATION:</b>				
Beach	<u>1,922,976</u>	<u>1,922,976</u>	<u>1,906,516</u>	<u>16,460</u>
Excess (deficiency) of revenues over expenditures	<u>398,524</u>	<u>398,524</u>	<u>597,480</u>	<u>198,956</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Contingency	(50,000)	(50,000)	-	50,000
Operatign Transfers In	13,125	13,125	35,000	21,875
Operating Transfers (Out) - Capital Projects	(306,328)	(306,328)	(198,558)	107,770
Operating Transfers (Out) - Debt Service	(7,756)	(7,756)	(1,635)	6,121
Total other financing sources (uses)	<u>(350,959)</u>	<u>(350,959)</u>	<u>(165,193)</u>	<u>185,766</u>
Net changes in fund balance	<u>47,565</u>	<u>47,565</u>	<u>432,287</u>	<u>384,722</u>
Fund Balance, July 1, as previously reported	1,444,497	1,444,497	1,413,091	(31,406)
Prior Period Adjustment	-	-	(35,000)	(35,000)
Fund Balance, July 1, as adjusted	<u>1,444,497</u>	<u>1,444,497</u>	<u>1,378,091</u>	<u>(66,406)</u>
Fund balance, June 30	<u>\$ 1,492,062</u>	<u>\$ 1,492,062</u>	<u>\$ 1,810,378</u>	<u>\$ 318,316</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, 2019**

	<b>Business - type Activities Enterprise Utility Fund</b>	<b>Governmental Activities Internal Services Fund</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 4,366,202	\$ 435,837
Short term investments	2,248,044	-
Accounts receivable	1,204,623	-
Interest receivable	32,109	-
Grants receivable	12,881	-
Inventories	154,393	102,034
Prepaid expenses	188,880	13,907
Total current assets	8,207,132	551,778
Non-current assets:		
Investments - long-term	5,526,854	-
Contractual deposits	100	-
Restricted deposit for debt service reserve	224,761	-
Restricted for TRPA Deposits	91,750	-
	5,843,465	-
Capital Assets		
Land	6,715,544	-
Construction in progress	1,418,052	-
Buildings and structures	15,503,863	-
Improvements and Infrastructure	113,807,857	-
Equipment and vehicles	3,696,213	253,869
Total capital assets	141,141,529	253,869
Less: accumulated depreciation	(71,983,245)	(176,961)
Total capital assets (net)	69,158,284	76,908
Total non-current assets	75,001,749	76,908
Total assets	83,208,881	628,686
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	736,835	58,368
Accrued personnel costs	344,526	253,373
Accrued interest payable	61,387	-
Unearned revenue	148,929	-
Current maturities of long-term debt	523,988	-
Total current liabilities	1,815,665	311,741
Non-current liabilities:		
Non-current long term debt	4,084,938	-
Total liabilities	5,900,603	311,741
<b>NET POSITION</b>		
Net investment in capital assets	64,549,358	76,908
Restricted Deposits by Third Party Agreement	316,611	-
Unrestricted	12,442,309	240,037
Total net position	\$ 77,308,278	\$ 316,945

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, 2019**

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	<b>Business - type Activities Enterprise Utility Fund</b>	<b>Governmental Activities Internal Services Fund</b>
<b>OPERATING REVENUES</b>		
Sales and fees	\$ 12,673,889	\$ -
Operating grants	1,440	-
Interfund services	111,853	3,304,862
Total operating revenues	12,787,182	3,304,862
<b>OPERATING EXPENSES</b>		
Wages and benefits	3,951,364	1,899,914
Cost of goods sold	4,624	-
Services and supplies	1,796,401	871,784
Defensible Space	100,000	-
Central Services Cost	308,600	-
Insurance	172,276	511,410
Utilities	862,768	10,838
Professional fees	78,295	-
Depreciation	3,153,809	12,561
Total operating expenses	10,428,137	3,306,507
Operating income	2,359,045	(1,645)
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Investment earnings	282,484	360
Gain (loss) on sales of assets	15,066	-
Interest on bond debt	(126,351)	-
Total nonoperating revenues (expenses)	171,199	360
Income before transfers and contributions	2,530,244	(1,285)
Transfer In (Out)	120,000	(474,356)
Changes in net position	2,650,244	(475,641)
Total net position, July 1, as previously reported	74,778,034	792,586
Prior period adjustment	(120,000)	-
Total net position, July 1, as adjusted	74,658,034	792,586
Total net position, June 30	\$ 77,308,278	\$ 316,945

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, 2019**

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	<b>Business - type Activities Enterprise Utility Fund</b>	<b>Governmental Activities Internal Services Fund</b>
	<u>                    </u>	<u>                    </u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers and users	\$ 12,264,273	\$ -
Receipts from interfund services provided	111,853	3,304,862
Receipts from operating grants	1,440	-
Payments to suppliers	(3,463,230)	(1,526,271)
Payments to employees	(3,930,319)	(1,790,450)
Net cash provided (used) by operating activities	<u>4,984,017</u>	<u>(11,859)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Transfer (to) from other funds	-	(474,356)
Net cash provided (used) by non-capital financing activities	<u>-</u>	<u>(474,356)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition of capital assets	(2,816,092)	-
Proceeds (costs) from sale of assets	15,066	-
Payments on capital debt	(509,678)	-
Capital contributions	114,787	-
Interest expense	(133,456)	-
Net cash provided (used) by capital and related financing activities	<u>(3,329,373)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Restricted investments released (increased)	(7,267)	103,880
Investments purchased	(4,500,000)	-
Long-term investments matured	255,939	-
Investment earnings	198,470	360
Net cash provided (used) by investing activities	<u>(4,052,858)</u>	<u>104,240</u>
Net change in cash and cash equivalents	(2,398,214)	(381,975)
Cash and cash equivalents, July 1	<u>6,764,416</u>	<u>817,812</u>
Cash, cash equivalents and investments, June 30	<u>\$ 4,366,202</u>	<u>\$ 435,837</u>

(Continued)

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2019**

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	Business - type Activities Enterprise Utility Fund	Governmental Activities Internal Services Fund
	<u>                    </u>	<u>                    </u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	\$ 2,359,045	\$ (1,645)
Non-cash adjustments -		
Depreciation	3,153,809	12,561
Increase (decrease) in cash from changes in:		
Accounts receivable	(15,027)	-
Inventory	1,589	(12,636)
Prepaid expenses	(17,417)	(4,376)
Accounts payable	(124,438)	(115,227)
Accrued personnel costs	21,045	109,464
Unearned revenue and customer deposits	(394,589)	-
Total adjustments	<u>2,624,972</u>	<u>(10,214)</u>
Net cash provided (used) by operating activities	<u>\$ 4,984,017</u>	<u>\$ (11,859)</u>

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

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

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## INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

### NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### A. Reporting Entity

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

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

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

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

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

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

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the close of the fiscal period. Expenditures are generally recorded when the liability is incurred as 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 fund activities. Another internal service provides Workmen's Compensation benefits to all funds. Each activity pays premiums based on its payroll to provide resources for the coverage. The actual benefit is provided by purchasing a fully insured program from the Nevada Public Compensation Trust. 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 (all considered Major):

***Governmental Funds -***

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

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

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

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

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

***Proprietary Funds -***

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

***Internal Service Funds*** – The Internal Service Fund accounts for the financing of goods or services provided by one department to other departments of the District. The District provides Fleet, Engineering, and Buildings Maintenance which includes repair and maintenance of the District's vehicles and equipment, engineering services, and buildings maintenance. The District has Worker's Compensation that provides a combination of resources for prior claims and purchases current coverage for benefits. The Fleet, Engineering and Buildings Maintenance Departments also collectively provide planning, inspection, construction and maintenance for the District's structures and equipment. The Worker's Compensation Department provides District-wide worker's current period compensation coverage of benefits through a government risk pool.

**E. Compliance with Nevada Revised Statutes and Nevada Administrative Code**

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, 2018, 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 23, 2018, at a public hearing, the Board adopted a final budget. On or before June 1, 2018 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. The District did augment its budget for the 2018-19 fiscal year.
3. The legal level of budgetary control is at the fund level. Appropriations are adopted at the function level. Management has no amendment authority without the District's Board approval. Generally the expenses in the proprietary funds also may not exceed appropriations. Management is free to change the operating budgets of the proprietary funds but in practice rarely does so. Statutes do not require that enterprise fund capital outlay, debt service payments and other non-operating cash transactions, normally reflected in the balance sheet of the proprietary funds, to be limited by the budget.
4. The District also presents select cash flow information in order to reflect all resources being used to provide for capital outlay, debt service payments and other transactions particularly in proprietary funds. This supplemental disclosure allows the District to identify the extent of current year items that are being paid from previously funded resources. The presentation includes items according to character and object. It also provides the Nevada Department of Taxation with requested information that compares to amounts reported on their budget forms.

The District conformed to all significant statutory constraints on its financial administration.

## **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 benefitted fund, internal balances for Due from or to Other Funds are established. These are cleared monthly through pooled cash. The combined pooled balances are monitored to assure no fund makes temporary loans to another, within the context of Nevada Revised Statute 354.6118.

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

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

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

Funds on deposit with LGIP are considered cash and cash equivalents. Even though the weighted average maturity of the underlying investments in the LGIP are greater than 90 days, the District can liquidate its deposits within a few days. The District has reported these deposits as 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 in the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 are significant unobservable inputs.

The District has the following recurring fair value measurements as of June 30, 2019:

U. S. Agencies securities are valued at quoted market prices (Level 1 inputs)

Certificates of Deposits valued at quoted market prices (Level 1 inputs)

## **G. Receivables**

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.



Accounts receivable reflects service charges to customers and resident for deposits or fees that are earned, but not collected. An allowance for doubtful accounts is considered and at present, the allowance totals \$2,283. The District may file a tax lien for uncollected utility service fees.

The District has been granted resources to finance the construction of various utility infrastructures, restoration of a creek zone and to upgrade a ballfield. These funds are earned when requisite construction costs are incurred. The District has recognized funds earned but not collected by a Grants Receivable. 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.

The District 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.

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

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

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, debt service and providing workers compensation benefits. These agencies establish the restriction by regulation or agreement.

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

Capital assets include land, buildings, machinery and equipment, or water rights which are reported in the applicable governmental or business-type activities column in the government-wide financial statements. If purchased or constructed, all capital assets are recorded at historical cost. Donated capital assets are valued at acquisition value as of the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Depreciation of all exhaustible capital assets (all categories except land and construction in progress) is charged as an expense against each fund's operation. The District's policy is to capitalize assets with a normal useful life of three or more years. The District holds 4,272 Acre Feet of Water Rights. This represents about 1,405,000,000 gallons. The District's historical records cannot separately identify the cost of water rights from land.

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

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

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 since the fiscal year falls in the middle of the active acquisitions season. It is the nature of major projects to span multiple fiscal periods. The District accumulates costs through a series of pre-design, design and acquisition stages.

Interest is capitalized for assets used in business-type activities funded by debt.

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

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

With its location within the Lake Tahoe Basin, Defensible Space is an important function for the District. This is generally accomplished through contracts with the North Lake Tahoe Fire Protection District which serves essentially the same geographic area as the District. Defensible Space expenditures range from clearing the understory to major tree removal and fuels reduction. The goal of the program is to create a "halo" around the community restricting the movement of wildfire in or out of the community. The substance of those efforts removes vegetation and other fuels as they accumulate. The degree of work in any given area rotates over time based on conditions as assessed by the Fire District. Much of the funding for the effort comes from other governments on a Federal, State and local level. The IVGID contribution is focused on treatment of District owned parcels. The District budgets to provide resources for its share of contracted expenditures. The work provides an ongoing benefit, but the District expenses all costs as incurred.

**K. Amortization of Bond Discounts and Premiums**

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

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

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

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

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

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

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

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

#### **N. Unearned Revenue and Refundable Deposits**

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

The District's Community Services Fund recognizes unearned revenue to the extent it has issued user passes, gift or payment cards that can be applied to future purchases. There also are advance deposits made to reserve dates for facility rentals or program registrations. User passes expire with each 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 contract with external parties, "committed" which arise from 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 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.

An assigned fund balance can be specified by the District's General Manager.

The District's Board of Trustees has adopted a policy and practice statement on the Appropriate Level of Fund Balance.

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

## **Q. Net Position**

In the Proprietary fund and the government-wide financial statements, net position is presented in one of three classifications. Net investment in capital assets, restricted and the residual unrestricted. The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by outstanding balances on bonds that are attributable to the acquisition, construction or improvement of those assets. The restricted component of net position consists of restricted assets reduced by liabilities related to those assets. 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 plan which considers wages, benefits, full time equivalents and certain services and supplies as a basis for determining charges. The charges are based on budgeted expenses. The revenue generated by the allocation is recorded as a separate line item from the expense category.

## **T. Punch Cards Utilized**

Under District Ordinance 7, parcel owners may use a portion of the value of their recreation passes to pay down the difference between a regular rate and the resident rate for certain types of recreational fees. These forms of payment are presented as contra revenue in the Fund statements. Utilization is recognized based on the relationship of privileges used to total facility fee paid by the parcel. Under the 2018-2019 fee structure, this is 85% to Community Services Special Revenue Fund and 15% to the Beach Special Revenue Fund.

## **U. Implementation of GASB Statement No. 88**

As of July 1, 2018, the District adopted GASB Statement No. 88, Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements. The implementation of this standard is to improve the information that is disclosed in the notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The additional disclosures required by this standard are included in Note 8.

# **DETAILED NOTES ON ALL ACTIVITIES AND FUNDS**

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

At year-end, the carrying amount of the District's checking deposits was \$2,913,075 while the bank balance was \$2,850,508. Of the bank balance, \$250,000 was covered by Federal Depository Insurance Coverage and the balance was covered by pledged collateral under an arrangement with the State of Nevada on behalf of all local units of government.

