

MEMORANDUM

TO: Audit Committee

FROM: Paul Navazio
Director of Finance

Martin Williams
Controller

SUBJECT: Additional Information Related to Management's Response to the Audit Committee's Report on the 2020-21 ACFR, dated March 9, 2022

DATE: June 16, 2022

BACKGROUND

Pursuant to section 2.3.7 of Board Policy 15.1.0, the Audit Committee issued its report on the 2020-21 Annual Comprehensive Financial Report (ACFR) to the Board of Trustees on March 9, 2022.

Board action on the recommendations contained in the Audit Committee report were deferred until the meeting of April 13th. At the Board's request, management prepared a companion memorandum in response to the Audit Committee's final report and recommendations, which was included in the Board agenda packet for the meeting of April 13th (see Exhibit 9).

As noted in the April 13th memorandum from management, staff concurred with several of the Audit Committee's recommendations; specifically, recommendations 1 (related to expanding the scope of the 2021-22 audit and recommendation 6 (presentation of capital improvement projects and capital maintenance and repairs - expense items).

However, management did not concur with the Audit Committee's recommendation(s) related to the need for additional prior period adjustments, as referenced in recommendations 2a, 2b, 3, 4 and 5.

The Audit Committee has requested that staff provide the Committee with additional information in support of management position on these areas of disagreement.

In addition, this memo includes a discussion of the accounting treatment for the Facility Fees as Program or General Revenue (within the Statement of Activities) as well as the classification as Operating or Non-Operating Revenue (Statement of Revenue, Expenditures and Change in Net Position).

ATTACHMENTS:

Attachment 1 - Audit Committee Recommendation #2a and #2b (March 9, 2022) - Capitalization of items considered to be maintenance and repairs.

Attachment 2 - Audit Committee Recommendation #3 and #4 (March 9, 2022) - Items capitalized in past ACFR's identified by Auditors as candidates for expensing, and retained as capital in final ACFR.

Attachment 3 - Audit Committee recommendation #5 (March 9, 2022) - Allocation of investment earnings.

Attachment 4 - Additional Topics of Concern to Audit Committee -Reporting of Facility Fees in District's financial statements

EXHIBITS:

- 1) Moss Adams report EXCERPT – Capital Asset Accounting
- 2) Listing of Capital Items retained as Capital Assets 2020/21 ACFR
- 3) Listing of Capital Items EXPENSED in 2020/21 ACFR
- 4) Board Policy 9.1.0 – Establishing Capitalization Thresholds (July 2016)
- 5) Governmental Accounting Standards Series – Implementation Guide 2021-1
- 6) History of Reporting of Facility Fee in District's Financial Statements
- 7) Moss Adams report EXCERPT – Punch Card Accounting (Facility Fees)
- 8) Governmental Accounting, Auditing and Financial Reporting – Using the GASB 34 Model, GFOA
- 9) Governmental GAAP Guide, 2020 Edition
- 10) Audit Committee Report on 2020/21 ACFR (March 9, 2022)

Audit Committee Recommendation #2a and #2b (March 9, 2022) - Capitalization of items considered to be maintenance and repairs.

The Audit Committee recommends a prior period adjustment to expense items 2a and 2b for consistency and accuracy of our financial statements.

Management Response (memo dated April 13, 2022) -

All FY2020/21 capital and construction-in-process items were reviewed by management and the auditor and concluded that capitalization was appropriate.

Additional information in support of Management's Response:

- As part of the preparation of the District's FY2020/21 financial statements, management reviewed items reported as Construction-In-Process to ascertain if properly reflected consistent with generally-accepted accounting practices as well as conformity with applicable Board policy. This review was done in consultation with the District's independent auditor.
- Management's evaluation of specific project costs entailed a review of not simply formal project "name" of project "description", but included a review of individual contracts, purchase orders and specific work performed.
- The Audit Committee report cites the Moss Adams report as guidance with respect to capitalization of items considered to be repairs and maintenance as well as costs associated with feasibility studies, master plans, and preliminary engineering activities (see Exhibit 1, Moss Adams, *Evaluation of Certain Financial Reporting Matters*, 1/14/2021, pages 25-28).
- Management would highlight the following criteria as applicable in determining if a particular project-related cost – whether consultant study, evaluation, preliminary engineering or repair project – is appropriate to capitalize or expense:
 - Was work performed associated with a particular project that was, or may be, ultimately constructed. Costs deemed appropriate to be capitalized are recorded as Construction-In-Process until the project is completed and the resulting fixed asset is put in service.
 - Repair and maintenance projects MAY be appropriate to capitalize if the work performed had the effect of expanding service capacity and/or extending the useful life of the asset. *This is distinguished from routine maintenance and repair work that merely maintains – or returns – the asset*

to its normal operating condition such that the original expected useful life can be reached.

- The criteria are supported by generally-accepted accounting practices, applicable Board Policy related to capitalization and the Moss Adams report:

Moss Adams (pp. 26-28):

There is relatively little material in the accounting standards to provide specific guidance on when it is appropriate to treat an expenditure as a capital. Rather, most of the guidance is based on GASB Concepts Statement No. 4 which provides general concepts only; anecdotal guidance from other standards like the accounting for intangible assets, asset impairments, elimination of the capitalization of interest costs, among others; and what has evolved in practice.

Current established practice includes the capitalization of certain costs incurred in a preliminary stage such as engineering, architectural, and design for projects that are actually constructed to the extent those costs would have been necessary for the project in any event

Further, we found the District's Board policies and practices lacked a framework for recognition and nature of costs incurred in the various stages of a project along with the accounting treatment to be applied with each stage.

Policies should provide guidance for the capitalization of certain engineering, architectural, and design costs incurred in the preliminary stage for projects actually constructed in addition to the costs incurred in the construction stage.

Also, Moss Adams, pg. 26 -

“Board practice 2.9.0.1.2.4 provides guidance for when repair project expenditures would be eligible for capitalization including the concept of increases to ‘productivity’ that are necessary in addition to the concept of increasing the useful life.”

Board Practice 2.9 –

1.2.4 In case of repair or refurbishment, the outlay will substantially prolong the life on an existing fixed asset or increase its productivity significantly, rather than merely returning the asset to a functioning unit or making repairs of a routine nature.

Conclusion:

- There are accepted instances where costs incurred in preliminary feasibility studies, alternatives analysis, master plans and preliminary engineering design work are appropriate to be capitalized – provided that they contribute to the construction of an asset that is ultimately placed in service.
- Repair and maintenance costs that are determined as resulting in an expansion of service capacity and/or extension of the useful life of an asset are, in fact, appropriate to capitalize.

Audit Committee Recommendation #3 and #4 (March 9, 2022) - Items capitalized in past ACFR's identified by Auditors as candidates for expensing, and retained as capital in final ACFR.

The Audit Committee recommends a prior year adjustment to expense these items for compliance with Board Practice and consistency and accuracy of our financial statements.

Management Response (memo dated April 13, 2022)

As discussed with the Audit Committee, and supported by the Auditor, at issue are items that the Auditor had identified as potential write-offs, based on their review of Board Policy and GAAP/GASB guidelines. The reversals of items initially written-off were all reviewed with the Auditor and were only reversed upon concurrence of the Auditor.

Moreover, management believes that the review of capital assets and subsequent write-offs to be consistent with Board Policy 9.1 and Board Practice 9.2. At the same time, given the identified need to clarify aspects of the capitalization policy, these have been largely addressed in the updated capitalization policy approved by the Board in January.

Staff notes that in following up with both the external auditor and the District's legal counsel, the comments attributed to both in this Audit Committee recommendation are taken out of context and should not be viewed as concurrence with the Audit Committee's position.

Additional information in support of Management's Response:

- Management again would highlight the fact that the items in question were reviewed with the external auditor and only retained as capital assets upon concurrence by the audit team.
- Management re-affirms its position that its review of items to be either retained as capital assets or expensed was performed consistent with Board Policy and Practice related to capitalization.
- The Audit Committee points to a section 3.0 of Board Policy 9.1 and section 1.2.5 of Board Practice 2.9 as evidence of management violating Board policy in retaining certain items as capital assets rather than expensing them as falling under the capitalization threshold:

Board Policy 9.1 -

3.0 In no case will the District establish a capitalization threshold of less than \$5,000 for any individual item

Board Practice 2.0 - .

1.2.5 The capitalization threshold is applied to individual items rather than to groups of similar items (e.g. desks and tables).

- In management’s view, the entirety of Board Policy 9.1 and Board Practice 2.9 should be considered, which includes the following provisions:

2.0 Capitalization thresholds are best applied to individual items rather than to groups of similar items (e.g., desks and tables), unless the effect of doing so would be to eliminate a significant portion of total capital assets.

5.0 Capitalization of buildings and infrastructure should consider the use of componentization as a way to reflect the varying life cycle considerations of mechanical, structural elements, and wear items that may require different cycles of maintenance and replacement from the main asset being capitalized. The significance of such componentization takes precedent over the \$5,000 threshold, and thus smaller amounts may be listed to facilitate proper asset management.

- In its review of items that were capitalized by prior management – including staff that drafted and recommended applicable Board Policy 9.1 and Practice 2.9 – current staff looked for areas where, in our opinion, there was a clear and obvious case for writing-off items previously capitalized. Acknowledging that several of these assets were capitalized many years ago (in fact, many having been fully-depreciated), when staff found no clear evidence to make the determination that an asset should not have been capitalized, the asset was retained as previously recorded.
- Finally, management believes that many of the issues and concerns identified in the area of capitalization, including specific recommendations made by Moss Adams, have been incorporated into the District’s update Capitalization Policy approved by the Board of Trustees earlier this year.

Audit Committee recommendation #5 (March 9, 2022) - Allocation of investment earnings.

The Audit Committee recommends a prior period adjustment removing investment income credited to the General Fund and included in the fund balances for the fund(s) which had cash invested at LGIP, as it had historically been done, prior to FY 2018-2019.