Cash and Cash Equivalents at June 30, 2019 consist of:

Operating Checking Accounts	\$2,198,036
Petty cash and change funds	72,255
Nevada Local Government Investment Pool (average weighted maturity of 116 days)	
General LGIP Account	8,146,152
Utility LGIP Account	3,014,539
US Government Money Market	<u>1,150,862</u>
Total Cash and Cash Equivalents	<u>\$14,581,844</u>

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

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

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

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

Fair Value Measurements as of June 30, 2019:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Certificates of Deposit	\$ 14,053,485	\$ -	\$14,053,485
US Agencies	5,740,093	-	<u>5,740,093</u>
Interest Bearing Amounts - Investments			19,793,578
LGIP at Net Asset Value (Cash Equivalent)			11,160,691
LGIP Restricted Deposits at Net Asset Value			<u>447,429</u>
Total Fair Value Measurements			<u>\$31,401,698</u>

Investment Maturities by Investment Type as of June 30, 2019:

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>Total</u>
Certificates of Deposit	\$2,499,777	\$7,779,883	\$3,773,825	\$14,053,485
US Agencies	<u>5,490,135</u>	-	249,958	<u>5,740,093</u>
Subtotal interest bearing	<u>7,989,912</u>			19,793,578
LGIP as a Cash Equivalent				11,160,691
LGIP - Restricted Deposits				<u>447,429</u>
All Investment Types				<u>\$ 31,401,698</u>

Investment Maturities by Activity as of June 30, 2019:

	Governmental Activities	Business- Type Activities	Total
Short term	\$ 5,741,868	\$ 2,248,044	\$ 7,989,912
Long term	6,276,812	5,526,854	11,803,666
LGIP as a Cash Equivalent	8,146,152	3,014,539	11,160,691
LGIP - Restricted Deposit	<u>130,918</u>	<u>316,511</u>	<u>447,429</u>
Total Investment Activity Type	<u>\$ 20,295,750</u>	<u>\$11,105,948</u>	<u>\$31,401,698</u>

Interest Rate Risk - To the extent possible, the maturities of securities held within District portfolios shall be closely matched to the District's cash flow requirements for day to day operations, planned capital projects and unknown future contingencies.

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

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

Concentration Credit Risk – The District Investment Policy calls for diversification without setting maximum allocations. The District invests in Federal government-sponsored enterprises (GSE) for safety and to meet statutory requirements. All of these agencies have been rated Aaa by Moody's. The District's GSE holdings are approximately 29% of total investments. Individual CD's are held with a number of banks at or under the FDIC insured limited calculated by those institutions. LGIP is an unrated external investment pool administered by the State Treasurer, with oversight by the State of Nevada Board of Finance.

### 3. RESTRICTED ASSETS

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

On September 13, 2017 the District's Board of Trustees approved a settlement agreement relative to ongoing litigation with a member of the public. Under this agreement, damages awarded by the Washoe County District Court are held in a segregated account in the District's name until the Nevada Supreme Court Appeal is completed. The amount of the deposit was \$241,646 and now stands at \$242,584.

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 \$224,761. 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, interest earned is in the account at the District's discretion. The TRPA Project Reserve is in the LGIP Account totaling \$222,668.

Deposit with State of Nevada for Sales Tax	\$ 6,075
Building Deposit held by Parasol Tahoe Foundation	100
Litigation Damage Deposit held by the District	242,584
LGIP Restricted Deposits (SRF & TRPA)	<u>447,429</u>
Total Temporarily Restricted Deposits	<u>\$ 696,188</u>

#### 4. CAPITAL ASSETS

Capital Asset activity for the year ended June 30, 2019:	Balance		Balance	
	July 1, 2018	Increases	Decreases	June 30, 2019
<b>Governmental Activities:</b>				
Capital assets, not being depreciated				
Land - General Government	\$ 2,669,904	\$ -	\$ -	\$ 2,669,904
Land - Community Services	11,996,999	-	-	11,996,999
Land - Beach	2,304,850	-	-	2,304,850
Subtotal Land	16,971,753	-	-	16,971,753
Construction in Progress - General Government	19,591	121,257	(122,848)	18,000
Construction in Progress - Community Services	2,504,320	6,043,500	(6,769,629)	1,778,191
Construction in Progress - Beach	231,418	284,299	(154,805)	360,912
Subtotal Construction in Progress	2,755,329	6,449,056	(7,047,282)	2,157,103
Total capital assets, not being depreciated	19,727,082	6,449,056	(7,047,282)	19,128,856
Capital assets, being depreciated				
Buildings and Structures - General Government	846,899	66,563	-	913,462
Buildings and Structures - Community Services	29,780,305	442,324	(205,308)	30,017,321
Buildings and Structures - Beach	2,687,860	11,700	-	2,699,560
Venue Improvements - Community Services	29,104,086	5,695,259	(121,165)	34,678,180
Venue Improvements - Beach	2,173,838	84,508	-	2,258,346
Equipment and Vehicles - General Government	1,591,187	56,285	-	1,647,472
Equipment and Vehicles - Community Services	11,613,546	632,046	(302,894)	11,942,698
Equipment and Vehicles - Beach	510,786	58,597	-	569,383
Equipment and Vehicles - Internal Services	263,912	-	(10,043)	253,869
Total capital assets, being depreciated	78,572,419	7,047,282	(639,410)	84,980,291
Less accumulated depreciation for:				
Buildings and Structures - General Government	(791,701)	(16,325)	-	(808,026)
Buildings and Structures - Community Services	(13,829,130)	(911,330)	205,309	(14,535,151)
Buildings and Structures - Beach	(1,506,576)	(94,103)	-	(1,600,679)
Venue Improvements - Community Services	(18,921,568)	(967,240)	121,165	(19,767,643)
Venue Improvements - Beach	(1,352,314)	(98,938)	-	(1,451,252)
Equipment and Vehicles - General Government	(975,967)	(244,763)	-	(1,220,730)
Equipment and Vehicles - Community Services	(5,773,117)	(1,141,955)	301,902	(6,613,170)
Equipment and Vehicles - Beach	(253,649)	(42,111)	-	(295,760)
Equipment and Vehicles - Internal Services	(174,443)	(12,561)	10,043	(176,961)
Total accumulated depreciation	(43,578,465)	(3,529,326)	638,419	(46,469,372)
Total capital assets being depreciated, net	34,993,954	3,517,956	(991)	38,510,919
<b>Governmental Activities Capital Assets, net</b>	<b>\$ 54,721,036</b>	<b>\$ 9,967,012</b>	<b>\$ (7,048,273)</b>	<b>\$ 57,639,775</b>

Continued Capital Asset activity for the year ended June 30, 2019:	Balance			Balance
	July 1, 2018	Increases	Decreases	June 30, 2019
<b>Business-Type Activities</b>				
Utility Capital assets not being depreciated				
Land	\$ 6,715,544	\$ -	\$ -	\$ 6,715,544
Construction in Progress	4,151,041	2,816,092	(5,549,081)	1,418,052
Total utility capital assets, not being depreciated	10,866,585	2,816,092	(5,549,081)	8,133,596
Utility Capital assets, being depreciated				
Buildings and structures	15,166,010	337,853	-	15,503,863
Service infrastructure	108,626,081	5,181,776	-	113,807,857
Equipment and vehicles	3,721,984	29,452	(55,223)	3,696,213
Total utility capital assets at historical cost	127,514,075	5,549,081	(55,223)	133,007,933
Less accumulated depreciation for:				
Buildings and structures	(7,311,064)	(377,074)	-	(7,688,138)
Service infrastructure	(59,070,007)	(2,567,148)	-	(61,637,155)
Equipment and vehicles	(2,503,588)	(209,587)	55,223	(2,657,952)
Total accumulated depreciation	(68,884,659)	(3,153,809)	55,223	(71,983,245)
Total utility capital assets being depreciated, net	58,629,416	2,395,272	-	61,024,688
<b>Business-Type Activities Capital Assets, net</b>	<b>\$ 69,496,001</b>	<b>\$ 5,211,364</b>	<b>\$ (5,549,081)</b>	<b>\$ 69,158,284</b>

The District has a number of Construction in Progress projects open as of June 30, 2019. Community Services includes \$223,333 for the Diamond Peak Master Plan and \$261,502 for the Community Services Master Plan. Beach includes \$210,632 for the Incline Beach Facility Study. The Utility Fund includes \$662,507 for the design phase of the Effluent Export Line that project will be ongoing through at least 2023. The District's primary building season is limited to May to October because of regulations from the Tahoe Regional Planning Agency. Most equipment purchases follow the budget and fiscal year cycle.

Depreciation expenses for the year ended June 30, 2019 was charged to functions as follows:

Governmental Activities:	
General Government	\$ 261,088
Recreation	3,020,525
Beach	235,152
Internal Services	12,561
Total Depreciation Expense	<u>\$ 3,529,326</u>

Business-Type Activities:	
Utility Fund Water and Sewer	<u>\$ 3,153,809</u>

The District holds a substantial number of land parcels for recreation and public purposes. Approximately 80 parcels were acquired at no cost through a Washoe County tax forfeiture transfer. These lands are not held for the purpose of income or profit, and therefore are not considered an investment.



## 5. ACCRUED PERSONNEL COSTS

The General Fund processes and issues payments for all payroll and most related personnel and benefit costs for all funds of the District. At the time the expenses are incurred, each fund records its appropriate costs. As payments are made, the individual funds provide their share through the pooled cash. This process provides the General Fund with the necessary available financial resources to meet the District wide obligations. Generally, no regular payroll or personnel accruals are recorded to the individual funds. Accruals for special payments, Health Reimbursement Accounts, Sick Leave at Retirement, Workers Compensation and Vacation can appear in individual funds, because they are recognized well in advance of the payment process. The General Fund also maintains any banks accounts specific for payment of benefits except for those accumulated for Workers Compensation claims under the Internal Service Fund.

As a regular course of operations, the payroll including June 30 was paid July 19. The employee benefits earned through June 30 are also funded in the following month. At any given point the District has an obligation to its employees for the value of vacation time earned and not taken. The obligation is measured by the value due as if the employee terminated. The District allows retiring employees with an excess of 20 years of service, and that have accrued sick leave, to have it converted to Medical Retiree Benefit for reimbursing post employment health related costs. There are 11 eligible employees covered. The District has no other post-employment benefit obligations for health insurance or retirement benefits.

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

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

### Accrued Personnel Costs as of June 30, 2019:

Current Payroll Liabilities:	<u>Governmental</u>	<u>Business-type</u>	<u>Total</u>
Accrued Payroll	\$ 660,717	\$ -	\$ 660,717
Taxes Withheld	49,935	-	49,935
Accrued Benefits	36,889	-	36,889
Deferred Comp	13,240	-	13,240
Retirement Plan	42,510	-	42,510
Health Reimbursement Accounts	131,190	-	131,190
Sick Leave Retirement Benefit	138,096	156,886	294,982
Workers Comp unpaid assessments	179,382	-	179,382
Accrued Vacation	<u>405,815</u>	<u>187,640</u>	<u>593,455</u>
Total Government-wide	<u>\$1,657,774</u>	<u>\$ 344,526</u>	<u>\$2,002,300</u>

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

	<u>Balance</u> <u>June 30, 2018</u>	<u>Provisions</u> <u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>June 30, 2019</u>
Select Benefit Liabilities				
Health Reimbursement Accts.	\$ 163,683	\$ 51,748	\$ 84,241	\$ 131,190
Sick Leave Retirement Benefit	287,340	37,900	30,258	294,982
Work Comp unpaid losses	57,575	-	57,575	-
Accrued Vacation	546,961	644,985	598,491	593,455

## 6. UNEARNED REVENUE

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

	<u>General</u>	<u>Community Services Special Rev.</u>	<u>Beach Special Rev.</u>	<u>Utility</u>	<u>Total</u>
Billed in advance	\$ 45	\$ 534,358	\$119,323	\$148,929	\$ 802,655
Unexpired season passes	-	1,141,971	-	-	1,141,971
External Gift Cards	-	138,315	-	-	138,315
Internal Gift Cards	-	73,259	-	-	73,259
<b>Total</b>	<u>\$ 45</u>	<u>\$1,887,903</u>	<u>\$119,323</u>	<u>\$148,929</u>	<u>\$2,156,200</u>

## 7. INTERFUND ACCOUNTS AND TRANSFERS

The outstanding balances between funds results mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. The balances settle monthly through pooled cash and therefore there are no open balances as of June 30, 2019.

Transfers for Capital Projects and Debt Service are (1) movement of revenues from the fund that by statute or budget authority collects the revenue to provide resources for specified functions and transaction types to the fund that will expend them.

Transfers from Internal Services move unique resources to finance various operations in accordance with budgetary authorizations in relation to discontinuing self-insurance. Transfers from the General Fund were to return self-insurance resources to the operating funds after first transferred to the General Fund in the prior year, as required by Nevada Revised Statute. The same Statute does not allow the General Fund to redistribute the resources in the same fiscal year as received. Of the \$474,356 received in the current fiscal year, \$300,000 will be similarly redistributed in the subsequent fiscal year.