Additionally, the committee recommends the approach for distribution of investment income be based solely on cash invested by fund or to have separate LGIP accounts by fund, like the Utility Fund, to avoid any confusion.

Management Response (memo dated April 13, 2022):

The accounting for investment income has been modified beginning with the 2021/22 (current) fiscal year. This change in methodology is consistent with best management practices and, staff believes, is more closely aligned with the implied goal of the Audit Committee's recommendation.

Staff does not concur with the Audit Committee's recommendation to record prior period adjustments related to past practice of allocating investment earnings.

Simply stated, the District's past practice was to record and track investments in LGIP and the District's investment portfolio "by fund." Accordingly, individual funds were credited with investment earnings based on the interest received by investments held by each individual fund. Under this approach, the General Fund was historically credited with interest earnings from pooled cash within the District's governmental funds.

Beginning July 1, 2021, management modified the methodology for allocating investment earnings. Consistent with best management practices, all available cash on hand is pooled for investment purposes. Individual investments are not recorded, or tracked, by fund, but rather investments are managed under a pooled portfolio, with interest earnings allocated to each of the District's individual funds based on each fund's proportional share of cash balances available for investment.

Additional information in support of Management's Response:

- The practice currently adopted is consistent with industry best practices
- This issue may warrant consideration by Board of Trustees regarding alternative approaches to allocation of investment earnings.

Additional Topics of Concern to Audit Committee

Reporting of Facility Fees in District's financial statements

- The Audit Committee has made a recommendation that the Facility Fees assessed on parcel owners to support operations, capital and debt expenditures within the District's Community Services and Beach funds be reported as Program Revenues within the Statement of Activities and as Non-operating revenues within the Statement of Revenue, Expense and Change in Net Position
- This recommendation is supported by observations and recommendations contained in the Moss Adams report (Financial Reporting Matters), based on their review of the nature of the District's Facility Fee and applicable guidance in the accounting standards.

Management Comments:

- It is worth noting the history of the reporting of Facility Fees within the District's financial statements. Prior to the transition from proprietary to special revenue fund accounting for the Community Services and Beach funds (for fiscal year 2015/16), Facility Fee revenues were consistently reported as Program Revenues in the Statement of Activities and as Operating Revenues in the Statement of Revenue, Expense and Change in Net Position:

HISTORY OF REPORTING OF FACILITY FEES IN DISTRICT FINANCIAL STATEMENTS

FYE	Statement of Activities		Statement of Revenue, Expenses and Change in Net Position		Statement of Cash Flows				Independent External Auditor
	Program Revenues	General Revenues	Operating Revenues	Non-Operating Revenues	Operating Activities	Capital Financing Activities	and Related Financing	Investing Activities	
<i>Proprietary (Enterprise) Funds</i>									
6/30/2022									
<i>Governmental (Special Revenue) Funds</i>									
6/30/2021		X							
6/30/2020		X							Davis Farr, LLP
6/30/2019		X							Eide Bailly, LLP
6/30/2018		X							Eide Bailly, LLP
6/30/2017		X							Eide Bailly, LLP
6/30/2016		X							Eide Bailly, LLP
6/30/2015		X							Eide Bailly, LLP
<i>Proprietary (Enterprise) Funds</i>									
6/30/2014	X		X		X				Kafoury, Armstrong & Co.
6/30/2013	X		X		X				Kafoury, Armstrong & Co.
6/30/2012	X		X		X				Kafoury, Armstrong & Co.
6/30/2011	X		X		X				Kafoury, Armstrong & Co.
6/30/2010	X		X		X				Barnard, Vogler & Co.
6/30/2009	X		X		X				Barnard, Vogler & Co.
6/30/2008	X		X		X				Barnard, Vogler & Co.

- As noted by Moss Adams and as referenced in various accounting standards documentation, there is diversity of practice on the classification of exchange-like transactions. These are defined as transactions “*where the value exchanged, though related, may not be quite equal or in which the benefits may not be exclusively for the parties to the transaction. Nevertheless, the exchange characteristics are strong enough to justify treating the transactions as exchange for accounting purposes.*” (GASB Cod Sec N50.503 - Moss Adams, page 22).
- The Moss Adams report also has language to the effect of: “*Prior to 2016, when the District was reporting its recreational activities with enterprise funds, the Facility Fees were classified as “operating revenues” consistent with exchange or exchange-like accounting guidance. After 2016, the District classified the fees as “general revenues” which is consistent with non-exchange transactions accounting guidance, and only appropriate when the fees are unrelated to funding specific programs and activities.*”
- Management notes that the primary recommendation put forth by Moss Adams on the reporting of the Facility Fee, states: “*Whether the District continues to report its recreational activities within governmental funds or switches to enterprise funds, its policy on the classification of the Facility Fee revenue should be disclosed in the notes to the financial statements.*” (Moss Adams, page 21).
- In direct response to this recommendation, the District’s 2019/20 ACFR included Note, as follows:

T. Accounting for Facility Fees

Each year, the District establishes an annual Recreation Facility Fee and Beach Facility Fee to be collected from property owners within the District through a levy placed on the property tax bill and collected on behalf of the District by the Washoe County Treasurer’s Office. These fees are established based on the revenues required to support debt, capital expenditure and operations for the District’s various recreation and beach facilities. These revenues, combined with service charges collected by the District for facility use and program activities serve to support the operations of the District. These revenues are recorded as general revenues within the government-wide statement of activities as opposed to charges for services. The Facility Fees are recorded as revenues to the Community Services Special Revenue Fund and the Beach Special Revenues fund, with subsequent transfers to Capital and Debt fund, as required, to support actual expenditures.

While this Note was (erroneously) omitted from the District’s 2020/21 ACFR, future ACFR’s will include an explanation of the accounting treatment of the District’s Facility Fee.

A) Program Revenue vs General Revenues (*Statement of Activities*)

- In light of the District converting back to proprietary (enterprise) funds for its Community Services and Beach Funds, commencing with the 2021/22 fiscal year, management will review this issue with the District’s external auditor for guidance on proper reporting in the Statement of Activities.
- GASB 34 paragraph 49 discusses Program Revenues and states, “*These revenues arise from charges to customers or applicants who purchase, use, or directly benefit from the goods, services, or privileges provided. Revenues in this category include ... operating special assessments, such as for street cleaning or special street lighting; and any other amounts charges to service recipients.*”

B) Operating vs Non-Operating Revenues (*Statement of Revenue, Expense and Change in Net Position*).

- Management believes that the reporting of the Facility Fees as Operating Revenues in the Statement of Revenue, Expense and Change in Net Position is correct, and consistent with GAAP as well as long-standing District practice.
- *See also:*
 - *Governmental and Accounting, Auditing and Financial Reporting – GFOA practice guide:*

“GAAP requires that the statement of activities for proprietary funds distinguish operating from non-operating revenues and expenses. GAAP do not provide an authoritative definition of operating and non-operating revenues and expenses for the purpose, although GAAP indicate that financial statement preparers may wish to consider the authoritative guidance on identifying cash flows from operating activities in arriving at their own definition.
 - *Governmental GAAP Guide for State and Local Government*

Includes subsidies as examples of non-operating expenses; however, subsidies are (proposed to be) defined as funding sources from “another party or fund,” and thus implying not established for the specific purpose of providing for the operation, capital and debt requirements of the activity.



Capital Asset Accounting

Based on input gathered from interviews, documents reviewed, and our evaluation of existing practices compared to applicable accounting standards and best practices, we have the following observations and recommendations.

1	Observation	The District's current accounting practice includes posting certain costs incurred to its construction-in-progress account based on the nature of an expenditure, or services provided to the District by certain employees, without requiring a clear connection of the cost incurred to the increased service capacity of a specific capital asset. The costs posted to construction-in-progress are later transferred and included in the capitalized cost of existing and new capital assets. Further, we found that costs are capitalized without an evaluation of what stage a particular project is in whether a preliminary or feasibility stage, actual construction stage, or post-construction stage. As a result, expenditures incurred in preliminary stages have been capitalized by the District that don't meet current accounting guidance for capitalization.
	Recommendation	The District's practices and policies should be revised to acknowledge different stages to a project, definition of costs incurred in each stage, and how to account for the expenditures incurred in each stage, consistent with established and accepted governmental accounting practices.
2	Observation	The District's past history of capitalizing costs incurred for feasibility studies and master plans is not consistent with with current recognized governmental accounting practice.
	Recommendation	In most cases, the District should expense expenditures for feasibility studies and master plans. Policies should be revised to address the few circumstances where preliminary engineering, architectural, or design costs are actually utilized in a capital project and eligible for capitalization.



3	Observation	The District has historically capitalized repair projects without a complete evaluation of whether the repair truly increased the capacity of the asset to provide service. Board policies currently do not provide sufficient guidance on what constitutes an increase in service capacity for its various types of capital assets.
	Recommendation	Board policies and practices should be revised to provide for capitalization of expenditures that truly increase service capacity, and further, that provide the criteria to be followed in making the increased service capacity decision on expenditures by nature or function of the different asset types versus expenditures that should be expensed.

Observation of current capitalization practices.

From our interviews of various stakeholders, we learned that the District has routinely treated a number of different types of expenditures initially as capital outlays and included in the capital asset account titled 'construction-in-progress'. These costs are allocated to and included with the costs incurred to actually construct a project and reclassified to other capital asset classifications once projects are completed.

Costs initially included in construction in progress include master plans, feasibility studies, and payroll costs for certain District employees like engineers involved in the District's capital asset planning processes. Decisions on whether to include a cost in construction in progress appear to be more from established practice based on the nature of a type of expenditure like engineering staff payroll costs, instead of based on an evaluation of whether the costs were incurred to actually construct a specific asset and without consideration of what stage a project is in.

Board policy 8.1.0 and 9.1.0 establish some of the elements of a framework with which to establish whether an expenditure should be capitalized including the useful life for a particular capital asset. 9.1.0.1.0 provides that an asset must provide utility for two years or more to be eligible for capitalization. 9.1.0.3.0 provides that only expenditures in excess of \$5,000 will be eligible for capitalization.

Board practice 2.9.0.1.2.1 provides that an asset must have a useful life of at least three years to be eligible for capitalization which is inconsistent with the guidance in policy 9.1.0.

Board practice 2.9.0.1.2.4 provides guidance for when repair project expenditures would be eligible for capitalization including the concept of increases to 'productivity' that are necessary in addition to the concept of increasing the useful life.

Applicable capital expenditure and best practice accounting guidance.

There is relatively little material in the accounting standards to provide specific guidance on when it is appropriate to treat an expenditure as a capital. Rather, most of the guidance is based on GASB Concepts Statement No. 4 which provides general concepts only; anecdotal guidance from other standards like the accounting for intangible assets, asset impairments, elimination of the capitalization of interest costs, among others; and what has evolved in practice. Existing guidance defines capital assets as land, improvement to land, easements, buildings, building improvements, vehicles,



machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible and intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period. Infrastructure assets are long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets including roads, bridges, tunnels, drainage water and sewer systems. (GASB Cod Sec 1400.103)

Accepted practice includes recognition of the different stages of a project including preliminary, construction, and post-construction. Preliminary stage activities include conceptual formulation and evaluation of alternatives, determination of future needs, feasibility studies, and development of financing alternatives. Construction stage includes the engineering and design work on the chosen alternative, actual construction costs, direct payroll of employees working on the project along with certain overhead, and ancillary charges necessary to get the asset in working condition. Post construction stage includes, among other costs, training of employees on use of a particular asset. (GASB Cod Sec 1400.143-149)

Costs incurred in the preliminary and post-construction stages are typically expensed as they are not directly connected with creating service capacity of a particular asset. A project is not considered to enter the construction stage until an actual project alternative has been selected, it is determined the selected alternative will meet the intended needs and objectives, financing for the project has been identified, and the entity establishes in some meaningful way it is committed to proceed with the project such as, for example, including the financing sources and necessary expenditures in the budget. (GAAFR 23-7 to 9)

Governments often expend resources on existing capital assets. Most often, these expenditures simply preserve the asset's utility and are expensed as routine repairs and maintenance. Any outlay that does no more than return a capital asset to its original condition, regardless of the amount expended, should be classified as maintenance and repairs. Since maintenance and repairs provide no additional value, their cost should be recognized as expense when incurred. (GAAFR 23-10)

Best practices to consider for inclusion in policies and practices include:

- The different stages of a project and the types of costs incurred in the different stages.
- The accounting treatment of costs incurred in the different stages.
- What elements or criteria need to be met for expenditures associated with a repair project to be eligible for capitalization based on the concept of service capacity in addition to the extension of useful life of an asset.
- Provide for a different dollar threshold for the different classifications of capital assets. (GFOA best practices)

Evaluation of the District's current capitalization practices.

We find that the District's practice of capitalizing expenditures incurred in what would meet the definition of the preliminary stage of a project as noted above is inconsistent with the accepted practice. Examples include payments to external consultants and internal staff payroll costs to develop master plans, feasibility studies, and related engineering and overall system planning.

Current established practice includes the capitalization of certain costs incurred in a preliminary stage such as engineering, architectural, and design for projects that are actually constructed to the extent those costs would have been necessary for the project in any event.



In addition, we find that the District has capitalized expenditures incurred for repair projects without a careful consideration of portions of the costs incurred that bring the asset back to its previous service capacity and therefore should be expensed, versus the portion of costs that actually increased the service capacity and or significantly increased the asset's useful life. When a particular project has elements of both repairs and improvements, an appropriate portion of the cost should be allocated to repairs and therefore expensed, and a portion to the improvement and capitalized. (GAAFR 27-10)

Further, we found the District's Board policies and practices lacked a framework for recognition and nature of costs incurred in the various stages of a project along with the accounting treatment to be applied with each stage.

Recommendations.

The District's policies and practices should be expanded to provide additional guidance. One area to consider is revisions to recognize, provide descriptions of the types and nature of expenditures incurred in, and provide guidance on how to account for, the various stages of a capital project. The stages should include, at a minimum, preliminary, development or construction, and post-development or construction. Policies should provide guidance for the capitalization of certain engineering, architectural, and design costs incurred in the preliminary stage for projects actually constructed in addition to the costs incurred in the construction stage. Another area to consider is a revision of the dollar thresholds to apply to the different classes of capital assets.

Generally, costs incurred for master plans, feasibility studies, exploration of various project financing alternatives; and all internal payroll costs for engineering, planning, and administrative efforts incurred in what would fall into the preliminary project stage should be expensed when incurred. Only costs incurred in the preliminary stage for projects actually constructed that are necessary project costs and related to adding to service capacity should be eligible for capitalization.

Each project related to an existing capital asset should be carefully evaluated with respect to the objective of the project. For example, determine if the project is part of the ongoing and necessary maintenance to keep the asset in good working order without increasing service capacity and therefore not eligible for capitalization, a repair that was not anticipated but necessary to keep the asset in good working order without increasing the service capacity and therefore not eligible for capitalization, or was the project previously identified as part of an overall plan to increase the service capacity or the overall remaining useful life of the asset and therefore is eligible for capitalization. The policy could provide the criteria to be applied unique to the different classes of capital assets necessary to make the determination on whether a significant increase in service capacity or useful life will result. As an example, policies for road resurfacing might include that laying more than a certain number of inches of new asphalt on an existing road is required to support the service capacity has been increased and the resurfacing project costs are eligible for capitalization. Application of sealants or laying new asphalt of less than a certain depth is considered repairs and maintenance and expensed when incurred.