Gross Transfers reported on the financial statements as of June 30, 2019 are as follows:

Fund Transfer Out:	Fund Transfer In:								Total Out
	General Fund	Community Services Special Revenue	Community Services Capital Projects	Community Services Debt Service	Beach Special Revenue	Beach Capital Projects	Beach Debt Service	Utility Fund	
Internal Services Fund	\$ 474,356	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 474,356
General Fund	-	645,000	-	-	35,000	-	-	120,000	\$ 800,000
Community Services Special Revenue	-	-	3,678,473	329,848	-	-	-	-	\$4,008,321
Beach Special Revenue	-	-	-	-	-	198,558	1,635	-	\$ 200,193
<b>Total In</b>	<u>\$ 474,356</u>	<u>\$ 645,000</u>	<u>\$3,678,473</u>	<u>\$ 329,848</u>	<u>\$ 35,000</u>	<u>\$ 198,558</u>	<u>\$ 1,635</u>	<u>\$ 120,000</u>	<u>\$5,482,870</u>

## 8. LONG-TERM DEBT

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

### Outstanding Long-Term Debt as of June 30, 2019:

<u>Issue</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount Issued</u>	<u>Principal Outstanding</u>	<u>Current Portion</u>
<b>Governmental Activities:</b>						
General Obligation Revenue Bonds Recreation						
Recreation Facilities and Recreation						
Refunding 2012	07/18/12	09/01/22	2.25%	3,475,000	\$1,498,000	\$361,000
<b>Total Recreation Revenue Supported Debt</b>					<b>\$1,498,000</b>	<b>\$361,000</b>
<b>Business Type Activities Direct Borrowings and Direct Placements:</b>						
<b>Utility</b>						
State of Nevada:						
Sewer C32-0204	10/28/02	01/01/23	3.144%	\$1,720,380	\$ 479,758	\$ 114,388
Water IVGID-1	09/09/04	07/01/25	3.082%	1,687,282	664,807	93,876
Sewer CS32-0404 (G.O.)	08/01/06	01/01/26	2.73%	3,000,000	1,314,494	172,886
Water DW-1201 (G.O.)	03/16/12	01/01/32	2.39%	3,000,000	<u>2,149,867</u>	<u>142,838</u>
<b>Total Utility Revenue Supported Debt</b>					<b>\$4,608,926</b>	<b>\$ 523,988</b>
<b>Total Debt – All Activities</b>					<b>\$6,106,926</b>	<b>\$884,988</b>

### Long-Term Debt changes for the year:

	<u>Beginning Balance</u>	<u>New Issues</u>	<u>Principal Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>By Activity Type:</b>					
<b>Governmental:</b>					
2012 Recreation	\$1,848,000	\$ -	\$350,000	\$1,498,000	\$361,000
<b>Business Type Direct Borrowings and Direct Placements:</b>					
Sewer C32-0204	590,633	-	110,875	479,758	114,388
Water IVGID-1	755,855	-	91,048	664,807	93,876
Sewer CS32-0404	1,482,764	-	168,270	1,314,494	172,886
Water DW-1201	<u>2,289,352</u>	-	<u>139,485</u>	<u>2,149,867</u>	<u>142,838</u>
Business Type Total	<u>5,118,604</u>	-	<u>509,678</u>	<u>4,608,926</u>	<u>523,988</u>
<b>Total Debt</b>	<b>\$6,966,604</b>	<b>\$ -</b>	<b>\$859,678</b>	<b>\$6,106,926</b>	<b>\$884,988</b>
<b>By Bond Type:</b>					
General Obligation Revenue	\$5,620,116	\$ -	\$657,755	\$4,962,361	\$676,724
	<u>1,346,488</u>	-	<u>201,923</u>	<u>1,144,565</u>	<u>208,264</u>
<b>Total Debt</b>	<b>6,966,604</b>	<b>-</b>	<b>859,678</b>	<b>6,106,926</b>	<b>\$884,988</b>
Bond discounts	(6,983)	-	(1,666)	(5,317)	
Long-term Debt, net	<u>\$6,959,621</u>	<u>\$ -</u>	<u>\$858,012</u>	<u>\$6,101,609</u>	

**Future Debt Service Requirements as of June 30, 2019:**

Fiscal Year	Debt Supported by		Debt Supported by	
	<u>Utility Revenue</u>		<u>Recreation Revenue</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
<u>Ending June 30</u>				
2020	\$ 523,988	\$ 119,145	\$ 361,000	\$ 29,643
2021	538,707	104,428	368,000	21,442
2022	553,841	89,291	378,000	13,050
2023	569,405	73,728	391,000	4,399
2024	455,827	58,730	-	-
2025 to 2029	1,410,553	141,852	-	-
2030 to 2032	<u>556,605</u>	<u>23,510</u>	<u>-</u>	<u>-</u>
Total	<u>\$4,608,926</u>	<u>\$ 610,686</u>	<u>\$ 1,498,000</u>	<u>\$ 68,534</u>

At June 30, 2019, principal and interest to maturity paid from pledged future Utility Revenues totals \$5,219,612 and \$1,566,534 paid from pledged Recreation Revenues. For the year ended June 30, 2019, the net pledged revenue was \$2,359,045 for Utility Debt and \$3,953,742 for Recreation Debt.

**9. DEFERRED INFLOW OF RESOURCES**

The District is holding a deposit of \$242,584 for a damage award as part of ongoing litigation relating to matters asserted by a member of the public. The litigation is under appeal with the Nevada Supreme Court. If the District prevails, the award will become revenue to the General Fund. If the member of the public prevails, the deposit will be refunded under terms of a settlement agreement approved September 13, 2017.

The District has been awarded FEMA/Nevada Department of Emergency Management grants for 2017 damage to the Diamond Peak Maintenance Building for \$38,643 and a portion of the culvert for \$331,019. Review of the final costs and determination of payment is ongoing. They will settle after August 31, 2019. These amounts are deferred at the fund level.

**10. CAPITAL GRANTS**

The District was awarded FEMA/Nevada Department of Emergency Management Grants for 2017 damages to facilities and infrastructure. Final review and payment is ongoing.

Community Services was awarded a capital grant for \$225,000 for the Pump Track based on costs incurred, and received \$153,778 in 2018. Another \$31,691 was billed for costs incurred by June 30, 2018. This was received later in the next fiscal year and has been recognized at the Fund Level in 2019. Community Services received a combination State of NV Agency Grants for costs of a creek restoration project. The project will occur in fiscal year 2019-2020. Community Services was awarded a capital grant of \$1,409,201 for costs incurred to renovated portions of the Incline Park ballfields. Contracts were awarded for \$1,298,341, but the work did not commence until July 8.

**11. DEFERRED COMPENSATION PLAN**

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

**12. DISTRICT RETIREMENT BENEFIT PLANS**

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

The District's Money Purchase Pension (Section 401(a) Plan is a defined contribution plan). The plan is administered by third party administrators. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate after six months of service. The District's provides a non-elective contribution of 12.3% of the employee's earnings. The District's contributions for each employee are fully vested after four years of service. District contributions for, and interest forfeited by employees who leave employment before fully vesting, are used to reduce the District's current-period contribution requirement. Employees are not allowed to contribute directly into this plan.

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

The District's Deferred Compensation (Section 457) Plan is a defined contribution plan. The plan is administered by third party administrators. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate immediately after the first day of a month of employment. Employee contributions are subject to Internal Revenue Service regulations for Section 457 plans. The District provides a matching contribution up to 4%. 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:

	401(a) Money Purchase	Operating Engineers	Employer Section 457	Employee Section 457
<u>FYE June 30</u>				
2019	\$985,920	\$ 39,200	\$301,368	\$527,739

### 13. SCHEDULE OF INSURANCE COVERAGE AND RISK MANAGEMENT

Insurance Coverage on June 30, 2019 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	2,000,000
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.

#### Workers Compensation Coverage

From 1992 to July 1, 2013 the District was self-insured for Worker's Compensation coverage. Effective July 1, 2018 the District executed a Loss Portfolio Transfer and Assumption Agreement with Public Agency Compensation Trust, which removes all liability in exchange for a one-time assessment. As of July 1, 2013 the District utilizes the Nevada Public Agency Compensation Trust to provide work comp coverage for all employees.

For 2018-2019 Worker Compensation (an element of the Internal Service Fund) accounts for and finances its risks of loss for Workers Compensation benefits. Through the Internal Service Fund, the District collects charges based on compensation, and then pays pooling assessments to the Nevada Public Agency Compensation Trust (NVPACT). All funds of the District participate in the program and made payments

based on actuarial estimates provided by NVPACT for the amounts needed to pay claims as member of the risk sharing pool. For fiscal year ended June 30, 2019, the Internal Services Fund billed other District funds a total of \$504,519 and made member assessment payments for coverage of \$458,321. Member assessment payments are audited on the calendar year and paid the following July. Since the District will no longer be liable for costs for claims incurred prior to July 1, 2013, the use of the internal services fund ceased June 30, 2019. All future coverage is a purchased service.

Reconciliation of Workers Comp claims liability as of June 30, 2019, for claims incurred prior to July 1, 2013.

	Beginning Claims <u>Liability</u>	Claims <u>Made</u>	Claims <u>Payments</u>	General <u>Provision</u>	Ending Claims <u>Liability</u>
June 30, 2019	\$ 57,300	\$ -	\$ 57,300	\$ -	\$ -
June 30, 2018	\$156,000	\$ -	\$ -	\$ (98,700)	\$ 57,300
June 30, 2017	\$156,000	\$ -	\$ -	\$ -	\$156,000

#### 14. CONTINGENCIES

The District participates in various federal programs, which are subject to program compliance audits pursuant to the Single Audit Act as amended. Accordingly, the District's compliance with applicable grant requirements will be established at a future date.

Washoe County is currently the defendant in various lawsuits with property owners disputing the County Assessor's valuation methods used for property within the Lake Tahoe Basin. The County intends to vigorously defend the Assessor's valuations; however, the outcome of these lawsuits is not presently determinable. An adverse ruling could result in a rollback of property values and subsequent rebates to property owners. Similar cases have resulted in the County charging a portion of the rebates against the District's tax settlements in 2012 through 2014. The impact of the current claims, on the District's financial condition, cannot be reasonably estimated.

#### 15. ASSIGNED FUND BALANCE

As of July 1, 2015, the Board of Trustees established Special Revenue, Capital Project and Debt Service funds for District Community Services and Beach activities. Based on governmental accounting standards the fund balance for the Special Revenue funds are assigned for the purpose of recreation privileges utilizing the facility fee. The fund balance in the Capital Projects and Debt Service Funds are assigned since they represent amounts designated through the budget process for approved but uncompleted expenditures under the direction of the District General Manager.

#### 16. LEASE OBLIGATIONS

##### Revenue:

Miscellaneous revenue includes rent received for cell towers on District property. Under an agreement with American Tower \$20,082 was paid for a tower at the Mountain Golf Course. Its term is April 2007 to 2037 with extensions every five years, cancelable by either party. Rent increases 3% per year. Under an agreement with AT&T \$19,001 was paid for a tower at the Mountain Golf Course. Its term is October 2010 to 2035 with automatic extensions every five years, cancelable by the tenant. Rent increases 3% per year. Under an agreement with AT&T \$61,985 was paid for a tower at Diamond Peak Ski Resort. Its term is July 2013 to 2038 with extensions every five years, cancelable by the tenant. Rent increases 3.5% per year.

##### Expenses:

The Utility Fund paid \$4,476 for a leased copier under an agreement expiring December 2020.

**17. DUE TO OTHER GOVERNMENTS**

The Nevada Department of Taxation has notified the District of refund of sales tax due another taxpayer, resulting in reductions of monthly Consolidated Tax Distributions. While the exact amount and terms for the reductions is not determined, sufficient information was available to arrive at an estimated \$60,000 liability. The refund applies to taxes received over three years ending in March 2017. The District share of this refund are being made through 18 monthly reductions that began with the July 2018 Consolidated Tax Distribution. The first twelve months resulted in \$28,946 applied to the \$60,000.

**18. SEGMENT INFORMATION FOR COMMUNITY SERVICES AND BEACH SPECIAL REVENUE FUNDS**

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

	Charges for Services	Paid with Punch Cards	Punch Cards Value Utilized
<b>Community Services Fund:</b>			
Championship Golf	\$ 3,952,989	\$ 25,000	\$ -
Mountain Golf Facilities	690,668 392,246	56,000 -	- -
Ski	11,778,871	200,000	-
Community Programming	1,364,044	1,000	-
Parks	46,580	-	-
Tennis	153,435	-	-
Recreation Administration	<u>(730,819)</u>	<u>7,000</u>	<u>(757,000)</u>
Total	<u>\$ 17,648,014</u>	<u>\$289,000</u>	<u>\$(757,000)</u>
Beach Fund	<u>\$ 1,492,687</u>	<u>\$590,000</u>	<u>\$(122,000)</u>
	District Total	<u>\$879,000</u>	<u>\$(879,000)</u>

**19. COMMITMENTS AFFECTING FUTURE PERIODS**

**General Fund:**

The District entered into an unemployment insurance contract with First Nonprofit Companies for total premiums of \$185,000 for calendar year 2019 services. As of June 30, 2019 \$92,500 in quarterly deposits are remaining as a part of the subsequent year's budget.



**Capital Improvement Project Budget Carryover:**

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

General Fund	\$ 201,000
Utility Fund (Non-effluent projects)	1,498,400
Effluent Pipeline Project	9,656,890
Community Services Fund	1,701,702
Beach Fund	108,050

**Budgeting for the Fiscal Year Ending June 30, 2020:**

The District’s budgeting for the fiscal year ending June 30, 2020 anticipates a reduction in Net Position caused by completion of capital projects. The identified reductions include; General Fund by \$788,870 including \$561,800 to Community Services for the Mountain Golf Course capital project and \$145,000 for contingency, and in Community Services reduction for \$4,037,091 including the \$1,464,000 Mountain Course project, and \$1,285,000 for the Tennis Center Renovation. The Beach Fund has a reduction of \$625,729 resulting from the \$800,000 Burnt Cedar Pool Improvement.

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

	<u>Contract Award</u>	<u>Completed at June 30, 2019</u>	<u>Remaining Commitment</u>
Utility Fund:			
Effluent Pipeline Project – State Route 28 Line Repairs			
State of Nevada	\$1,152,600	\$1,094,956	\$ 57,644
Replacement of Vactor Truck Awarded for assembly with fall 2019 delivery			
Atlantic Machinery, Inc.	\$ 416,564	\$ -	\$ 416,564
Community Services Fund:			
Incline Park Facility Renovation Awarded for May 2019 start, actual started July			
Rapid Construction	\$1,298,341	\$ -	\$1,298,431
Incline Creek Restoration Awarded for September 2019 start date			
Aspen Developers Corp.	\$ 273,000	\$ -	\$ 273,000
Cardno, Inc.	37,000	-	37,000

**20. RESTRICTED DEPOSIT HELD IN LAWSUIT**

The District has been engaged in a lawsuit with an individual over many years. A District Court decision made an award to the District for the recovery of fees. Both the Court decision and the fess awarded are under an appeal. In order to reduce possible longer-term exposure to the individual, the District received \$241,646 on September 14, 2017. These refunds are in a separate money market account and classified as a Deferred Inflow until all appeals under the lawsuit are resolved. The timeframe for a decision is unknown.

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

The State of Nevada has entered into various tax abatement agreements that reduce the tax revenues of local governments. Taxes reduced include the Consolidated Tax, which includes allocated sales and use tax revenue. State law establishes the abatements. The District’s estimated share of abatements for this fiscal year is \$21,199.