EXHIBIT 2

Description	Fixed Asset#	FA Type	FA Category	Accumulated Depreciation		Book Value	Cost	Est. Useful life (years)	Remaining Useful life (years)	In Use Date	Reason to retain capitalization
MAINTENANCE FACILITY GARAGE	6788	Water Buildings and Structures	Building & Renovations	25,285.04	17,065.56	42,350.60	40.00	16.10	12/31/1997	Building construction	
MAINTENANCE FACILITY GARAGE	6789	Sewer Buildings and Structures	Building & Renovations	25,285.04	17,065.58	42,350.62	40.00	16.10	12/31/1997	Building construction	
Levee Repairs	11400	Sewer Service Distribution Infrastructure	Infrastructure	7,006.98	21,987.31	28,994.29	10.00	7.53	05/31/2019	Levee replacement	
WETLANDS - LEVEE REPAIR	10076	Sewer Service Distribution Infrastructure	Infrastructure	18,766.08	8,263.41	27,029.49	20.00	6.10	12/31/2007	Levee replaced	
WETLANDS - LEVEE REPAIR 08/	10349	Sewer Service Distribution Infrastructure	Infrastructure	26,885.10	16,239.72	43,124.82	20.00	7.44	05/01/2009	Levee replaced	
Ski Beach Boat Ramp Repairs	10890	Field and Parks Improvements	Venue Improvements	5,868.72	12,664.76	18,533.48	20.00	13.52	05/31/2015	Extended useful life	
Wetlands fence repairs and 2 gates	10977	Sewer Buildings and Structures	Building & Renovations	4,516.96	10,133.04	14,650.00	20.00	13.73	08/14/2015	Fencing and gate replacement	
LifeFitness Integrity SC Upright Bikes with Televisions	11577	Recreation Service Equipment	Machinery & Equipment	790.30	3,273.80	4,064.10	6.00	4.77	08/27/2020	Gym Equipment	
LifeFitness Integrity SC Upright Bikes with Televisions	11578	Recreation Service Equipment	Machinery & Equipment	790.30	3,273.80	4,064.10	6.00	4.77	08/27/2020	Gym Equipment	
LifeFitness Integrity SC Upright Bikes with Televisions	11579	Recreation Service Equipment	Machinery & Equipment	790.30	3,273.80	4,064.10	6.00	4.77	08/27/2020	Gym Equipment	
#808 2019 buyers saltdog sander	11531-A	Water Service Equipment	Machinery & Equipment	1,370.04	2,544.62	3,914.66	5.00	3.20	01/31/2020	Shared asset, total value over threshold	
#808 2019 buyers saltdog sander	11531-B	Sewer Service Equipment	Machinery & Equipment	1,370.04	2,544.61	3,914.65	5.00	3.20	01/31/2020	Shared asset, total value over threshold	
2017 Boss SNOWPLOW #763 (Water)	11210-A	Water Service Equipment	Machinery & Equipment	2,673.60	668.54	3,342.14	5.00	0.91	10/18/2017	Shared asset, total value over threshold	
2017 Boss SNOWPLOW #763 (Sewer)	11210-B	Sewer Service Equipment	Machinery & Equipment	2,673.60	668.53	3,342.13	5.00	0.91	10/18/2017	Shared asset, total value over threshold	
Matrix Strength Leg Extension Machine	11152	Recreation Service Equipment	Machinery & Equipment	2,477.18	597.82	3,075.00	6.00	1.10	12/27/2016	Gym Equipment	
Matrix Strength Chest Press Machine	11153	Recreation Service Equipment	Machinery & Equipment	2,477.18	597.82	3,075.00	6.00	1.10	12/27/2016	Gym Equipment	
Matrix Strength Rear Delt/Fly Machine	11154	Recreation Service Equipment	Machinery & Equipment	2,477.18	597.82	3,075.00	6.00	1.10	12/27/2016	Gym Equipment	
Matrix Strength Biceps/Triceps Machine	11155	Recreation Service Equipment	Machinery & Equipment	2,477.18	597.82	3,075.00	6.00	1.10	12/27/2016	Gym Equipment	
LifeFitness Group Exercise LifeCycle Bike	11125	Recreation Service Equipment	Machinery & Equipment	1,682.24	120.13	1,802.37	5.00	0.22	02/07/2017	Gym Equipment	
LifeFitness Group Exercise LifeCycle Bike	11126	Recreation Service Equipment	Machinery & Equipment	1,682.24	120.13	1,802.37	5.00	0.22	02/07/2017	Gym Equipment	
LifeFitness Group Exercise LifeCycle Bike	11127	Recreation Service Equipment	Machinery & Equipment	1,682.24	120.13	1,802.37	5.00	0.22	02/07/2017	Gym Equipment	
LifeFitness Group Exercise LifeCycle Bike	11128	Recreation Service Equipment	Machinery & Equipment	1,682.24	120.13	1,802.37	5.00	0.22	02/07/2017	Gym Equipment	
LifeFitness Group Exercise LifeCycle Bike	11121	Recreation Service Equipment	Machinery & Equipment	1,682.24	120.14	1,802.38	5.00	0.22	02/07/2017	Gym Equipment	
LifeFitness Group Exercise LifeCycle Bike	11122	Recreation Service Equipment	Machinery & Equipment	1,682.24	120.14	1,802.38	5.00	0.22	02/07/2017	Gym Equipment	
LifeFitness Group Exercise LifeCycle Bike	11123	Recreation Service Equipment	Machinery & Equipment	1,682.24	120.14	1,802.38	5.00	0.22	02/07/2017	Gym Equipment	
LifeFitness Group Exercise LifeCycle Bike	11124	Recreation Service Equipment	Machinery & Equipment	1,682.24	120.14	1,802.38	5.00	0.22	02/07/2017	Gym Equipment	
Manhole and sewer line repairs 1120 Lakeshore	11198	Sewer Service Distribution Infrastructure	Infrastructure	4,890.00	18,582.84	23,472.84	20.00	15.78	08/31/2017	Extend useful life	
Mountain Course Golf Cart Path Repairs	11248	Golf Course Improvements	Venue Improvements	31,867.20	47,800.65	79,667.85	10.00	5.95	10/31/2017	Path replacement	
Championship Course Golf Cart Path Repairs	11247	Golf Course Improvements	Venue Improvements	43,908.34	68,197.66	112,106.00	10.00	6.03	11/30/2017	Path replacement	
Ski Beach Pavement Maintenance	11251	Field and Parks Improvements	Venue Improvements	15,525.00	24,975.00	40,500.00	10.00	6.11	12/31/2017	Payment replacement	
Roadway repairs at wetlands	11335	Sewer Service Distribution Infrastructure	Infrastructure	9,422.80	32,980.25	42,403.05	15.00	11.61	06/30/2018	Roadway replacement	
Repairs at wetlands for Spring 2018 flood damage (Levees and roa	11355	Sewer Service Distribution Infrastructure	Infrastructure	6,269.20	31,345.26	37,614.46	20.00	16.61	07/01/2018	Levee replacement	
Snowflake Roof Maintenance	11363	Recreation Buildings and Structures	Building & Renovations	2,600.36	14,266.64	16,867.00	20.00	16.86	09/30/2018	Extended useful life, Snowflake lodge 100% depreciated before 2018	
Vermont Maintenance Trac Work Order Software	11446	Information Technology Communications Equipment	Machinery & Equipment	22,962.45	655.97	23,618.42	3.00	0.03	12/01/2018	Software purchase	
Roadway Repairs at Wetlands	11442	Sewer Service Distribution Infrastructure	Infrastructure	9,833.88	53,383.78	63,217.66	15.00	12.57	06/15/2019	Roadway replacement	
Slurry seal and paving repairs -Rec Center Entry Road and Parking	11521	Recreation Buildings and Structures	Building & Renovations	7,753.19	19,610.85	27,364.04	5.00	3.53	5/31/2020	Roadway replacement	
Mt. Course Cart Paths Paving Maintenance & Draining Repairs	11500	Golf Course Improvements	Venue Improvements	10,362.35	26,210.65	36,573.00	5.00	3.53	05/31/2020	Path replacement	
Champ Golf Cart Path Repairs	11491	Golf Course Improvements	Venue Improvements	8,085.54	48,988.46	57,074.00	10.00	8.53	06/01/2020	Path replacement	
Precor Recumbent Bike with TV	11576	Recreation Service Equipment	Machinery & Equipment	259.25	4,096.40	4,355.65	7.00	6.50	05/20/2021	Gym Equipment	
Matrix Glute Machine	11305	Recreation Service Equipment	Machinery & Equipment	775.31	1,493.94	2,269.25	10.00	6.45	05/04/2018	Gym Equipment	
Matrix Shoulder Press	11306	Recreation Service Equipment	Machinery & Equipment	825.74	1,591.51	2,417.25	10.00	6.45	05/04/2018	Gym Equipment	
Matrix Seated Row	11307	Recreation Service Equipment	Machinery & Equipment	781.46	1,505.79	2,287.25	10.00	6.45	05/04/2018	Gym Equipment	
Matrix Leg Press	11308	Recreation Service Equipment	Machinery & Equipment	958.99	1,848.26	2,807.25	10.00	6.45	05/04/2018	Gym Equipment	
Matrix Lat Pulldown	11309	Recreation Service Equipment	Machinery & Equipment	825.74	1,591.51	2,417.25	10.00	6.45	05/04/2018	Gym Equipment	
Matrix Versa AB/AD	11405	Recreation Service Equipment	Machinery & Equipment	895.81	1,699.19	2,595.00	7.00	4.45	05/05/2019	Gym Equipment	
Matrix Versa Seated Leg Curl Plus	11406	Recreation Service Equipment	Machinery & Equipment	798.95	1,515.30	2,314.25	7.00	4.45	05/05/2019	Gym Equipment	
F&B Shared POS - Mountain Course	10984	Recreation Office Equipment	Machinery & Equipment	2,804.90	2,003.70	4,808.60	10.00	4.03	12/01/2015	Software purchased	
F&B Shared POS - Snowflake Lodge	10986	Recreation Office Equipment	Machinery & Equipment	2,844.97	1,963.63	4,808.60	10.00	4.03	12/01/2015	Software purchased	
3" Compound Badger Meter	10839	Water Service Distribution Infrastructure	Infrastructure	463.20	1,272.46	1,735.66	25.00	17.89	10/13/2014		
3" Compound Badger Meter - 964 Incline Way - Rec. Center Meter	10840	Water Service Distribution Infrastructure	Infrastructure	992.00	2,726.61	3,718.61	25.00	17.88	10/09/2014		
3" Compound Badger Meter - 899 Southwood Blvd. - Lodgepole P;	10841	Water Service Distribution Infrastructure	Infrastructure	992.00	2,726.61	3,718.61	25.00	17.88	10/09/2014		
3" Compound Badger - Meter 931 Southwood Blvd. - Incline Middl	10842	Water Service Distribution Infrastructure	Infrastructure	992.00	2,726.61	3,718.61	25.00	17.88	10/08/2014		