**22. PRIOR PERIOD ADJUSTMENT AND SUBSEQUENT TRANSACTIONS  
AFFECTING THE FISCAL YEARS JUNE 30, 2018, 2019 AND 2020**

As of July 1, 2019 the District was relieved of any liability for its past Self-Insured Workers Compensation Program. For the last several years the District had sought to find a way to obtain tail coverage through traditional markets. Eventually it secured a Loss Portfolio Transfer and Assumption Agreement from the Nevada Public Agency Compensation Trust. Since 2013 the District carried an estimated claims liability based on actuarial reports. The Liability exceeded the Self Insured Retention held by the Workers Compensation Fund. The District reduced the Fund, while still working to reduce the liability by making transfers in June 2018 for \$800,000 and in September 2018 for \$300,000 to reduce the amounts held and return them to the operating funds that had paid assessments to the Fund. In May 2019 the District's Trustees made a finding that the Fund could be closed. Under NRS 354.6215 funds accumulated for Self-Insurance must be transferred to the General Fund once it is no longer needed. Part of that process is to notify the State of this action. Upon further review by the NV Department of Taxation and considering NRS 354.6215, the District took action September 25, 2019 to clarify the steps necessary to have the same end results for the original transfers. These steps require the first transfer in one fiscal year to be from the Workers Compensation Fund to the General Fund and then in the subsequent year the General Fund can transfer to the operating funds.

A Prior Period Adjustment was made to reflect the \$800,000 transfer from the Workers Compensation Fund to the General Fund and reduces that same total for the operating funds for their opening Net Position and Fund Balance as of June 30, 2018. For the fiscal year ending June 30, 2019 the \$800,000 was recorded as transferred to the operating funds, and the \$300,000 transfer is to the General Fund. For the fiscal year ending June 30, 2020 that \$300,000 has been transferred to the operating funds. The final transfer of \$174,356 made from the Workers Compensation Fund to the General Fund and will not be redistributed to allow these resources to be retained to make advance payments on the District-wide worker compensation coverage through its risk pooling.

**Prior Period Adjustment as of June 30, 2018**

<b>District-wide</b>	<u>Governmental Activities</u>	<u>Business-type Activities</u>			<u>District-wide</u>
Net Position as previously Reported	\$71,073,766	\$74,778,034			\$145,851,800
Worker Compensation Transfer	<u>120,000</u>	<u>(120,000)</u>			<u>-</u>
Net Position at June 30, 2018	<u>\$71,193,766</u>	<u>\$74,658,034</u>			<u>\$145,851,800</u>
 <b>Fund Level</b>	 <u>General Fund</u>	 <u>Utility Fund</u>	 <u>Community Services Spec. Rev.</u>	 <u>Beach Spec. Rev.</u>	
Fund Balance/Net Position					
as previously Reported	\$2,522,786	\$74,778,034	\$10,645,469	\$1,413,091	
Worker Compensation Transfer	<u>800,000</u>	<u>(120,000)</u>	<u>(645,000)</u>	<u>(35,000)</u>	
Fund Balance/Net Position					
at June 30, 2018	<u>\$3,322,786</u>	<u>\$74,658,034</u>	<u>\$10,000,469</u>	<u>\$1,378,091</u>	

**INCLINE VILLAGE**  
GENERAL IMPROVEMENT DISTRICT

**REQUIRED  
SUPPLEMENTARY  
INFORMATION**

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

For the year ending June 30:	Operating Engineers		
	Number of Participants	Covered Payroll	Required Contributions
2019	4	\$ 318,699	\$ 39,200
2018	4	308,114	37,898
2017	4	315,764	38,839
2016	5	346,008	42,559
2015	4	275,846	33,929
2014	5	346,797	42,656
2013	5	377,293	46,407
2012	7	395,512	48,648
2011	7	463,862	57,055
2010	8	477,382	58,718

**INCLINE VILLAGE**  
GENERAL IMPROVEMENT DISTRICT

**SUPPLEMENTARY  
INFORMATION**

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Ad valorem taxes	\$ 1,611,738	\$ 1,611,738	\$ 1,615,540	\$ 3,802
Personal Property Tax	12,000	12,000	17,871	5,871
Intergovernmental:				
Consolidated Tax	1,423,595	1,423,595	1,440,607	17,012
Local Government Tax Act	238,000	238,000	249,615	11,615
Investment income	138,600	138,600	327,815	189,215
Miscellaneous	3,600	3,600	2,002	(1,598)
Central Services Revenue	1,169,400	1,169,400	1,169,400	-
Total revenues	<u>4,596,933</u>	<u>4,596,933</u>	<u>4,822,850</u>	<u>225,917</u>
<b>EXPENDITURES</b>				
General Government - All Functions:				
Function Summary	<u>4,539,239</u>	<u>4,539,239</u>	<u>4,054,406</u>	<u>484,833</u>
Total expenditures	<u>4,539,239</u>	<u>4,539,239</u>	<u>4,054,406</u>	<u>484,833</u>
Excess (deficiency) of revenues over expenditures	<u>57,694</u>	<u>57,694</u>	<u>768,444</u>	<u>710,750</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Contingency	(125,000)	(125,000)	-	125,000
Operating Transfers In (Out)	<u>-</u>	<u>-</u>	<u>(325,644)</u>	<u>(325,644)</u>
Net changes in fund balance	<u>(67,306)</u>	<u>(67,306)</u>	<u>442,800</u>	<u>510,106</u>
Fund balance, July 1, as previously reported	2,432,349	2,432,349	2,522,786	90,437
Prior Period Adjustment	<u>-</u>	<u>-</u>	<u>800,000</u>	<u>800,000</u>
Fund Balance, July 1, as adjusted	<u>2,432,349</u>	<u>2,432,349</u>	<u>3,322,786</u>	<u>890,437</u>
Fund balance, June 30	<u>\$ 2,365,043</u>	<u>\$ 2,365,043</u>	<u>\$ 3,765,586</u>	<u>\$ 1,400,543</u>

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>EXPENDITURES</b>				
General Government:				
General Administration				
Salaries and Wages	\$ 28,215	\$ 28,215	\$ 40,757	\$ (12,542)
Employee Benefits	17,839	17,839	17,980	(141)
Services and Supplies	408,064	408,064	524,466	(116,402)
Capital Outlay	435,950	435,950	64,972	370,978
Subtotal General Administration	<u>890,068</u>	<u>890,068</u>	<u>648,175</u>	<u>241,893</u>
General Manager				
Salaries and Wages	247,506	247,506	244,421	3,085
Employee Benefits	114,563	114,563	105,047	9,516
Services and Supplies	56,740	56,740	69,361	(12,621)
Subtotal General Manager	<u>418,809</u>	<u>418,809</u>	<u>418,829</u>	<u>(20)</u>
Trustees				
Salaries and Wages	100,984	100,984	102,992	(2,008)
Employee Benefits	30,346	30,346	27,822	2,524
Services and Supplies	74,600	74,600	45,068	29,532
Subtotal Trustees	<u>205,930</u>	<u>205,930</u>	<u>175,882</u>	<u>30,048</u>
Accounting				
Salaries and Wages	566,805	566,805	572,025	(5,220)
Employee Benefits	268,079	268,079	252,081	15,998
Services and Supplies	68,390	68,390	60,134	8,256
Subtotal Accounting	<u>903,274</u>	<u>903,274</u>	<u>884,240</u>	<u>19,034</u>
Information Services				
Salaries and Wages	468,487	468,487	426,004	42,483
Employee Benefits	220,452	220,452	191,122	29,330
Services and Supplies	323,583	323,583	211,242	112,341
Capital Outlay	-	-	56,285	(56,285)
Subtotal Information Services	<u>1,012,522</u>	<u>1,012,522</u>	<u>884,653</u>	<u>127,869</u>
Risk Management				
Salaries and Wages	80,435	80,435	81,841	(1,406)
Employee Benefits	44,539	44,539	40,039	4,500
Services and Supplies	21,910	21,910	15,139	6,771
Subtotal Risk Management	<u>146,884</u>	<u>146,884</u>	<u>137,019</u>	<u>9,865</u>
Human Resources				
Salaries and Wages	416,216	416,216	431,911	(15,695)
Employee Benefits	236,294	236,294	203,821	32,473
Services and Supplies	76,573	76,573	46,662	29,911
Subtotal Human Resources	<u>729,083</u>	<u>729,083</u>	<u>682,394</u>	<u>46,689</u>
Health and Wellness				
Salaries and Wages	14,058	14,058	18,446	(4,388)
Employee Benefits	5,557	5,557	5,875	(318)
Services and Supplies	21,475	21,475	4,495	16,980
Subtotal Health and Wellness	<u>41,090</u>	<u>41,090</u>	<u>28,816</u>	<u>12,274</u>
Community & Employee Relations				
Salaries and Wages	81,313	81,313	95,076	(13,763)
Employee Benefits	32,236	32,236	43,559	(11,323)
Services and Supplies	78,030	78,030	55,763	22,267
Subtotal Comm. Relations	<u>191,579</u>	<u>191,579</u>	<u>194,398</u>	<u>(2,819)</u>
Function Subtotal - Form 10	<u>\$ 4,539,239</u>	<u>\$ 4,539,239</u>	<u>\$ 4,054,406</u>	<u>\$ 484,833</u>

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
COMMUNITY SERVICES SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Charges for Services				
Championship Golf	\$ 3,992,444	\$ 3,992,444	\$ 3,902,689	\$ (89,755)
Mountain Golf	690,926	690,926	740,968	50,042
Facilities	406,900	406,900	392,246	(14,654)
Ski	8,915,000	11,715,000	11,778,871	63,871
Community Programming	1,305,414	1,305,414	1,364,044	58,630
Parks	67,740	67,740	46,580	(21,160)
Tennis	159,700	159,700	153,435	(6,265)
Recreation Administration	(510,600)	(510,600)	(730,819)	(220,219)
Facility Fee:				
Championship Golf	804,580	804,580	805,884	1,304
Mountain Golf	517,230	517,230	517,661	431
Facilities	467,970	467,970	468,584	614
Ski	238,090	238,090	238,403	313
Community Programming	1,305,390	1,305,390	1,307,104	1,714
Parks	968,780	968,780	970,052	1,272
Tennis	164,200	164,200	164,416	216
Recreation Administration	1,321,810	1,321,810	1,350,671	28,861
Operating Grants	17,000	17,000	17,000	-
Interfund Services	77,920	77,920	86,060	8,140
Intergovernmental Services	21,000	21,000	14,570	(6,430)
Investment Earnings	30,000	30,000	199,322	169,322
Sale of Assets	-	-	34,567	34,567
Miscellaneous	106,480	106,480	112,777	6,297
Total revenues	<u>21,067,974</u>	<u>23,867,974</u>	<u>23,935,085</u>	<u>67,111</u>
<b>EXPENDITURES</b>				
Culture and Recreation - All Functions:				
Function Summary	<u>16,930,214</u>	<u>17,360,214</u>	<u>17,288,580</u>	<u>71,634</u>
Total expenditures	<u>16,930,214</u>	<u>17,360,214</u>	<u>17,288,580</u>	<u>71,634</u>
Excess (deficiency) of revenues over expenditures	<u>4,137,760</u>	<u>6,507,760</u>	<u>6,646,505</u>	<u>138,745</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Contingency	(500,000)	(500,000)	-	500,000
Insurance Proceeds	-	-	50,300	50,300
Operating Transfers In - Internal Services	241,875	241,875	645,000	403,125
Operating Transfers Out - Capital Projects	(6,070,675)	(6,070,675)	(3,678,473)	2,392,202
Operating Transfers Out - Debt Service	(410,500)	(410,500)	(329,848)	80,652
Net changes in fund balance	<u>(2,601,540)</u>	<u>(231,540)</u>	<u>3,333,484</u>	<u>3,565,024</u>
Fund balance, July 1, as previously reported	11,515,351	11,515,351	10,645,469	(869,882)
Prior Period Adjustment	-	-	(645,000)	(645,000)
Fund Balance, July 1, as adjusted	<u>11,515,351</u>	<u>11,515,351</u>	<u>10,000,469</u>	<u>(1,514,882)</u>
Fund balance, June 30	<u>\$ 8,913,811</u>	<u>\$ 11,283,811</u>	<u>\$ 13,333,953</u>	<u>\$ 2,050,142</u>

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



**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
COMMUNITY SERVICES SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>EXPENDITURES</b>				
<b>Community Services:</b>				
Championship Golf				
Salaries and Wages	\$ 1,493,437	\$ 1,493,437	\$ 1,509,876	\$ (16,439)
Employee Benefits	451,909	451,909	383,157	68,752
Services and Supplies	2,226,413	2,226,413	2,392,390	(165,977)
Subtotal Championship Golf	<u>4,171,759</u>	<u>4,171,759</u>	<u>4,285,423</u>	<u>(113,664)</u>
Mountain Golf				
Salaries and Wages	382,111	382,111	340,012	42,099
Employee Benefits	115,490	115,490	93,523	21,967
Services and Supplies	522,352	522,352	526,907	(4,555)
Subtotal Mountain Golf	<u>1,019,953</u>	<u>1,019,953</u>	<u>960,442</u>	<u>59,511</u>
Facilities				
Salaries and Wages	85,968	85,968	76,190	9,778
Employee Benefits	43,156	43,156	37,739	5,417
Services and Supplies	418,078	418,078	368,598	49,480
Subtotal Facilities	<u>547,202</u>	<u>547,202</u>	<u>482,527</u>	<u>64,675</u>
Ski				
Salaries and Wages	2,867,877	3,042,877	3,072,710	(29,833)
Employee Benefits	978,691	978,691	925,074	53,617
Services and Supplies	3,507,146	3,762,146	3,833,164	(71,018)
Subtotal Ski	<u>7,353,714</u>	<u>7,783,714</u>	<u>7,830,948</u>	<u>(47,234)</u>
Community Programming				
Salaries and Wages	1,092,992	1,092,992	1,156,579	(63,587)
Employee Benefits	347,964	347,964	321,005	26,959
Services and Supplies	909,827	909,827	819,388	90,439
Subtotal Community Programming	<u>2,350,783</u>	<u>2,350,783</u>	<u>2,296,972</u>	<u>53,811</u>
Parks				
Salaries and Wages	328,315	328,315	337,927	(9,612)
Employee Benefits	80,461	80,461	75,544	4,917
Services and Supplies	439,357	439,357	401,968	37,389
Subtotal Parks	<u>848,133</u>	<u>848,133</u>	<u>815,439</u>	<u>32,694</u>
Tennis				
Salaries and Wages	136,102	136,102	136,149	(47)
Employee Benefits	27,535	27,535	26,172	1,363
Services and Supplies	100,033	100,033	91,223	8,810
Subtotal Tennis	<u>263,670</u>	<u>263,670</u>	<u>253,544</u>	<u>10,126</u>
Community Services Administration				
Salaries and Wages	122,353	122,353	153,065	(30,712)
Employee Benefits	43,256	43,256	43,445	(189)
Services and Supplies	209,391	209,391	166,775	42,616
Subtotal Recreation Administration	<u>375,000</u>	<u>375,000</u>	<u>363,285</u>	<u>11,715</u>
Function Subtotal	<u>\$ 16,930,214</u>	<u>\$ 17,360,214</u>	<u>\$ 17,288,580</u>	<u>\$ 71,634</u>

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
 BEACH SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS  
 FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Charges for Services				
Culture and Recreation:				
Beach	\$ 1,338,500	\$ 1,338,500	\$ 1,492,687	\$ 154,187
Facility Fees	969,500	969,500	975,121	5,621
Investment Earnings	13,500	13,500	36,188	22,688
Total revenues	<u>2,321,500</u>	<u>2,321,500</u>	<u>2,503,996</u>	<u>182,496</u>
<b>EXPENDITURES</b>				
Beach:				
Salaries and Wages	833,105	833,105	847,293	(14,188)
Employee Benefits	209,334	209,334	190,452	18,882
Services and Supplies	880,537	880,537	868,771	11,766
Total expenditures	<u>1,922,976</u>	<u>1,922,976</u>	<u>1,906,516</u>	<u>16,460</u>
Excess (deficiency) of revenues over expenditures	398,524	398,524	597,480	198,956
<b>OTHER FINANCING SOURCES (USES)</b>				
Contingency	(50,000)	(50,000)	-	50,000
Operating Transfer In - Internal Services	13,125	13,125	35,000	21,875
Operating Transfers Out - Capital Projects	(306,328)	(306,328)	(198,558)	107,770
Operating Transfers Out - Debt Service	(7,756)	(7,756)	(1,635)	6,121
Net changes in fund balance	<u>47,565</u>	<u>47,565</u>	<u>432,287</u>	<u>384,722</u>
Fund balance, July 1, as previously reported	1,444,497	1,444,497	1,413,091	(31,406)
Prior Period Adjustment	-	-	(35,000)	(35,000)
Fund Balance, July 1, as adjusted	<u>1,444,497</u>	<u>1,444,497</u>	<u>1,378,091</u>	<u>(66,406)</u>
Fund balance, June 30	<u>\$ 1,492,062</u>	<u>\$ 1,492,062</u>	<u>\$ 1,810,378</u>	<u>\$ 318,316</u>

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
COMMUNITY SERVICES CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance	
	Original	Final			
<b>REVENUES</b>					
Sales of Assets and Intangibles	\$ -	\$ -	\$ 5,592	\$ 5,592	
Charitable - Capital Grants	1,694,071	1,694,071	31,958	(1,662,113)	
Total revenues	1,694,071	1,694,071	37,550	(1,656,521)	
<b>EXPENDITURES</b>					
<b>COMMUNITY SERVICES RECREATION:</b>					
Championship Golf	New projects	492,400	492,400	450,219	42,181
	Carryover projects	106,000	106,000	47,158	58,842
Mountain Golf	New projects	150,300	150,300	202,180	(51,880)
	Carryover projects	255,963	255,963	135,969	119,994
Facilities	New projects	43,000	43,000	21,406	21,594
	Carryover projects	6,500	6,500	-	6,500
Ski	New projects	4,287,000	4,287,000	3,801,573	485,427
	Master Plan	682,600	682,600	-	682,600
	Carryover projects	822,515	822,515	737,454	85,061
Community Programming	New projects	166,500	166,500	133,838	32,662
	Carryover projects	181,030	181,030	126,080	54,950
Parks	New projects	1,820,271	1,820,271	135,199	1,685,072
	Carryover projects	104,154	104,154	6,842	97,312
Tennis	New projects	98,000	98,000	54,180	43,820
	Carryover projects	50,000	50,000	50,000	-
Comm. Serv. Administration	New projects	27,500	27,500	4,180	23,320
	Carryover projects	138,000	138,000	137,222	778
Total expenditures		9,431,733	9,431,733	6,043,500	3,388,233
Excess (deficiency) of revenues over expenditures		(7,737,662)	(7,737,662)	(6,005,950)	1,731,712
<b>OTHER FINANCING SOURCES</b>					
Operating Transfers In - Facility Fees		3,612,400	3,612,400	2,508,528	(1,103,872)
Operating Transfers In - CIP		2,458,275	2,458,275	1,169,945	(1,288,330)
Total other financing sources		6,070,675	6,070,675	3,678,473	(2,392,202)
Net changes in fund balance		(1,666,987)	(1,666,987)	(2,327,477)	(660,490)
Fund Balance, July 1		1,666,987	1,666,987	2,327,477	660,490
Fund balance, June 30		\$ -	\$ -	\$ -	\$ -

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**  
**BEACH CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

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		<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
		<u>Original</u>	<u>Final</u>		
<b>EXPENDITURES</b>					
Beach	New projects	\$ 372,900	\$ 372,900	\$ 283,698	\$ 89,202
	Carryover projects	30,000	30,000	600	29,400
	Total expenditures	<u>402,900</u>	<u>402,900</u>	<u>284,298</u>	<u>118,602</u>
Excess (deficiency) of revenues over expenditures		<u>(402,900)</u>	<u>(402,900)</u>	<u>(284,298)</u>	<u>118,602</u>
<b>OTHER FINANCING SOURCES</b>					
	Operating Transfers In - Facility Fee	302,484	302,484	198,558	(103,926)
	Operating Transfers In - Carryover CIP	3,844	3,844	-	(3,844)
	Total other financing sources	<u>306,328</u>	<u>306,328</u>	<u>198,558</u>	<u>(107,770)</u>
Net changes in fund balance		(96,572)	(96,572)	(85,740)	10,832
Fund Balance, July 1		<u>96,572</u>	<u>96,572</u>	<u>85,740</u>	<u>(10,832)</u>
Fund balance, June 30		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
COMMUNITY SERVICES DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2019**

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	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>EXPENDITURES</b>				
Community Services - GO Revenue Supported				
Principal	\$ 344,365	\$ 344,365	\$ 344,365	\$ -
Interest	37,036	37,036	37,036	-
Total expenditures	<u>381,401</u>	<u>381,401</u>	<u>381,401</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(381,401)</u>	<u>(381,401)</u>	<u>(381,401)</u>	<u>-</u>
<b>OTHER FINANCING SOURCES</b>				
Operating Transfers In - Facility Fees	<u>410,500</u>	<u>410,500</u>	<u>329,848</u>	<u>(80,652)</u>
Total other financing sources	<u>410,500</u>	<u>410,500</u>	<u>329,848</u>	<u>(80,652)</u>
Net changes in fund balance	29,099	29,099	(51,553)	(80,652)
Fund Balance, July 1	<u>53,094</u>	<u>53,094</u>	<u>51,553</u>	<u>(1,541)</u>
Fund balance, June 30	<u>\$ 82,193</u>	<u>\$ 82,193</u>	<u>\$ -</u>	<u>\$ (82,193)</u>

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
 BEACH DEBT SERVICE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS  
 FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>EXPENDITURES</b>				
Beach				
Principal	\$ 5,635	\$ 5,635	\$ 5,635	\$ -
Interest	606	606	606	-
Total expenditures	<u>6,241</u>	<u>6,241</u>	<u>6,241</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(6,241)	(6,241)	(6,241)	-
<b>OTHER FINANCING SOURCES</b>				
Operating Transfers In - Facility Fees	<u>7,756</u>	<u>7,756</u>	<u>1,635</u>	<u>(6,121)</u>
Net changes in fund balance	1,515	1,515	(4,606)	(6,121)
Fund Balance, July 1	<u>4,622</u>	<u>4,622</u>	<u>4,606</u>	<u>(16)</u>
Fund balance, June 30	<u>\$ 6,137</u>	<u>\$ 6,137</u>	<u>\$ -</u>	<u>\$ (6,137)</u>

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
UTILITY FUND - BUDGETARY BASIS  
WATER, SEWER AND TRASH ACTIVITIES  
SCHEDULE OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION -BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019**

	Original & Final Budget	Actual	Variance
<b>REVENUES</b>			
Sales and service fees	\$ 11,871,080	\$ 12,552,028	\$ 680,948
Intergovernmental services	145,000	121,861	(23,139)
Interfund services	141,400	111,853	(29,547)
Operating Grants	-	1,440	1,440
Investment earnings	120,000	282,484	162,484
Total revenues	<u>12,277,480</u>	<u>13,069,666</u>	<u>792,186</u>
<b>EXPENSES</b>			
Wages	2,663,557	2,632,951	30,606
Benefits	1,304,284	1,288,413	15,871
Services and supplies	2,103,110	2,003,301	99,809
Utilities	920,133	862,768	57,365
Professional Fees	98,250	78,295	19,955
Central Services cost	308,600	308,600	-
Defensible Space	100,000	100,000	-
Depreciation	3,150,000	3,153,809	(3,809)
Debt service interest	133,457	126,351	7,106
Total expenses	<u>10,781,391</u>	<u>10,554,488</u>	<u>226,903</u>
<b>NONOPERATING ITEMS</b>			
Gain on sale of assets	-	15,066	15,066
Transfers In (Out)	45,000	120,000	75,000
Total Nonoperating items	<u>45,000</u>	<u>135,066</u>	<u>90,066</u>
Changes in Net Position	<u>\$ 1,541,089</u>	<u>\$ 2,650,244</u>	<u>\$ 1,109,155</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition of Capital Assets - New Projects	<u>\$ 4,675,674</u>	<u>\$ 1,162,541</u>	<u>\$ (3,513,133)</u>
Acquisition of Capital Assets - Carry Over Projects	<u>\$ 2,298,048</u>	<u>\$ 1,653,551</u>	<u>\$ (644,497)</u>
Payments of Principal on Capital Debt	<u>\$ 509,678</u>	<u>\$ 509,678</u>	<u>\$ -</u>

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
INTERNAL SERVICES FUND - BUDGETARY BASIS  
(FLEET, ENGINEERING AND BUILDINGS MAINTENANCE  
AND WORKERS COMPENSATION ACTIVITIES)  
SCHEDULE OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Services provided by:				
Fleet	\$ 1,062,554	\$ 1,062,554	\$ 1,155,513	\$ 92,959
Engineering	941,100	941,100	620,810	(320,290)
Buildings Maintenance	1,054,165	1,054,165	1,023,990	(30,175)
Workers Compensation	<u>508,000</u>	<u>508,000</u>	<u>504,549</u>	<u>(3,451)</u>
Interfund Services	3,565,819	3,565,819	3,304,862	(260,957)
Investment earnings	<u>3,750</u>	<u>3,750</u>	<u>360</u>	<u>(3,390)</u>
 Total Revenues	 <u>3,569,569</u>	 <u>3,569,569</u>	 <u>3,305,222</u>	 <u>(264,347)</u>
<b>EXPENSES</b>				
Wages	1,518,840	1,518,840	1,282,090	236,750
Benefits	759,670	759,670	617,824	141,846
Services and Supplies	1,270,645	1,270,645	1,383,194	(112,549)
Utilities	10,860	10,860	10,838	22
Legal & Audit	9,000	9,000	-	9,000
Depreciation	<u>12,000</u>	<u>12,000</u>	<u>12,561</u>	<u>(561)</u>
Total expenses	<u>3,581,015</u>	<u>3,581,015</u>	<u>3,306,507</u>	<u>274,508</u>
Operating Income (loss)	(11,446)	(11,446)	(1,285)	10,161
<b>NONOPERATING ITEMS</b>				
Transfers Out	<u>(300,000)</u>	<u>(300,000)</u>	<u>(474,356)</u>	<u>(174,356)</u>
Total nonoperating items	<u>(300,000)</u>	<u>(300,000)</u>	<u>(474,356)</u>	<u>(174,356)</u>
Changes in Net Position	<u>\$ (311,446)</u>	<u>\$ (311,446)</u>	<u>\$ (475,641)</u>	<u>\$ (164,195)</u>



**INCLINE VILLAGE**  
GENERAL IMPROVEMENT DISTRICT

**STATISTICAL SECTION**  
**(UNAUDITED)**

## STATISTICAL SECTION (UNAUDITED)

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

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#### Financial Trends

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

#### Revenue Capacity

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

#### Debt Capacity

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

#### Demographic and Economic Information

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

#### Operating Information

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

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Governmental Activities</b>										
Net invested in capital assets	\$ 56,147,092	\$ 52,880,021	\$ 50,729,901	\$ 48,555,965	\$ 47,729,659	\$ 44,322,574	\$ 42,560,434	\$ 40,313,677	\$ 38,304,227	\$ 30,800,605
Restricted	136,993	183,037	180,564	178,426	187,825	246,604	270,359	955,415	869,013	341,784
Unrestricted	19,371,388	18,130,708	16,887,487	13,973,745	9,114,898	10,106,521	9,434,133	6,473,085	5,432,800	8,309,236
<b>Total governmental activities net position</b>	<b>\$ 75,655,473</b>	<b>\$ 71,193,766</b>	<b>\$ 67,797,952</b>	<b>\$ 62,708,136</b>	<b>\$ 57,032,382</b>	<b>\$ 54,675,699</b>	<b>\$ 52,264,926</b>	<b>\$ 47,742,177</b>	<b>\$ 44,606,040</b>	<b>\$ 39,451,625</b>
<b>Business-type activities</b>										
Net invested in capital assets	\$ 64,549,358	\$ 64,377,397	\$ 59,817,845	\$ 57,974,014	\$ 57,365,832	\$ 56,875,962	\$ 56,144,425	\$ 56,598,673	\$ 53,051,044	\$ 49,445,970
Restricted	316,611	309,344	305,022	226,208	225,435	225,185	224,951	226,777	231,514	558,563
Unrestricted	12,442,309	9,971,293	12,536,210	12,026,276	11,228,881	10,113,847	9,197,509	5,554,147	7,552,741	9,406,203
<b>Total business-type activities net position</b>	<b>\$ 77,308,278</b>	<b>\$ 74,658,034</b>	<b>\$ 72,659,077</b>	<b>\$ 70,226,498</b>	<b>\$ 68,820,148</b>	<b>\$ 67,214,994</b>	<b>\$ 65,566,885</b>	<b>\$ 62,379,597</b>	<b>\$ 60,835,299</b>	<b>\$ 59,410,736</b>
<b>Primary government</b>										
Net invested in capital assets	\$ 120,696,450	\$ 117,257,418	\$ 110,547,746	\$ 106,529,979	\$ 105,095,491	\$ 101,198,536	\$ 98,704,859	\$ 96,912,350	\$ 91,355,271	\$ 80,246,575
Restricted	453,604	492,381	485,586	404,634	413,260	471,789	495,310	1,182,192	1,100,527	900,347
Unrestricted	31,813,697	28,102,001	29,423,697	26,000,021	20,343,779	20,220,368	18,631,642	12,027,232	12,985,541	17,715,439
<b>Total primary government net position</b>	<b>\$ 152,963,751</b>	<b>\$ 145,851,800</b>	<b>\$ 140,457,029</b>	<b>\$ 132,934,634</b>	<b>\$ 125,852,530</b>	<b>\$ 121,890,693</b>	<b>\$ 117,831,811</b>	<b>\$ 110,121,774</b>	<b>\$ 105,441,339</b>	<b>\$ 98,862,361</b>