Description	Fixed Asset#	FA Type	FA Category	Accumulated		Est. Useful	Remaining Useful life (years)	In Use Date	Reason to retain capitalization	
				Depreciation	Book Value					
4" Compound Badger Meter - 111 Country Club - Hyatt Irrigation	10843	Water Service Distribution Infrastructure	Infrastructure	992.00	2,726.61	3,718.61	25.00	17.88	10/07/2014	
3" Compound Badger Meter - 861 Southwood Blvd. - High Sierra H	10844	Water Service Distribution Infrastructure	Infrastructure	992.00	2,726.61	3,718.61	25.00	17.87	10/06/2014	
6" Compound Badger Meter - 991 Driver Way - Champ Golf	10845	Water Service Distribution Infrastructure	Infrastructure	992.00	2,726.61	3,718.61	25.00	17.98	11/14/2014	
4" Compound Badger Meter - 725 Golfer's Pass - Mountain Golf	10846	Water Service Distribution Infrastructure	Infrastructure	992.00	2,726.61	3,718.61	25.00	17.93	10/27/2014	
4" Compound Badger Meter - 699 Birdy Court - Mountain Golf	10847	Water Service Distribution Infrastructure	Infrastructure	992.00	2,726.61	3,718.61	25.00	17.93	10/27/2014	
6" Compound Badger Meter - 955 Fairway Blvd. - Champ Golf Off	10849	Water Service Distribution Infrastructure	Infrastructure	992.00	2,726.61	3,718.61	25.00	17.94	10/29/2014	
6" Compound Badger Meter - 950 Fairway Blvd. - Chateau	10850	Water Service Distribution Infrastructure	Infrastructure	992.00	2,726.61	3,718.61	25.00	17.94	10/29/2014	
4" Compound Badger Meter - 665 Lakeshore Blvd. - Burnt Cedar B	10851	Water Service Distribution Infrastructure	Infrastructure	992.00	2,726.60	3,718.60	25.00	17.95	11/03/2014	
6" Compound Badger Meter - 630 14th Green Dr. - Champ Golf	10848	Water Service Distribution Infrastructure	Infrastructure	967.20	2,751.41	3,718.61	25.00	18.40	04/15/2015	
3" Turbo Badger Meter	10905	Water Service Distribution Infrastructure	Infrastructure	258.40	761.75	1,020.15	25.00	18.52	05/31/2015	
3" Compound Badger Meter	10907	Water Service Distribution Infrastructure	Infrastructure	1,121.00	3,302.52	4,423.52	25.00	18.52	05/31/2015	
4" Compound Badger Meter	10908	Water Service Distribution Infrastructure	Infrastructure	1,121.00	3,302.52	4,423.52	25.00	18.52	05/31/2015	
6" Compound Badger Meter	10909	Water Service Distribution Infrastructure	Infrastructure	1,121.00	3,302.52	4,423.52	25.00	18.52	05/31/2015	
6" Compound Badger Meter	10910	Water Service Distribution Infrastructure	Infrastructure	1,121.00	3,302.52	4,423.52	25.00	18.52	05/31/2015	
3" Compound Badger Meter	10911	Water Service Distribution Infrastructure	Infrastructure	1,121.00	3,302.52	4,423.52	25.00	18.52	05/31/2015	
6" Compound Badger Meter	10912	Water Service Distribution Infrastructure	Infrastructure	1,121.00	3,302.52	4,423.52	25.00	18.52	05/31/2015	
6" Compound Badger Meter	10913	Water Service Distribution Infrastructure	Infrastructure	1,121.00	3,302.52	4,423.52	25.00	18.52	05/31/2015	
4" Compound Badger Meter	10914	Water Service Distribution Infrastructure	Infrastructure	1,121.00	3,302.52	4,423.52	25.00	18.52	05/31/2015	
3" Compound Badger Meter	10915	Water Service Distribution Infrastructure	Infrastructure	1,121.00	3,302.52	4,423.52	25.00	18.52	05/31/2015	
3" Compound Badger Meter	10916	Water Service Distribution Infrastructure	Infrastructure	1,121.00	3,302.52	4,423.52	25.00	18.52	05/31/2015	
4" Compound Badger Meter	10917	Water Service Distribution Infrastructure	Infrastructure	1,121.00	3,302.52	4,423.52	25.00	18.52	05/31/2015	
3" Compound Badger Meter	10918	Water Service Distribution Infrastructure	Infrastructure	1,121.00	3,302.52	4,423.52	25.00	18.52	05/31/2015	
3" Compound Badger Meter	10919	Water Service Distribution Infrastructure	Infrastructure	1,121.00	3,302.52	4,423.52	25.00	18.52	05/31/2015	
4" Compound Badger Meter	10920	Water Service Distribution Infrastructure	Infrastructure	1,121.00	3,302.42	4,423.42	25.00	18.52	05/31/2015	
Playground - Burnt Cedar	8966	Recreation Service Equipment	Machinery & Equipment	2,080.20	0.00	2,080.20	10.00		10/31/2002	Fully Depreciated, write off would be zero
Playground - Burnt Cedar	8967	Recreation Service Equipment	Machinery & Equipment	3,669.74	0.00	3,669.74	10.00		10/31/2002	Fully Depreciated, write off would be zero
Playground - Burnt Cedar	8968	Recreation Service Equipment	Machinery & Equipment	3,608.80	0.00	3,608.80	10.00		10/31/2002	Fully Depreciated, write off would be zero
Drinking Fountain	9405	Field and Parks Improvements	Venue Improvements	1,839.59	0.00	1,839.59	10.00		10/01/2002	Fully Depreciated, write off would be zero
Drinking Fountain	9406	Field and Parks Improvements	Venue Improvements	1,839.59	0.00	1,839.59	10.00		10/02/2002	Fully Depreciated, write off would be zero
Drinking Fountain	9404	Field and Parks Improvements	Venue Improvements	1,839.60	0.00	1,839.60	10.00		10/03/2002	Fully Depreciated, write off would be zero
SNOWMAKING MASTER PLAN	8989	Slope and Mountain Improvements	Venue Improvements	176,716.12	8,845.07	185,561.19	20.00	0.91	10/21/2002	Design of snowmaking system currently installed at Diamond Peak
SNOW MAKING GUN	8618	Slope and Mountain Improvements	Venue Improvements	2,002.96	0.00	2,002.96	10.00		12/05/2001	Fully Depreciated, write off would be zero
SNOW MAKING GUN	8619	Slope and Mountain Improvements	Venue Improvements	2,002.96	0.00	2,002.96	10.00		12/05/2001	Fully Depreciated, write off would be zero
SNOW MAKING GUN	8620	Slope and Mountain Improvements	Venue Improvements	2,002.95	0.00	2,002.95	10.00		12/05/2001	Fully Depreciated, write off would be zero
SNOW MAKING GUN	8621	Slope and Mountain Improvements	Venue Improvements	2,002.95	0.00	2,002.95	10.00		12/05/2001	Fully Depreciated, write off would be zero
SNOW MAKING GUN	8622	Slope and Mountain Improvements	Venue Improvements	2,002.95	0.00	2,002.95	10.00		12/05/2001	Fully Depreciated, write off would be zero
ASPEN GROVE IMPROVEMENTS	8605	Recreation Buildings and Structures	Building & Renovations	1,851.88	0.00	1,851.88	10.00		10/31/2001	Fully Depreciated, write off would be zero
ASPEN GROVE IMPROVEMENTS	8606	Recreation Buildings and Structures	Building & Renovations	1,851.88	0.00	1,851.88	10.00		10/31/2001	Fully Depreciated, write off would be zero
ASPEN GROVE IMPROVEMENTS	8607	Recreation Buildings and Structures	Building & Renovations	1,851.88	0.00	1,851.88	10.00		10/31/2001	Fully Depreciated, write off would be zero
ASPEN GROVE IMPROVEMENTS	8608	Recreation Buildings and Structures	Building & Renovations	1,851.89	0.00	1,851.89	10.00		10/31/2001	Fully Depreciated, write off would be zero
ASPEN GROVE IMPROVEMENTS	8609	Recreation Buildings and Structures	Building & Renovations	1,851.89	0.00	1,851.89	10.00		10/31/2001	Fully Depreciated, write off would be zero
EXEC MAINTENANCE BLDG	2872	Recreation Buildings and Structures	Building & Renovations	71,614.35	0.00	71,614.35	25.00		05/01/1980	Fully Depreciated, write off would be zero
CHAMP MAINTENANCE BLDG	2813	Recreation Buildings and Structures	Building & Renovations	770,147.50	0.00	770,147.50	25.00		05/15/1993	Fully Depreciated, write off would be zero
Table and Charis for Deck	11268	Recreation Service Equipment	Machinery & Equipment	1,346.85	2,594.70	3,941.55	10.00	6.48		
Snow Gun Mounting Pedestals Welding	11239	Slope and Mountain Improvements	Venue Improvements	1,200.00	1,800.00	3,000.00	10.00	5.95	10/31/2017	Part of Snowmaking System
REPLACE/REPAIR SEWERLINES	5596	Sewer Service Distribution Infrastructure	Infrastructure	96,542.18	0.00	96,542.18	20.00		11/30/1993	Fully Depreciated, write off would be zero
AUTOMATIC TRANSFER SWITCH	9832	Sewer Service Distribution Infrastructure	Infrastructure	982.58	315.92	1,298.50	20.00	4.84	09/27/2006	
AUTOMATIC TRANSFER SWITCH	9833	Sewer Service Distribution Infrastructure	Infrastructure	1,738.14	571.72	2,309.86	20.00	4.86	10/04/2006	
AUTOMATIC TRANSFER SWITCH	9829	Sewer Service Distribution Infrastructure	Infrastructure	1,372.52	481.46	1,853.98	20.00	5.16	01/20/2007	
WASTE WATER TREATMENT PLANT	9601	Sewer Buildings and Structures	Building & Renovations	4,125.20	0.00	4,125.20	10.00		10/01/2005	Fully Depreciated, write off would be zero
WASTE WATER TREATMENT PLANT	9602	Sewer Buildings and Structures	Building & Renovations	4,125.20	0.00	4,125.20	10.00		10/01/2005	Fully Depreciated, write off would be zero
WASTE WATER TREATMENT PLANT	9603	Sewer Buildings and Structures	Building & Renovations	4,125.19	0.00	4,125.19	10.00		10/01/2005	Fully Depreciated, write off would be zero
WASTE WATER TREATMENT PLANT	9604	Sewer Buildings and Structures	Building & Renovations	4,125.19	0.00	4,125.19	10.00		10/01/2005	Fully Depreciated, write off would be zero
WATER SYSTEM REPAIR	2812	Water Service Distribution Infrastructure	Infrastructure	164,985.33	754.17	165,739.50	40.00	0.09	01/01/1982	Large portion of water system replaced
Pump Control Claval	5852	Water Service Distribution Infrastructure	Infrastructure	1,211.00	0.00	1,211.00	20.00		11/30/1994	Fully Depreciated, write off would be zero
Pump Control Claval	5853	Water Service Distribution Infrastructure	Infrastructure	1,211.00	0.00	1,211.00	20.00		11/30/1994	Fully Depreciated, write off would be zero
Pump Control Claval	5854	Water Service Distribution Infrastructure	Infrastructure	1,211.00	0.00	1,211.00	20.00		11/30/1994	Fully Depreciated, write off would be zero
Pump Control Claval	5855	Water Service Distribution Infrastructure	Infrastructure	1,211.00	0.00	1,211.00	20.00		11/30/1994	Fully Depreciated, write off would be zero
Pump Control Claval	5856	Water Service Distribution Infrastructure	Infrastructure	1,211.00	0.00	1,211.00	20.00		11/30/1994	Fully Depreciated, write off would be zero
Pump Control Claval	5857	Water Service Distribution Infrastructure	Infrastructure	1,211.00	0.00	1,211.00	20.00		11/30/1994	Fully Depreciated, write off would be zero
Holloshaft Motor	5834	Water Service Distribution Infrastructure	Infrastructure	2,282.47	0.00	2,282.47	10.00		11/30/1994	Fully Depreciated, write off would be zero

Description	Fixed Asset#	FA Type	FA Category	Accumulated			Est. Useful life (years)	Remaining Useful life (years)	In Use Date	Reason to retain capitalization
				Depreciation	Book Value	Cost				
Holloshaft Motor	5835	Water Service Distribution Infrastructure	Infrastructure	2,282.48	0.00	2,282.48	10.00	11/30/1994	Fully Depreciated, write off would be zero	
Holloshaft Motor	5836	Water Service Distribution Infrastructure	Infrastructure	2,282.48	0.00	2,282.48	10.00	11/30/1994	Fully Depreciated, write off would be zero	
Holloshaft Motor	5837	Water Service Distribution Infrastructure	Infrastructure	2,282.48	0.00	2,282.48	10.00	11/30/1994	Fully Depreciated, write off would be zero	
Holloshaft Motor	5838	Water Service Distribution Infrastructure	Infrastructure	2,282.48	0.00	2,282.48	10.00	11/30/1994	Fully Depreciated, write off would be zero	
Holloshaft Motor	5839	Water Service Distribution Infrastructure	Infrastructure	2,282.48	0.00	2,282.48	10.00	11/30/1994	Fully Depreciated, write off would be zero	
92/93 INSTALLATIONS	5164	Land	Land		141.40	141.40	0.00	10/31/1992	No threshold for Land	
LAND & LAND RIGHTS	5538	Land	Land		134.00	134.00	0.00	07/31/1993	No threshold for Land	
TREES - NO. 6 GREEN	7044	Land	Land		1,112.36	1,112.36	0.00	10/31/1997	No threshold for Land	
NEW SLOPE ADDITION	3364	Land	Land		2,361.40	2,361.40	0.00	10/28/1986	No threshold for Land	
CONTINGENCY	3885	Land	Land		338.58	338.58	0.00	08/31/1987	No threshold for Land	
ENVIROMENTAL DESIGN WORK	3883	Land	Land		3,716.24	3,716.24	0.00	08/31/1987	No threshold for Land	
EROSION CONTROL	3370	Land	Land		4,452.66	4,452.66	0.00	09/30/1987	No threshold for Land	
UTILITY CORRIDOR	3373	Land	Land		549.60	549.60	0.00	10/31/1987	No threshold for Land	
LAND APPRAISAL PLANNING	3886	Land	Land		3,500.00	3,500.00	0.00	05/10/1988	No threshold for Land	
88/89 WATER QUALITY	3889	Land	Land		2,221.00	2,221.00	0.00	03/06/1989	No threshold for Land	
EROSION CONTROL PKING LOT	3382	Land	Land		1,942.50	1,942.50	0.00	06/30/1989	No threshold for Land	
EROSION CONTROL - 3RD CREEK	4189	Land	Land		595.00	595.00	0.00	06/15/1988	No threshold for Land	
.32 A/C NORTHWOOD EST	2005	Land	Land		285.00	285.00	0.00	08/28/1968	No threshold for Land	
PARCEL B I.V. UNIT 1-B	2013	Land	Land		715.00	715.00	0.00	10/07/1969	No threshold for Land	
PARCEL C C I.V. UNIT 2	2016	Land	Land		3,800.00	3,800.00	0.00	02/17/1969	No threshold for Land	
PARCEL A A I.V. UNIT 2	2017	Land	Land		715.00	715.00	0.00	02/17/1969	No threshold for Land	
PARCEL G G I.V. UNIT 2	2018	Land	Land		715.00	715.00	0.00	02/17/1969	No threshold for Land	
PARCEL C I.V. UNIT 1-A	2020	Land	Land		285.00	285.00	0.00	08/14/1969	No threshold for Land	
GENERAL USE PROPERTY	2002	Land	Land		285.00	285.00	0.00	05/14/1970	No threshold for Land	
OFFICE BUILDING SITE	2001	Land	Land		2,000.00	2,000.00	0.00	05/14/1970	No threshold for Land	
007- BASE AREA IMPROVEMENT	3384	Land	Land		2,268.16	2,268.16	0.00	01/31/1990	No threshold for Land	
Site Improvements/BMPs '93	5909	Land	Land		2,425.13	2,425.13	0.00	09/30/1993	No threshold for Land	
Site Improvements/BMPs '96	6482	Land	Land		4,914.27	4,914.27	0.00	10/31/1996	No threshold for Land	
Site Improvements/BMPs '96	7183	Land	Land		1,936.00	1,936.00	0.00	09/30/1998	No threshold for Land	
Site Improvements/BMPs 1999	8489	Land	Land		4,957.50	4,957.50	0.00	10/15/1999	No threshold for Land	
Site Improvements/BMPs 2001	8785	Land	Land		2,900.00	2,900.00	0.00	05/06/2002	No threshold for Land	
Site Improvements/BMPs 2002	9010	Land	Land		2,461.50	2,461.50	0.00	09/15/2002	No threshold for Land	
					<u>1,719,243.90</u>	<u>677,430.52</u>	<u>2,396,674.42</u>			