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Expenses</b>										
<b>Governmental activities</b>										
General government	\$ 4,194,237	\$ 3,828,917	\$ 3,814,458	\$ 3,672,661	\$ 3,220,478	\$ 3,189,596	\$ 2,929,928	\$ 3,265,830	\$ 3,882,904	\$ 3,067,477
Community Services	20,310,745	18,947,246	18,599,633	17,237,889	15,359,833	15,036,116	14,704,572	14,936,896	15,609,165	15,237,986
Beach:	2,141,695	1,848,969	1,802,103	1,689,472	1,517,855	1,363,778	1,144,073	1,145,077	1,267,913	1,252,753
Internal services	3,306,507	3,053,400	2,947,302	2,972,060	2,503,958	2,267,111	1,792,260	1,949,861	1,979,196	1,766,735
Interest on long-term debt	35,017	97,083	160,366	205,263	201,882	252,324	371,938	476,635	437,360	592,288
<b>Total governmental activities expenses</b>	<b>29,988,201</b>	<b>27,775,615</b>	<b>27,323,862</b>	<b>25,777,345</b>	<b>22,804,006</b>	<b>22,108,925</b>	<b>20,942,771</b>	<b>21,774,299</b>	<b>23,176,538</b>	<b>21,917,239</b>
<b>Business-type activities</b>										
Utilities	10,428,137	10,113,371	9,729,775	9,781,165	9,442,666	9,029,675	8,480,954	8,404,350	8,568,015	8,815,457
Interest on long-term debt	126,351	140,463	154,186	167,530	180,505	193,123	186,608	178,631	207,139	234,416
<b>Total business-type activities expenses</b>	<b>10,554,488</b>	<b>10,253,834</b>	<b>9,883,961</b>	<b>9,948,695</b>	<b>9,623,171</b>	<b>9,222,798</b>	<b>8,667,562</b>	<b>8,582,981</b>	<b>8,775,154</b>	<b>9,049,873</b>
<b>Total primary government expenses</b>	<b>40,542,689</b>	<b>38,029,449</b>	<b>37,207,823</b>	<b>35,726,040</b>	<b>32,427,177</b>	<b>31,331,723</b>	<b>29,610,333</b>	<b>30,357,280</b>	<b>31,951,692</b>	<b>30,967,112</b>
<b>Program Revenues</b>										
<b>Governmental activities</b>										
Central Services Costs (& equivalent pre-2012)	1,169,400	1,094,060	1,177,200	1,123,000	1,101,000	1,068,996	1,000,200	1,074,000	924,154	1,267,842
<b>Charges for services</b>										
Community Services	17,765,644	14,743,788	16,820,165	15,596,222	10,485,799	10,634,172	10,900,298	10,435,232	11,629,020	11,151,940
Beach	1,492,687	1,266,613	1,065,015	1,002,518	989,602	1,032,621	980,340	568,277	445,307	600,280
Internal Services	3,304,862	3,190,849	3,114,747	2,935,521	2,560,122	2,280,296	2,045,412	1,891,200	1,964,322	1,814,349
<b>Total governmental activities revenues</b>	<b>23,732,593</b>	<b>20,295,250</b>	<b>22,177,127</b>	<b>20,657,261</b>	<b>15,136,523</b>	<b>15,016,085</b>	<b>14,926,150</b>	<b>13,968,709</b>	<b>14,962,803</b>	<b>14,834,411</b>
<b>Business-type activities</b>										
<b>Charges for services</b>										
Utilities	12,785,742	11,925,557	11,813,169	11,158,119	10,851,123	10,434,118	9,767,475	9,127,955	8,485,161	8,051,694
Operating Grants and Contributions	1,440	-	-	-	-	-	-	-	-	-
<b>Total business-type activities revenue</b>	<b>12,787,182</b>	<b>11,925,557</b>	<b>11,813,169</b>	<b>11,158,119</b>	<b>10,851,123</b>	<b>10,434,118</b>	<b>9,767,475</b>	<b>9,127,955</b>	<b>8,485,161</b>	<b>8,051,694</b>
<b>Total primary government revenue</b>	<b>36,519,775</b>	<b>32,220,807</b>	<b>33,990,296</b>	<b>31,815,380</b>	<b>25,987,646</b>	<b>25,450,203</b>	<b>24,693,625</b>	<b>23,096,664</b>	<b>23,447,964</b>	<b>22,886,105</b>
<b>Net (Expense)/Revenue</b>										
Governmental activities	(6,255,608)	(7,480,365)	(5,146,735)	(5,120,084)	(7,667,483)	(7,092,840)	(6,016,621)	(7,805,590)	(8,213,735)	(7,082,828)
Business-type activities	2,232,694	1,671,723	1,929,208	1,209,424	1,227,952	1,211,320	1,099,913	544,974	(289,993)	(998,179)
<b>Total primary government net (expense)/revenue</b>	<b>(4,022,914)</b>	<b>(5,808,642)</b>	<b>(3,217,527)</b>	<b>(3,910,660)</b>	<b>(6,439,531)</b>	<b>(5,881,520)</b>	<b>(4,916,708)</b>	<b>(7,260,616)</b>	<b>(8,503,728)</b>	<b>(8,081,007)</b>
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental activities</b>										
<b>Taxes</b>										
Property taxes	1,622,486	1,546,575	1,476,148	1,498,519	1,377,337	1,293,676	1,307,715	1,325,436	1,094,166	796,482
Committed taxes	1,690,222	1,637,250	1,484,850	1,487,986	1,369,950	1,277,567	1,205,091	1,106,183	1,101,055	1,136,483
Facility Fees - Community Services	5,787,078	5,799,206	5,973,914	5,995,248	6,018,616	6,024,564	5,962,384	5,919,707	6,067,022	5,126,716
Facility Fees- Beach	969,332	972,316	775,337	777,574	778,149	780,716	775,102	899,565	783,029	865,540
Investment earnings	563,685	175,122	83,842	150,795	124,306	103,106	88,116	193,562	102,384	212,096
Miscellaneous	304,245	190,578	310,425	299,355	120,134	170,981	63,692	127,338	306,352	730,666
Capital Grants and contributions	267	558,128	132,055	586,361	235,674	(407)	1,137,270	1,369,936	2,126,748	-
Transfers	(120,000)	-	-	-	-	-	-	-	-	-
Accounting Adjustments	-	-	-	-	-	(146,589)	-	-	1,787,393	-
<b>Total governmental activities other changes</b>	<b>10,717,315</b>	<b>10,879,175</b>	<b>10,236,551</b>	<b>10,795,838</b>	<b>10,024,166</b>	<b>9,503,614</b>	<b>10,539,370</b>	<b>10,941,727</b>	<b>13,368,149</b>	<b>8,867,983</b>
<b>Business-type activities</b>										
Investment earnings	282,484	77,280	60,132	154,162	81,996	61,007	55,666	86,010	151,646	189,786
Capital Grants and contributions	-	199,934	425,509	-	329,705	461,994	2,013,853	912,933	1,220,938	1,476,174
Miscellaneous	15,066	50,020	17,730	42,764	(34,499)	(4,712)	17,856	381	7,756	(223,785)
Transfers	120,000	-	-	-	-	-	-	-	-	-
Accounting Adjustments	-	-	-	-	-	(81,501)	-	-	334,217	-
<b>Total business-type activities other changes</b>	<b>417,550</b>	<b>327,234</b>	<b>503,371</b>	<b>196,926</b>	<b>377,202</b>	<b>436,788</b>	<b>2,087,375</b>	<b>999,324</b>	<b>1,714,557</b>	<b>1,442,175</b>
<b>Change in Net Position</b>										
Governmental activities	4,461,707	3,398,810	5,089,816	5,675,754	2,356,683	2,410,774	4,522,749	3,136,137	5,154,414	1,785,155
Business-type activities	2,650,244	1,998,957	2,432,579	1,406,350	1,605,154	1,648,108	3,187,288	1,544,298	1,424,564	443,996
<b>Total primary government</b>	<b>\$ 7,111,951</b>	<b>\$ 5,397,767</b>	<b>\$ 7,522,395</b>	<b>\$ 7,082,104</b>	<b>\$ 3,961,837</b>	<b>\$ 4,058,882</b>	<b>\$ 7,710,037</b>	<b>\$ 4,680,435</b>	<b>\$ 6,578,978</b>	<b>\$ 2,229,151</b>

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>General Fund</b>										
Non-spendable	\$ 196,742	\$ 224,707	\$ 213,462	\$ 268,005	\$ 218,623	\$ 237,021	\$ 191,780	\$ 174,157	\$ 504,077	\$ 154,087
Restricted	-	-	-	-	-	-	-	52,000	-	129,000
Committed	-	-	-	400,000	400,000	400,000	400,000	400,000	-	-
Unassigned	3,568,844	3,098,079	1,648,787	1,151,988	882,664	754,000	294,887	357,734	111,697	332,687
<b>Total General Fund</b>	<b>\$ 3,765,586</b>	<b>\$ 3,322,786</b>	<b>\$ 1,862,249</b>	<b>\$ 1,819,993</b>	<b>\$ 1,501,287</b>	<b>\$ 1,391,021</b>	<b>\$ 886,667</b>	<b>\$ 983,891</b>	<b>\$ 615,774</b>	<b>\$ 615,774</b>
<b>Community Services</b>										
<b>Special Revenue Fund</b>										
Non-spendable	\$ 936,311	\$ 868,600	\$ 878,949	\$ 751,640	\$ 660,409	\$ 658,053	\$ 705,131	\$ 685,798	\$ 474,069	\$ 439,059
Restricted	135,993	78,157	77,136	76,674	86,421	86,332	87,261	101,617	130,467	232,434
Assigned - operations	12,261,649	9,053,712	9,364,056	7,026,514	4,610,925	5,279,561	5,275,226	3,949,021	3,752,098	5,033,576
Capital Projects - Assigned	-	2,327,477	2,423,806	2,061,541	-	-	-	-	-	-
Debt Service - Assigned	-	51,553	27,394	2,111	-	-	-	-	-	-
<b>Total Comm. Services</b>	<b>\$ 13,333,953</b>	<b>\$ 12,379,499</b>	<b>\$ 12,771,341</b>	<b>\$ 9,918,480</b>	<b>\$ 5,357,755</b>	<b>\$ 6,023,946</b>	<b>\$ 6,067,618</b>	<b>\$ 4,736,436</b>	<b>\$ 4,356,634</b>	<b>\$ 5,705,069</b>
<b>Beach</b>										
<b>Special Revenue Fund</b>										
Non-spendable	\$ 34,532	\$ 47,075	\$ 30,328	\$ 19,614	\$ 23,520	\$ 19,328	\$ 17,222	\$ 18,265	\$ -	\$ 5,068
Restricted	1,000	1,000	1,000	-	-	-	-	-	-	-
Assigned - operations	1,774,846	1,330,016	1,038,909	1,040,136	1,084,266	1,652,877	1,514,417	1,467,463	1,177,762	1,475,139
Capital Projects - Assigned	-	85,740	5,155	20,379	-	-	-	-	-	-
Debt Service - Assigned	-	4,606	3,104	1,572	-	-	-	-	-	-
<b>Total Beach</b>	<b>\$ 1,810,378</b>	<b>\$ 1,468,437</b>	<b>\$ 1,078,496</b>	<b>\$ 1,081,701</b>	<b>\$ 1,107,786</b>	<b>\$ 1,672,205</b>	<b>\$ 1,531,639</b>	<b>\$ 1,485,728</b>	<b>\$ 1,177,762</b>	<b>\$ 1,480,207</b>

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

2018 is restated for Prior Period Adjustment.

# INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Revenues</b>										
Taxes	\$ 3,323,633	\$ 3,174,544	\$ 2,960,847	\$ 2,984,992	\$ 2,747,287	\$ 2,571,243	\$ 2,512,806	\$ 2,431,619	\$ 2,195,221	\$ 2,203,067
Charges for Services	19,241,331	15,993,401	17,886,620	16,598,740	11,458,401	11,560,555	11,783,415	10,925,809	11,990,328	11,665,220
Facility Fees	6,797,896	6,737,396	6,754,489	6,760,224	6,796,765	6,805,280	6,737,486	6,819,272	6,850,050	5,992,256
Central Services Charges	1,169,400	1,094,000	1,177,200	1,123,000	1,101,000	1,068,996	1,000,200	1,074,000	924,154	1,267,842
Operating Grants	17,000	17,000	17,000	19,880	17,000	106,238	97,123	77,700	84,000	87,000
Investment Earnings	563,325	161,551	81,366	115,690	99,634	78,855	65,199	54,112	66,872	183,300
Miscellaneous	114,779	111,495	198,729	516,763	116,224	111,315	72,307	75,468	29,818	479,521
Total Revenues	<u>31,227,364</u>	<u>27,289,387</u>	<u>29,076,251</u>	<u>28,119,289</u>	<u>22,336,311</u>	<u>22,302,482</u>	<u>22,268,536</u>	<u>21,457,980</u>	<u>22,140,443</u>	<u>21,878,206</u>
<b>Expenditures</b>										
<b>General Government:</b>										
General Fund - current	3,933,149	3,586,203	3,603,667	3,510,247	3,139,473	3,059,518	2,907,061	2,874,413	2,943,084	2,778,075
Capital Outlay	121,257	113,813	148,435	79,331	644,383	84,849	46,452	9,953	211,657	450,907
<b>Recreation:</b>										
Community Services - current	17,288,580	16,137,428	15,919,959	14,853,575	13,019,001	12,742,330	12,458,356	12,577,779	13,185,666	12,927,136
Community Services - Capital Projects	6,043,500	3,905,926	3,633,210	2,344,198	2,832,606	2,266,640	2,094,299	2,785,667	7,058,131	3,144,892
Community Services - Debt Service	381,401	1,285,340	1,284,257	1,283,074	1,761,635	1,758,931	2,239,198	2,271,093	2,352,479	2,422,769
Beach - current	1,906,516	1,619,746	1,587,259	1,493,554	1,368,428	1,226,285	1,026,756	1,028,133	1,147,809	1,115,204
Beach - Capital Projects	284,298	221,248	256,161	319,152	695,822	167,375	550,397	7,196	138,173	122,173
Beach - Debt Service	6,241	6,237	6,215	6,189	276,005	277,192	133,177	133,893	245,237	274,998
Total Expenditures	<u>29,964,942</u>	<u>26,875,941</u>	<u>26,439,163</u>	<u>23,889,320</u>	<u>23,737,353</u>	<u>21,583,120</u>	<u>21,455,696</u>	<u>21,688,127</u>	<u>27,282,236</u>	<u>23,236,154</u>
<b>Other Financing Sources (Uses)</b>										
Transfers In	474,356	800,000	-	-	-	-	-	-	-	-
Transfer (Out)	(120,000)	-	-	-	-	-	-	-	-	-
Sale of assets	40,159	88,415	141,216	37,016	3,910	67,213	(8,615)	51,531	273,969	179,333
Insurance Proceeds	50,300	-	-	-	-	-	-	-	-	-
Capital Grants	31,958	156,775	113,615	586,361	235,674	(407)	1,137,270	1,369,936	2,126,748	-
Washoe Co Tax Refund	-	-	-	-	-	-	(694,817)	(280,460)	-	(270,102)
Total Other Sources (Uses)	<u>476,773</u>	<u>1,045,190</u>	<u>254,831</u>	<u>623,377</u>	<u>239,584</u>	<u>66,806</u>	<u>433,838</u>	<u>1,141,007</u>	<u>2,400,717</u>	<u>(90,769)</u>
<b>Net Changes in Fund Balance</b>	<u>\$ 1,739,195</u>	<u>\$ 1,458,636</u>	<u>\$ 2,891,919</u>	<u>\$ 4,853,346</u>	<u>\$ (1,161,458)</u>	<u>\$ 786,168</u>	<u>\$ 1,246,678</u>	<u>\$ 910,860</u>	<u>\$ (2,741,076)</u>	<u>\$ (1,448,717)</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
2019	\$ 1,666,387,475	0.1224	\$ 4,761,107,071	35%
2018	1,623,315,601	0.1182	4,638,044,574	35%
2017	1,532,912,733	0.1183	4,379,750,666	35%
2016	1,484,624,556	0.1269	4,241,784,446	35%
2015	1,456,574,018	0.1157	4,161,640,051	35%
2014	1,392,531,036	0.1105	3,978,660,103	35%
2013	1,374,297,099	0.1153	3,926,563,140	35%
2012	1,368,961,464	0.1129	3,911,318,469	35%
2011	1,448,979,941	0.0806	4,139,942,689	35%
2010	1,580,606,324	0.0755	4,516,018,069	35%

SOURCE: State of Nevada Department of Taxation

(Washoe County implemented a County-wide 15% reduction of assessed valuation in 2010)

## INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

### Direct and Overlapping Tax Districts

Last Ten Fiscal Years Ended June 30 (unaudited)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Indine Village GID-Direct	\$ 0.1224	\$ 0.1182	\$ 0.1183	\$ 0.1269	\$ 0.1157	\$ 0.1105	\$ 0.1153	\$ 0.1129	\$ 0.0806	\$ 0.0755
Overlapping-										
Washoe County	1.3917	1.3917	1.3917	1.3917	1.3917	1.3917	1.3917	1.3917	1.3917	1.3917
Washoe County School District	1.1385	1.1385	1.1385	1.1385	1.1385	1.1385	1.1385	1.1385	1.1385	1.1385
North Lake Tahoe Fire District	0.6291	0.6291	0.6291	0.6291	0.6291	0.6291	0.6414	0.5525	0.5389	0.5275
State of Nevada	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700
Total Rate Per \$100 assessed valuation	\$ 3.4517	\$ 3.4475	\$ 3.4476	\$ 3.4562	\$ 3.4450	\$ 3.4398	\$ 3.4569	\$ 3.3656	\$ 3.3197	\$ 3.3032

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	2019 Assessed Value	% of Total Assessed Value	2010 Assessed Value	% of Total Assessed Value	Rank
<b>Top Ten (Current Year):</b>							
Hyatt Equities LLC	Hotel/Casino	2	\$ 27,046,642	1.58%	\$ 22,361,551	1.54%	1
Tahoe Estates LLC	Residential Property	2	11,424,625	0.67%	5,074,698	0.35%	9
Ponderosa Ranch LLC	Residential Property	22	11,159,232	0.65%	11,134,369	0.77%	3
Cascade Beach LLC	Residential Property	2	12,426,966	0.72%			
1145 Lakeshore Boulevard	Residential Property	1	10,278,475	0.60%			
SF Pacific LLC	Residential Property	1	8,588,089	0.50%			
Lakeshore Trust	Residential Property	1	8,533,838	0.50%	7,385,207	0.51%	5
Ashley 2012 Family Trust/Peno Bottom	Residential Property	2	7,264,391	0.42%	4,798,769	0.33%	10
Andreas Bechtolsheim	Residential Property	4	6,801,062	0.40%			
HTS Ground Lake Tahoe INC	Residential Property	60	6,630,691	0.39%	5,467,926	0.38%	6
<b>In Prior Top Ten:</b>							
Ponderosa Ranch Stables, LLC	Residential Property	1			12,232,203	0.84%	2
David A Duffield Trust	Residential Property	6			7,815,728	0.54%	4
KWS Nevada Residential LLC	Residential Property	3			5,382,782	0.37%	7
Lacey Family Trust/1041 Realty Trust	Residential Property	1			5,317,696	0.37%	8
			<u>\$ 110,154,011</u>	<u>6.41%</u>	<u>\$ 86,970,929</u>	<u>6.00%</u>	
Total IVGID Community			<u>\$1,717,224,973</u>	<u>100.00%</u>	<u>\$1,448,979,941</u>	<u>100.00%</u>	

SOURCE: Washoe County Assessors Office

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

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

<b>Fiscal Year Ending June 30,</b>	<b>Net Levy Roll</b>	<b>Current Tax Collected</b>	<b>Percent of Levy Collected</b>	<b>Delinquent Tax Collected</b>	<b>Total Cumulative Taxes Collected</b>	<b>Total Taxes Collected as a % of Net Levy Roll</b>
2019	\$ 500,623	\$ 498,311	99.55%	\$ -	\$ 498,311	99.54%
2018	473,365	471,229	99.55%	1,745	472,974	99.92%
2017	452,327	449,930	99.47%	2,295	452,225	99.98%
2016	440,185	438,074	99.52%	2,093	440,167	100.00%
2015	424,115	421,125	99.30%	2,983	424,108	100.00%
2014	411,260	407,469	99.08%	3,787	411,256	100.00%
2013	411,058	405,977	98.76%	5,075	411,052	100.00%
2012	422,799	416,849	98.59%	5,947	422,796	100.00%
2011	458,717	451,994	98.53%	6,720	458,714	100.00%
2010	504,823	495,281	98.11%	9,539	504,820	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	Percentage Payable by	Percentage Payable by	Population	Debt Per Capita
	G. O. & Revenue Pledged	General Obligation Only	Total	Revenue Pledged	General Obligation	Total	Bonded Debt	Property Taxes	Pledged Revenues		
2019	\$ 1,498,000	\$ -	\$ 1,498,000	\$ 1,144,565	\$ 3,464,361	\$ 4,608,926	\$ 6,106,926	0%	100%	9087	\$ 672
2018	1,848,000	-	1,848,000	1,346,488	3,772,116	5,118,604	6,966,604	0%	100%	9087	767
2017	2,190,000	845,000	3,035,000	1,542,263	4,072,102	5,614,365	8,649,365	0%	100%	9087	952
2016	2,523,000	1,635,000	4,158,000	1,732,078	4,364,517	6,096,595	10,254,595	0%	100%	9087	1,128
2015	2,847,000	2,395,000	5,242,000	1,916,115	4,649,552	6,565,667	11,807,667	0%	100%	9087	1,299
2014	3,901,000	3,125,000	7,026,000	2,094,548	4,927,395	7,021,943	14,047,943	0%	100%	9087	1,546
2013	4,925,000	3,825,000	8,750,000	2,267,548	5,198,228	7,465,776	16,215,776	0%	100%	9087	1,785
2012	5,495,000	5,195,000	10,690,000	2,435,281	3,495,379	5,930,660	16,620,660	0%	100%	9087	1,829
2011	6,045,000	6,520,000	12,565,000	2,597,909	3,483,477	6,081,386	18,646,386	0%	100%	9087	2,052
2010	6,880,000	7,795,000	14,675,000	2,755,584	4,142,174	6,897,758	21,572,758	0%	100%	9087	2,374

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 * Indine Village	As of June 30, 2019 Applicable Net Debt
Washoe County	\$ 131,016,000	\$ 39,293,000	9.86900%	\$ 9,052,141
Washoe County School District	735,198,000	-	9.86900%	72,556,675
State of Nevada	1,284,715,000	311,203,000	1.39064%	13,538,025
<b>Total</b>	<b>2,150,929,000</b>	<b>350,496,000</b>		<b>95,146,841</b>
Indine Village GID	6,101,609	6,101,609		-
<b>Total</b>	<b>\$ 2,157,030,609</b>	<b>\$ 356,597,609</b>		<b>\$ 95,146,841</b>
Applicable Net Debt June 30:				
2018				\$ 99,064,878
2017				77,387,251
2016				73,677,678
2015				79,052,199
2014				92,762,454
2013				96,542,090
2012				94,180,056
2011				90,743,574
2010				93,265,052

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

SOURCE: Washoe County Comptrollers Office and Nevada Department of Taxation

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the Indine 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
2019	\$ 12,785,742	\$ 7,274,328	\$ 297,550	\$ 5,808,964	\$ 643,134	9.03
2018	11,925,557	7,139,740	127,300	4,913,117	643,135	7.64
2017	11,813,170	6,783,853	78,554	5,107,871	643,133	7.94
2016	11,158,119	6,804,140	149,326	4,503,305	636,808	7.07
2015	10,851,123	6,549,802	20,591	4,321,912	636,781	6.79
2014	10,434,118	6,270,919	56,295	4,219,494	636,956	6.62
2013	9,767,475	5,867,114	73,522	3,973,883	965,108	4.12
2012	9,127,955	5,839,109	86,391	3,375,237	1,010,929	3.34
2011	8,485,161	5,845,108	159,402	2,799,455	1,013,922	2.76
2010	8,051,694	5,446,570	(33,999)	2,571,125	1,016,046	2.53

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
2019	\$ 26,024,657	\$ 19,195,096	\$ 112,777	\$ 6,942,338	\$ 387,642	17.91
2018	22,730,797	17,757,174	71,591	5,045,214	1,291,577	3.91
2017	24,617,436	17,507,218	29,686	7,139,904	1,290,472	5.53
2016	20,666,327	16,347,129	69,701	4,388,899	1,289,263	3.40
2015	18,272,166	14,392,676	173,933	4,053,423	2,028,342	2.00
2014	18,472,073	14,002,615	196,763	4,666,221	2,025,584	2.30
2013	18,618,024	13,485,112	90,791	5,223,703	2,353,561	2.22
2012	17,771,350	13,605,912	153,785	4,319,223	2,385,541	1.81
2011	18,867,490	13,871,398	335,293	5,331,385	2,586,856	2.06
2010	17,744,476	13,408,419	813,979	5,150,036	2,682,739	1.92

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
2019	\$ 387,642	\$ 643,134	\$ 1,030,776	\$ 28,795,542	\$ 10,554,488	1.35%	6.09%
2018	1,291,577	643,135	1,934,712	25,781,941	10,113,371	5.01%	6.36%
2017	1,290,472	643,135	1,933,607	25,261,963	9,729,775	5.11%	6.61%
2016	1,289,263	636,808	1,926,071	24,654,345	9,901,095	5.23%	6.43%
2015	2,028,342	636,781	2,665,123	23,737,353	9,442,666	8.54%	6.74%
2014	2,025,584	636,956	2,662,540	21,583,120	9,029,675	9.39%	7.05%
2013	2,353,561	965,108	3,318,669	21,455,696	8,480,954	10.97%	11.38%
2012	2,385,541	1,010,929	3,396,470	21,688,127	8,404,350	11.00%	12.03%
2011	2,586,856	1,013,922	3,600,778	27,282,236	8,568,015	9.48%	11.83%
2010	2,682,739	1,016,046	3,698,785	23,236,154	8,815,457	11.55%	11.53%

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
2019	\$ 1,666,387,475	\$ 833,193,738	\$ 6,106,926	\$ 827,086,812
2018	1,623,315,601	811,657,801	6,966,604	804,691,197
2017	1,532,912,733	766,456,367	8,649,365	757,807,002
2016	1,484,624,556	742,312,278	10,254,595	732,057,683
2015	1,456,574,018	728,287,009	11,807,667	716,479,342
2014	1,392,531,036	696,265,518	14,047,943	682,217,575
2013	1,374,297,099	687,148,550	16,215,766	670,932,784
2012	1,368,961,464	684,480,732	16,620,660	667,860,072
2011	1,448,979,941	724,489,971	18,646,386	705,843,585
2010	1,580,606,324	790,303,162	21,572,758	768,730,404

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 <sup>2</sup></u>	<u>Housing Units</u>	<u>Occupied Housing Units</u>	<u>Housing Seasonal Use</u>	<u>Reno-Sparks Unemployment Rate <sup>2</sup></u>
2019	9087						4.0%
2018	9087						3.5%
2017	9087						4.0%
2016	9087						5.9%
2015	9087						6.4%
2014	9087						7.3%
2013	9087						9.8%
2012	9087						12.0%
2011	9087						13.0%
2010 <sup>1</sup>	9087	46.1	\$40,322	7,954	3,924	3,353	13.6%
2000 <sup>1</sup>	9952	42.1	\$36,658	7,664	4,176	2,957	4.0%