EXHIBIT 3

Description	Fixed Asset#	FA Type	FA Category	Accum Depr	Book Value	Cost	Est Use Life	In Use Date	Capital Acct	Clearing Acct	Accum Depr Acct	Life End
WAREHOUSE CAGING	9344	Water Buildings and Structures	Building & Renovations	2,548.13	0.00	2,548.13	10.00	05/24/2004	200-00-000-1030	200-22-990-8130	200-00-000-1990	05/24/2014
UPGRADE UTILITY BUILDINGS	6938	Water Buildings and Structures	Building & Renovations	2,409.63	0.00	2,409.63	20.00	11/30/1997	200-00-000-1030	200-22-990-8130	200-00-000-1990	11/30/2017
BURNT CEDAR WTP OFFICE	7768	Water Buildings and Structures	Building & Renovations	2,237.56	0.00	2,237.56	20.00	07/31/1999	200-00-000-1030	200-22-990-8130	200-00-000-1990	07/31/2019
Replace Carpeting Building A Public Works	11011-A	Water Buildings and Structures	Building & Renovations	2,185.79	437.10	2,622.89	5.00	05/01/2016	200-00-000-1030	200-22-990-8130	200-00-000-1990	05/01/2021
SEWER TRK GARAGE ADDITION	4886	Water Buildings and Structures	Building & Renovations	1,563.34	542.03	2,105.37	4.00	06/30/1991	200-00-000-1030	200-22-990-8130	200-00-000-1990	06/30/2031
Utilities Facilities Pavement - Road Repairs	11424-A	Water Buildings and Structures	Building & Renovations	1,360.32	2,040.18	3,400.50	5.00	06/30/2019	200-00-000-1030	200-22-990-8130	200-00-000-1990	06/29/2024
MAINTENANCE FACILITY GARAGE	6943	Water Buildings and Structures	Building & Renovations	1,009.59	764.31	1,773.90	40.00	04/30/1998	200-00-000-1030	200-22-990-8130	200-00-000-1990	04/30/2038
				13,314.36	3,783.62	17,097.98						
92/93 INSTALLATIONS	4562	Water Service Distribution Infrastructure	Infrastructure	4,234.82	0.00	4,234.82	5.00	06/30/1993	200-00-000-1035	200-22-990-8130	200-00-000-1990	06/30/1998
Holloshaft Motor	6365	Water Service Distribution Infrastructure	Infrastructure	4,210.75	0.00	4,210.75	10.00	06/30/1994	200-00-000-1035	200-22-990-8130	200-00-000-1990	06/29/2004
Main Busswork Relocation	7014	Water Service Distribution Infrastructure	Infrastructure	3,105.00	0.00	3,105.00	10.00	01/31/1998	200-00-000-1035	200-22-990-8130	200-00-000-1990	01/31/2008
Motor	6861	Water Service Distribution Infrastructure	Infrastructure	2,350.75	0.00	2,350.75	10.00	03/31/1998	200-00-000-1035	200-22-990-8130	200-00-000-1990	03/30/2008
Motor	7002	Water Service Distribution Infrastructure	Infrastructure	3,608.20	0.00	3,608.20	10.00	04/30/1998	200-00-000-1035	200-22-990-8130	200-00-000-1990	04/29/2008
Motor	7003	Water Service Distribution Infrastructure	Infrastructure	3,608.20	0.00	3,608.20	10.00	04/30/1998	200-00-000-1035	200-22-990-8130	200-00-000-1990	04/29/2008
2003/2004 INSTALLATIONS	9115	Water Service Distribution Infrastructure	Infrastructure	4,862.02	0.00	4,862.02	5.00	07/01/2003	200-00-000-1035	200-22-990-8130	200-00-000-1990	06/30/2008
2004/2005 INSTALLATIONS	9370	Water Service Distribution Infrastructure	Infrastructure	4,577.93	0.00	4,577.93	5.00	07/01/2004	200-00-000-1035	200-22-990-8130	200-00-000-1990	07/01/2009
CHLORINE FEED PUMP	9539	Water Service Distribution Infrastructure	Infrastructure	1,621.00	0.00	1,621.00	5.00	01/19/2005	200-00-000-1035	200-22-990-8130	200-00-000-1990	01/19/2010
CHLORINE FEED PUMP	9540	Water Service Distribution Infrastructure	Infrastructure	1,621.00	0.00	1,621.00	5.00	01/19/2005	200-00-000-1035	200-22-990-8130	200-00-000-1990	01/19/2010
Pump	7884	Water Service Distribution Infrastructure	Infrastructure	3,215.28	0.00	3,215.28	10.00	03/21/2000	200-00-000-1035	200-22-990-8130	200-00-000-1990	03/21/2010
ESRI PROGRAM - ARC EDITOR	9534	Water Service Distribution Infrastructure	Infrastructure	4,427.93	0.00	4,427.93	5.00	06/23/2005	200-00-000-1035	200-22-990-8130	200-00-000-1990	06/23/2010
Motor Control Center Upgrad	8190	Water Service Distribution Infrastructure	Infrastructure	4,897.00	0.00	4,897.00	10.00	08/17/2000	200-00-000-1035	200-22-990-8130	200-00-000-1990	08/17/2010
AIR & WTR BLDG ADDITION	2849	Water Service Distribution Infrastructure	Infrastructure	2,157.19	0.00	2,157.19	40.00	11/01/1970	200-00-000-1035	200-22-990-8130	200-00-000-1990	11/01/2011
TRANSIENT VOLTAGE SURGE SUR	8398	Water Service Distribution Infrastructure	Infrastructure	662.00	0.00	662.00	10.00	04/04/2001	200-00-000-1035	200-22-990-8130	200-00-000-1990	04/04/2011
TRANSIENT VOLTAGE SURGE SUR	8400	Water Service Distribution Infrastructure	Infrastructure	1,709.00	0.00	1,709.00	10.00	04/04/2001	200-00-000-1035	200-22-990-8130	200-00-000-1990	04/04/2011
TRANSIENT VOLTAGE SURGE SUR	8401	Water Service Distribution Infrastructure	Infrastructure	1,709.00	0.00	1,709.00	10.00	04/04/2001	200-00-000-1035	200-22-990-8130	200-00-000-1990	04/04/2011
MOTOR CONTROL CENTER UPGRAD	8427	Water Service Distribution Infrastructure	Infrastructure	4,853.96	0.00	4,853.96	10.00	05/15/2001	200-00-000-1035	200-22-990-8130	200-00-000-1990	05/15/2011
INSTALLATIONS LABOR	4856	Water Service Distribution Infrastructure	Infrastructure	68.52	0.00	68.52	40.00	04/30/1972	200-00-000-1035	200-22-990-8130	200-00-000-1990	04/30/2012
LAB EQUIPMENT	8816	Water Service Distribution Infrastructure	Infrastructure	1,105.95	0.00	1,105.95	10.00	06/20/2002	200-00-000-1035	200-22-990-8130	200-00-000-1990	06/19/2012
MISC MAIN EXTENSION	4487	Water Service Distribution Infrastructure	Infrastructure	648.73	0.00	648.73	40.00	06/30/1972	200-00-000-1035	200-22-990-8130	200-00-000-1990	06/30/2012
OZONE UPGRADE	9605	Water Service Distribution Infrastructure	Infrastructure	2,461.89	0.00	2,461.89	8.00	07/31/2004	200-00-000-1035	200-22-990-8130	200-00-000-1990	07/31/2012
RESIDENTIAL WM DATA WEST UP	9984	Water Service Distribution Infrastructure	Infrastructure	1,000.00	0.00	1,000.00	5.00	08/06/2007	200-00-000-1035	200-22-990-8130	200-00-000-1990	08/05/2012
INSTALL FIRE HYDRANTS	4859	Water Service Distribution Infrastructure	Infrastructure	507.40	0.00	507.40	40.00	08/31/1972	200-00-000-1035	200-22-990-8130	200-00-000-1990	08/31/2012
WATER MAIN REPLACEMENT 2002	8991	Water Service Distribution Infrastructure	Infrastructure	4,608.91	0.00	4,608.91	10.00	10/20/2002	200-00-000-1035	200-22-990-8130	200-00-000-1990	10/19/2012
1972-73 INSTALLATIONS	4519	Water Service Distribution Infrastructure	Infrastructure	3,681.33	0.00	3,681.33	40.00	01/01/1973	200-00-000-1035	200-22-990-8130	200-00-000-1990	01/01/2013
INSTALLATION LABOR	4860	Water Service Distribution Infrastructure	Infrastructure	226.96	0.00	226.96	40.00	04/30/1973	200-00-000-1035	200-22-990-8130	200-00-000-1990	04/30/2013
PORTABLE TRENCH SHORING	7151	Water Service Distribution Infrastructure	Infrastructure	3,761.50	0.00	3,761.50	15.00	07/22/1998	200-00-000-1035	200-22-990-8130	200-00-000-1990	07/21/2013
FLOW METERS	9606	Water Service Distribution Infrastructure	Infrastructure	1,392.81	0.00	1,392.81	10.00	09/30/2003	200-00-000-1035	200-22-990-8130	200-00-000-1990	09/29/2013
FLOW METERS	9607	Water Service Distribution Infrastructure	Infrastructure	1,392.81	0.00	1,392.81	10.00	09/30/2003	200-00-000-1035	200-22-990-8130	200-00-000-1990	09/29/2013
FLOW METERS	9608	Water Service Distribution Infrastructure	Infrastructure	1,392.81	0.00	1,392.81	10.00	09/30/2003	200-00-000-1035	200-22-990-8130	200-00-000-1990	09/29/2013
FLOW METERS	9609	Water Service Distribution Infrastructure	Infrastructure	1,392.81	0.00	1,392.81	10.00	09/30/2003	200-00-000-1035	200-22-990-8130	200-00-000-1990	09/29/2013
Crackfill & Seal Asphalt -W	10228	Water Service Distribution Infrastructure	Infrastructure	2,082.76	0.00	2,082.76	5.00	10/07/2008	200-00-000-1035	200-22-990-8130	200-00-000-1990	10/07/2013
Crackfill & Seal - PW Bldg.	10229	Water Service Distribution Infrastructure	Infrastructure	1,520.00	0.00	1,520.00	5.00	10/08/2008	200-00-000-1035	200-22-990-8130	200-00-000-1990	10/08/2013
PAVING	9252	Water Service Distribution Infrastructure	Infrastructure	3,330.50	0.00	3,330.50	10.00	11/25/2003	200-00-000-1035	200-22-990-8130	200-00-000-1990	11/24/2013
1973-74 INSTALLATIONS	4520	Water Service Distribution Infrastructure	Infrastructure	3,425.38	0.00	3,425.38	40.00	01/01/1974	200-00-000-1035	200-22-990-8130	200-00-000-1990	01/01/2014
MISC MAIN EXTENSION	4491	Water Service Distribution Infrastructure	Infrastructure	4,166.45	0.00	4,166.45	40.00	05/31/1974	200-00-000-1035	200-22-990-8130	200-00-000-1990	05/31/2014
Repave UT Facilities	10357	Water Service Distribution Infrastructure	Infrastructure	3,062.72	0.00	3,062.72	5.00	06/22/2009	200-00-000-1035	200-22-990-8130	200-00-000-1990	06/22/2014
REFINISH POTABLE RESERVOIR	9593	Water Service Distribution Infrastructure	Infrastructure	2,400.00	0.00	2,400.00	10.00	06/30/2004	200-00-000-1035	200-22-990-8130	200-00-000-1990	06/30/2014
2009/2010 METERS	10375	Water Service Distribution Infrastructure	Infrastructure	2,804.95	0.00	2,804.95	5.00	07/01/2009	200-00-000-1035	200-22-990-8130	200-00-000-1990	07/01/2014
WATER MAIN REPLACEMENT 2004	9467	Water Service Distribution Infrastructure	Infrastructure	2,000.00	0.00	2,000.00	10.00	07/01/2004	200-00-000-1035	200-22-990-8130	200-00-000-1990	07/01/2014
WATER MAIN REPLACEMENT 2004	9468	Water Service Distribution Infrastructure	Infrastructure	2,936.05	0.00	2,936.05	10.00	08/01/2004	200-00-000-1035	200-22-990-8130	200-00-000-1990	08/01/2014
1974-75 INSTALLATIONS	4521	Water Service Distribution Infrastructure	Infrastructure	1,622.81	0.00	1,622.81	40.00	01/01/1975	200-00-000-1035	200-22-990-8130	200-00-000-1990	01/01/2015
ADJ MANHOLES/VALVE BOXES 20	9626	Water Service Distribution Infrastructure	Infrastructure	923.05	0.00	923.05	10.00	09/20/2005	200-00-000-1035	200-22-990-8130	200-00-000-1990	09/20/2015
ADJ MANHOLES/VALVE BOXES 20	9632	Water Service Distribution Infrastructure	Infrastructure	1,640.57	0.00	1,640.57	10.00	09/20/2005	200-00-000-1035	200-22-990-8130	200-00-000-1990	09/20/2015
ADJ MANHOLES/VALVE BOXES 20	9642	Water Service Distribution Infrastructure	Infrastructure	1,640.57	0.00	1,640.57	10.00	09/20/2005	200-00-000-1035	200-22-990-8130	200-00-000-1990	09/20/2015
ADJ MANHOLES/VALVE BOXES 20	9640	Water Service Distribution Infrastructure	Infrastructure	1,870.01	0.00	1,870.01	10.00	09/20/2005	200-00-000-1035	200-22-990-8130	200-00-000-1990	09/20/2015
ADJ MANHOLES/VALVE BOXES 20	9630	Water Service Distribution Infrastructure	Infrastructure	2,213.21	0.00	2,213.21	10.00	09/20/2005	200-00-000-1035	200-22-990-8130	200-00-000-1990	09/20/2015
ADJ MANHOLES/VALVE BOXES 20	9644	Water Service Distribution Infrastructure	Infrastructure	2,336.72	0.00	2,336.72	10.00	09/20/2005	200-00-000-1035	200-22-990-8130	200-00-000-1990	09/20/2015
ADJ MANHOLES/VALVE BOXES 20	9638	Water Service Distribution Infrastructure	Infrastructure	2,556.93	0.00	2,556.93	10.00	09/20/2005	200-00-000-1035	200-22-990-8130	200-00-000-1990	09/20/2015
ADJ MANHOLES/VALVE BOXES 20	9636	Water Service Distribution Infrastructure	Infrastructure	3,080.73	0.00	3,080.73	10.00	09/20/2005	200-00-000-1035	200-22-990-8130	200-00-000-1990	09/20/2015
ADJ MANHOLES/VALVE BOXES 20	9628	Water Service Distribution Infrastructure	Infrastructure	3,133.93	0.00	3,133.93	10.00	09/20/2005	200-00-000-1035	200-22-990-8130	200-00-000-1990	09/20/2015
ADJ MANHOLES/VALVE BOXES 20	9634	Water Service Distribution Infrastructure	Infrastructure	4,660.99	0.00	4,660.99	10.00	09/20/2005	200-00-000-1035	200-22-990-8130	200-00-000-1990	09/20/2015
DOMESTIC WATER METERS 1999	8322	Water Service Distribution Infrastructure	Infrastructure	2,550.28	0.00	2,550.28	15.00	10/15/2000	200-00-000-1035	200-22-990-8130	200-00-000-1990	10/15/2015
1975-76 INSTALLATIONS	4522	Water Service Distribution Infrastructure	Infrastructure	2,150.42	0.00	2,150.42	40.00	01/01/1976	200-00-000-1035	200-22-990-8130	200-00-000-1990	01/01/2016
ADJ MANHOLES/VALVE BOXES 20	9785	Water Service Distribution Infrastructure	Infrastructure	917.50	0.00	917.50	10.00	09/05/2006	200-00-000-1035	200-22-990-8130	200-00-000-1990	09/04/2016