1 Based on actual Census Data

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

## INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Principal Employers - Incline Village and Crystal Bay  
 Current Fiscal Year and Past Years as Available (unaudited)

Employer	Ranking by Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	
HYATT LAKE TAHOE RESORT	1	1	1	1	1	1	1	1	1	
INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT	2	2	2	2	2	2	2	2	2	
GRAND LODGE CASINO AT HYATT (and predecessors)	3	3	4	4	5		5	5	6	
TAHOE BILTMORE	4	4	7			3	8	6	7	
SIERRA NEVADA COLLEGE	5	5	3	3	4	4	3	3	5	
RALEY'S	6	6	9	6	6	6	9	7	8	
NORTH LAKE TAHOE FIRE PROTECTION DISTRICT	7	8	8	8	9	7		9	9	
TAHOE FOREST HOSPITAL HEALTH	8	9		10	10	9	10	10		
WASHOE COUNTY SCHOOL DISTRICT	9	10								
ASSOCIATED SIERRA NORTH	10					10				
CRYSTAL BAY CLUB CASINO		7	5	7		5	6	4	4	
ACE TOTAL SERVICES INC (Excel)			6	5	3		7	8		
KELLY BROTHERS PAINTING INC.			10	9	8					
CAL_NEVA LODGE						8			10	
Single Residence Project Employers:										
BOC-NEVADA, INC.							4		3	
BLUE ROCK DEVELOPMENT					7					

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

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

	<u>Budget year ending June 30</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Golf	Seasonal/Part Time Positions	122.8	113.8	117.9	105.2	107.2	97.5	103.5	72.3	68.5	68.0
	Season/Part Time FTE	41.2	38.4	38.4	35.0	37.0	35.3	36.8	27.4	29.1	28.8
	Full Time FTE	11.4	11.6	11.0	7.9	7.2	6.7	6.8	6.99	8.1	9.6
	Total FTE	52.6	50.0	49.4	42.9	44.2	42.0	43.6	34.39	37.16	38.4
Facilities	Seasonal/Part Time Positions	0.3	0.3	0.3	1.7	1.7	16.5	2.0	1.8	1.5	0.5
	Season/Part Time FTE	0.2	0.1	0.1	1.2	1.2	3.6	1.0	1.0	0.7	0.1
	Full Time FTE	1.2	1.3	1.2	1.1	1.1	3.4	2.0	1.1	1.0	2.5
	Total FTE	1.4	1.4	1.3	2.3	2.3	7.0	3.0	2.1	1.8	2.6
Ski	Seasonal/Part Time Positions	285.7	281.5	273.5	254.0	254.0	247.0	193.0	216.0	225.0	218.0
	Season/Part Time FTE	57.7	54.4	50.6	46.7	46.0	49.6	33.6	41.8	39.3	39.7
	Full Time FTE	16.7	16.4	15.2	14.5	14.4	11.7	9.8	12.8	9.6	10.5
	Total FTE	74.4	70.8	65.8	61.2	60.4	61.3	43.4	54.6	48.9	50.2
Parks & Recreation	Seasonal/Part Time Positions	91.5	91.5	91.0	102.3	103.4	94.3	101.8	100.9	103.3	106.5
	Season/Part Time FTE	23.9	24.9	24.8	25.0	25.5	25.9	27.7	28.4	28.6	29.8
	Full Time FTE	11.0	10.1	10.1	10.1	9.8	9.0	11.8	11.8	12.3	14.5
	Total FTE	34.9	36.0	35.9	35.1	35.3	34.9	39.5	40.4	40.9	44.4
Marketing	Seasonal/Part Time Positions	1.0	2.0	2.0	2.0	2.0	0.0	2.0	2.0	2.0	2.0
	Season/Part Time FTE	0.1	0.3	0.3	0.3	0.3	0.0	0.7	0.7	0.7	0.7
	Full Time FTE	3.1	2.8	2.8	2.9	2.9	3.0	2.0	3.0	3.0	3.0
	Total FTE	3.2	3.1	3.1	3.2	3.2	3.0	2.7	3.7	3.7	3.7
Food & Beverage	Seasonal/Part Time Positions							57.0	59.0	53.0	59.0
	Season/Part Time FTE							14.4	14.3	18.1	18.9
	Full Time FTE							4.0	5.0	5.3	5.6
	Total FTE							18.4	19.3	23.4	24.5
Other Recreation	Seasonal/Part Time Positions	4.8	4.8	4.8	4.8	2.8	0.8	3.1	3.2	3.2	Prior to 2011
	Season/Part Time FTE	1.8	1.8	1.8	1.8	1.4	0.1	1.1	1.6	1.6	Other Recreation were
	Full Time FTE	1.4	1.4	0.9	1.0	1.6	1.6	1.8	2.4	1.4	included in Parks
	Total FTE	3.2	3.2	2.7	2.8	3.0	1.7	2.9	4.0	3.0	and Recreation.
Total Community Service	Seasonal/Part Time Positions	514.3	502.0	497.5	467.9	469.0	456.1	462.4	456.1	459.5	454.5
	Season/Part Time FTE	126.2	121.6	117.7	109.6	111.1	114.5	115.3	116.4	116.1	118.2
	Full Time FTE	41.7	40.9	38.5	34.7	34.1	35.4	38.2	41.7	41.2	46.4
	Total FTE	167.9	162.5	156.2	144.3	145.2	149.9	153.5	158.1	157.2	164.5
Beach	Seasonal/Part Time Positions	109.5	97.4	99.0	96.9	94.0	89.0	88.1	90.6	86.6	95.6
	Season/Part Time FTE	21.2	18.7	18.4	18.0	17.3	14.3	13.2	12.4	11.2	14.4
	Full Time FTE	4.6	3.9	3.9	4.0	3.0	2.8	2.1	2.5	3.1	3.7
	Total FTE	25.8	22.6	22.3	22.0	20.3	17.1	15.3	14.9	14.3	18.1
Administration	Seasonal/Part Time Positions	4.0	4.0	0.0	1.0	1.0	2.0	2.0	3	4.0	4.0
	Season/Part Time FTE	1.1	1.5	0.0	0.5	0.4	0.4	0.3	0.9	1.2	1.2
	Full Time FTE	22.2	21.8	22.8	22.7	20.7	22.6	20.7	20.2	21.2	21.2
	Total FTE	23.3	23.3	22.8	23.2	21.1	23.0	21.0	21.1	22.4	22.4
Engineering	Seasonal/Part Time Positions	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
	Season/Part Time FTE	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2
	Full Time FTE	4.8	3.8	3.8	3.8	2.8	2.8	2.8	2.8	2.8	2.8
	Total FTE	5.1	4.1	4.1	4.1	3.1	3.1	3.1	3.1	3.0	3.0
Fleet	Seasonal/Part Time Positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Season/Part Time FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Full Time FTE	7.0	7.0	7.0	7.0	6.0	6.0	6.0	6.0	6.0	7.0
	Total FTE	7.0	7.0	7.0	7.0	6.0	6.0	6.0	6.0	6.0	7.0
Buildings	Seasonal/Part Time Positions	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
	Season/Part Time FTE	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
	Full Time FTE	6.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	4.0
	Total FTE	6.5	5.5	5.5	5.5	5.5	4.5	4.5	4.5	4.5	4.5
Utilities	Seasonal/Part Time Positions	4.0	5.0	5.0	5.0	3.0	3.0	3.0	2.0	1.0	2.0
	Season/Part Time FTE	2.4	3.4	3.4	3.3	1.2	1.0	0.7	0.7	0.0	0.7
	Full Time FTE	32.2	31.2	31.2	31.2	31.2	31.2	30.2	31.2	31.3	31.7
	Total FTE	34.6	34.6	34.6	34.5	32.4	32.2	30.9	31.9	31.3	32.4
District Wide	Seasonal/Part Time Positions	<u>633.8</u>	<u>610.4</u>	<u>603.5</u>	<u>572.8</u>	<u>569.0</u>	<u>552.1</u>	<u>556.5</u>	<u>553.7</u>	<u>561.1</u>	<u>558.1</u>
	Season/Part Time FTE	<u>151.7</u>	<u>146.0</u>	<u>140.3</u>	<u>132.2</u>	<u>130.8</u>	<u>131.0</u>	<u>130.3</u>	<u>131.2</u>	<u>129.2</u>	<u>135.2</u>
	Full Time FTE	<u>118.6</u>	<u>113.6</u>	<u>112.2</u>	<u>108.4</u>	<u>102.8</u>	<u>104.8</u>	<u>104.0</u>	<u>108.4</u>	<u>109.6</u>	<u>116.8</u>
	Total FTE	<u>270.3</u>	<u>259.6</u>	<u>252.5</u>	<u>240.6</u>	<u>233.6</u>	<u>235.8</u>	<u>234.3</u>	<u>239.6</u>	<u>238.8</u>	<u>252.0</u>

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

## INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

### User Statistics, Last Ten Fiscal Years

#### Total number of users (unaudited)

Program	Unit Measured	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Water	Locations	4,269	4,270	4,251	4,243	4,234	4,229	4,223	4,217	4,217	4,216
Sewer	Locations	4,180	4,178	4,160	4,152	4,144	4,139	4,124	4,121	4,118	4,116
Refuse	Locations	4,345	4,345	4,338	4,177	4,162	4,138	4,151	4,149	4,233	4,233
Championship Course	Rounds played	21,650	23,139	21,353	22,881	23,142	23,784	23,744	22,860	20,417	21,841
Mountain Course	Rounds played	16,062	17,111	15,209	15,687	14,983	14,570	13,129	13,556	13,386	15,748
Beach	Individual visits	192,321	189,291	186,146	171,772	172,628	173,963	165,089	165,387	155,671	128,241
Tennis	Individual visits	13,082	13,630	14,683	14,823	14,129	13,337	13,009	14,398	14,080	12,333
Skier	Individual visits	130,922	120,847	160,613	167,064	84,568	93,935	103,397	98,818	131,371	126,867
Recreation Center	Individual visits	129,831	123,561	121,598	115,662	126,799	130,887	125,294	124,356	119,459	125,629

SOURCE: Incline Village General Improvement District

# INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

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

Program	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Ski	\$ 29	\$ (83)	\$ (36)	\$ 13	\$ (27)	\$ (20)	\$ (88)	\$ (35)	\$ 151	\$ 22
Tennis	20	20	18	16	9	21	6	18	15	19
Parks	118	117	117	97	108	86	102	200	120	131
Recreation Center	262	268	269	197	241	204	241	112	118	106
Championship Golf	98	97	83	126	81	75	87	47	30	38
Mountain Golf	63	62	54	69	31	29	40	20	22	21
Beaches	125	125	100	100	100	100	100	115	100	113
Youth	25	26	26	24	21	20	15	25	22	22
Seniors	21	20	20	19	12	19	16	20	23	26
Adult Programs	-	-	-	-	1	1	2	2	3	4
Catering	-	-	-	-	-	(13)	(8)	26	(2)	(6)
Facilities	57	56	57	47	46	52	35	33	48	33
Reserves for Recreation	-	-	-	-	-	49	75	40	-	-
Golf/Tennis/Ski Bonds	-	-	-	-	85	85	85	85	85	85
Ski Lodge Bond	-	110	110	110	110	110	110	110	110	110
Defensible Space	12	12	12	12	12	12	12	12	12	12
Coverage sales	-	-	-	-	-	-	-	-	(27)	-
Other/Unclassified	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ 830</b>	<b>\$ 830</b>	<b>\$ 830</b>	<b>\$ 830</b>	<b>\$ 830</b>	<b>\$ 830</b>	<b>\$ 830</b>	<b>\$ 830</b>	<b>\$ 830</b>	<b>\$ 736</b>
 Total Collected (in 1,000's)	 \$ 6,758	 \$ 6,746	 \$ 6,747	 \$ 6,746	 \$ 6,746	 \$ 6,742	 \$ 6,737	 \$ 6,819	 \$ 6,850	 \$ 5,992

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.

Coverage sales in 2011 relate to the specific application of proceeds designated to reduce capital costs in Community Service venues.

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
2019	\$ 32.09	\$ 0.93	\$ 54.96	\$ 3.20
2018	30.84	0.93	52.76	3.10
2017	29.82	0.95	51.45	3.00
2016	28.86	0.97	49.83	2.90
2015	28.10	1.35	47.95	2.79
2014	27.03	1.32	41.85	2.68
2013	27.62	1.28	39.31	2.60
2012	27.62	1.28	39.31	2.60
2011	27.89	1.24	37.52	2.50
2010	27.56	1.20	35.03	2.40

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

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

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Fiscal Year	Residential	Commercial	Total
2019	606	259	865
2018	633	282	915
2017	604	256	860
2016	594	255	849
2015	634	258	892
2014	673	292	965
2013	701	300	1,001
2012	626	312	938
2011	620	239	859
2010	636	253	889

Source: IVGID Utilities Billing Department

**INCLINE VILLAGE**  
GENERAL IMPROVEMENT DISTRICT

**COMPLIANCE SECTION**





**Independent 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***

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

We have audited, 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 (the "District") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 18, 2019.

**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) to determine the 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.

*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. 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control

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over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**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.



Reno, Nevada  
November 18, 2019



### Auditor's Comments

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

In connection with our audit of 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 (the District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, nothing came to our attention that caused us to believe that the District failed to comply with the specific requirements of Nevada Revised Statutes cited below. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the requirements of Nevada Revised Statutes cited below, insofar as they relate to accounting matters.

#### Current Year Statute Compliance

The required disclosure on compliance with Nevada Revised Statutes and the Nevada Administrative Code is contained in Note 1E to the financial statements. In addition, the District recorded a prior period adjustment as described in Note 22 to ensure compliance with NRS 354.6215.

#### Progress on Prior Year Statute Compliance

The District reported no instances of noncompliance with significant constraints on its financial administration during the year ended June 30, 2018.

#### Prior Year Recommendations

There were no findings for the year ended June 30, 2018.

#### Current Year Recommendations

We noted no material weaknesses and reported no significant deficiencies in internal control for the current year.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Reno, Nevada  
November 18, 2019

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GENERAL IMPROVEMENT DISTRICT  
ONE DISTRICT ~ ONE TEAM

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