Description	Fixed Asset#	FA Type	FA Category	Accum Depr	Book Value	Cost	Est Use Life	In Use Date	Capital Acct	Clearing Acct	Accum Depr Acct	Life End
METER	8754	Water Service Distribution Infrastructure	Infrastructure	1,928.07	0.00	1,928.07	15.00	04/10/2002	200-00-000-1035	200-22-990-8130	200-00-000-1990	04/09/2017
METER	8755	Water Service Distribution Infrastructure	Infrastructure	1,928.07	0.00	1,928.07	15.00	04/10/2002	200-00-000-1035	200-22-990-8130	200-00-000-1990	04/09/2017
METER	8753	Water Service Distribution Infrastructure	Infrastructure	2,115.98	0.00	2,115.98	15.00	04/10/2002	200-00-000-1035	200-22-990-8130	200-00-000-1990	04/09/2017
METER	8756	Water Service Distribution Infrastructure	Infrastructure	1,097.79	0.00	1,097.79	15.00	04/20/2002	200-00-000-1035	200-22-990-8130	200-00-000-1990	04/19/2017
METER	8751	Water Service Distribution Infrastructure	Infrastructure	1,928.07	0.00	1,928.07	15.00	05/02/2002	200-00-000-1035	200-22-990-8130	200-00-000-1990	05/01/2017
METER	8752	Water Service Distribution Infrastructure	Infrastructure	934.89	0.00	934.89	15.00	05/06/2002	200-00-000-1035	200-22-990-8130	200-00-000-1990	05/05/2017
METER	8757	Water Service Distribution Infrastructure	Infrastructure	1,262.83	0.00	1,262.83	15.00	05/15/2002	200-00-000-1035	200-22-990-8130	200-00-000-1990	05/14/2017
METER	8841	Water Service Distribution Infrastructure	Infrastructure	1,928.07	0.00	1,928.07	15.00	07/10/2002	200-00-000-1035	200-22-990-8130	200-00-000-1990	07/09/2017
METER	8858	Water Service Distribution Infrastructure	Infrastructure	3,077.75	0.00	3,077.75	15.00	07/30/2002	200-00-000-1035	200-22-990-8130	200-00-000-1990	07/29/2017
METER	8900	Water Service Distribution Infrastructure	Infrastructure	3,699.33	0.00	3,699.33	15.00	09/04/2002	200-00-000-1035	200-22-990-8130	200-00-000-1990	09/03/2017
METER	8901	Water Service Distribution Infrastructure	Infrastructure	3,921.86	0.00	3,921.86	15.00	09/04/2002	200-00-000-1035	200-22-990-8130	200-00-000-1990	09/03/2017
METER	8899	Water Service Distribution Infrastructure	Infrastructure	4,323.80	0.00	4,323.80	15.00	09/12/2002	200-00-000-1035	200-22-990-8130	200-00-000-1990	09/11/2017
ADJ MANHOLES/VALVE BOXES 20	9978	Water Service Distribution Infrastructure	Infrastructure	2,007.56	0.00	2,007.56	10.00	09/18/2007	200-00-000-1035	200-22-990-8130	200-00-000-1990	09/17/2017
ADJ MANHOLES/VALVE BOXES 20	9972	Water Service Distribution Infrastructure	Infrastructure	2,574.59	0.00	2,574.59	10.00	09/18/2007	200-00-000-1035	200-22-990-8130	200-00-000-1990	09/17/2017
ADJ MANHOLES/VALVE BOXES 20	9976	Water Service Distribution Infrastructure	Infrastructure	3,409.80	0.00	3,409.80	10.00	09/18/2007	200-00-000-1035	200-22-990-8130	200-00-000-1990	09/17/2017
ADJ MANHOLES/VALVE BOXES 20	9970	Water Service Distribution Infrastructure	Infrastructure	4,477.44	0.00	4,477.44	10.00	09/18/2007	200-00-000-1035	200-22-990-8130	200-00-000-1990	09/17/2017
ADJ MANHOLES/VALVE BOXES 20	9974	Water Service Distribution Infrastructure	Infrastructure	4,495.32	0.00	4,495.32	10.00	09/18/2007	200-00-000-1035	200-22-990-8130	200-00-000-1990	09/17/2017
ADJ MANHOLES/VALVE BOXES 20	9968	Water Service Distribution Infrastructure	Infrastructure	4,717.53	0.00	4,717.53	10.00	09/18/2007	200-00-000-1035	200-22-990-8130	200-00-000-1990	09/17/2017
METER	8902	Water Service Distribution Infrastructure	Infrastructure	3,577.96	0.00	3,577.96	15.00	09/18/2002	200-00-000-1035	200-22-990-8130	200-00-000-1990	09/17/2017
METER	8898	Water Service Distribution Infrastructure	Infrastructure	4,802.79	0.00	4,802.79	15.00	09/26/2002	200-00-000-1035	200-22-990-8130	200-00-000-1990	09/25/2017
METER	8911	Water Service Distribution Infrastructure	Infrastructure	4,842.23	0.00	4,842.23	15.00	10/01/2002	200-00-000-1035	200-22-990-8130	200-00-000-1990	09/30/2017
METER	8894	Water Service Distribution Infrastructure	Infrastructure	4,888.10	0.00	4,888.10	15.00	10/03/2002	200-00-000-1035	200-22-990-8130	200-00-000-1990	10/02/2017
METER	8893	Water Service Distribution Infrastructure	Infrastructure	4,774.06	0.00	4,774.06	15.00	10/07/2002	200-00-000-1035	200-22-990-8130	200-00-000-1990	10/06/2017
METER	9030	Water Service Distribution Infrastructure	Infrastructure	3,686.07	0.00	3,686.07	15.00	12/10/2002	200-00-000-1035	200-22-990-8130	200-00-000-1990	12/09/2017
Repave UT Facilities - Water	10667A	Water Service Distribution Infrastructure	Infrastructure	3,200.00	0.00	3,200.00	5.00	02/01/2013	200-00-000-1035	200-22-990-8130	200-00-000-1990	02/01/2018
METER	9063	Water Service Distribution Infrastructure	Infrastructure	1,074.45	0.00	1,074.45	15.00	02/11/2003	200-00-000-1035	200-22-990-8130	200-00-000-1990	02/10/2018
1977-78 INSTALLATIONS	4525	Water Service Distribution Infrastructure	Infrastructure	363.95	0.00	363.95	40.00	07/01/1978	200-00-000-1035	200-22-990-8130	200-00-000-1990	07/01/2018
PAVEMENT REPLACEMENT-JUANIT	10248	Water Service Distribution Infrastructure	Infrastructure	2,013.40	0.00	2,013.40	10.00	10/15/2008	200-00-000-1035	200-22-990-8130	200-00-000-1990	10/15/2018
PAVEMENT REPLACEMENT-SWEETW	10247	Water Service Distribution Infrastructure	Infrastructure	4,520.88	0.00	4,520.88	10.00	10/15/2008	200-00-000-1035	200-22-990-8130	200-00-000-1990	10/15/2018
DOMESTIC WATER METERS '97	7372	Water Service Distribution Infrastructure	Infrastructure	4,262.18	0.00	4,262.18	20.00	04/01/1999	200-00-000-1035	200-22-990-8130	200-00-000-1990	04/01/2019
Pavement Maintenance Public Works Facility - Driveway Sealing	10866-A	Water Service Distribution Infrastructure	Infrastructure	8,696.50	0.00	8,696.50	5.00	10/01/2014	200-00-000-1035	200-22-990-8130	200-00-000-1990	10/01/2019
Vertical Turbine Pump	8033	Water Service Distribution Infrastructure	Infrastructure	3,180.00	0.00	3,180.00	20.00	06/08/2000	200-00-000-1035	200-22-990-8130	200-00-000-1990	06/08/2020
WATER MAIN REPLACEMENT 2000	8258	Water Service Distribution Infrastructure	Infrastructure	2,585.56	21.72	2,607.28	20.00	08/31/2000	200-00-000-1035	200-22-990-8130	200-00-000-1990	08/31/2020
TRANS & DISTR MAINS	4497	Water Service Distribution Infrastructure	Infrastructure	2,673.31	22.48	2,695.79	40.00	10/31/1980	200-00-000-1035	200-22-990-8130	200-00-000-1990	10/31/2020
UPGRADE FIRE HYDRANTS - 199	8276	Water Service Distribution Infrastructure	Infrastructure	4,130.45	105.90	4,236.35	20.00	12/31/2000	200-00-000-1035	200-22-990-8130	200-00-000-1990	12/31/2020
UPGRADE FIRE HYDRANTS - 199	8277	Water Service Distribution Infrastructure	Infrastructure	4,130.45	105.90	4,236.35	20.00	12/31/2000	200-00-000-1035	200-22-990-8130	200-00-000-1990	12/31/2020
78-1 ZOECON	4495	Water Service Distribution Infrastructure	Infrastructure	4,469.95	95.10	4,565.05	40.00	04/30/1981	200-00-000-1035	200-22-990-8130	200-00-000-1990	04/30/2021
WATER MAIN REPR-WSR	2936	Water Service Distribution Infrastructure	Infrastructure	2,417.51	10.12	2,427.63	40.00	07/16/1981	200-00-000-1035	200-22-990-8130	200-00-000-1990	07/16/2021
8 POST INDICATOR VALVE ASS	8995	Water Service Distribution Infrastructure	Infrastructure	1,107.47	101.98	1,209.45	20.00	11/12/2002	200-00-000-1035	200-22-990-8130	200-00-000-1990	11/12/2022
1982-83 INSTALLATIONS	4530	Water Service Distribution Infrastructure	Infrastructure	3,624.83	175.33	3,800.16	40.00	01/01/1983	200-00-000-1035	200-22-990-8130	200-00-000-1990	01/01/2023
Raise manholes/valve boxes	10672A	Water Service Distribution Infrastructure	Infrastructure	2,261.07	536.57	2,797.64	10.00	02/01/2013	200-00-000-1035	200-22-990-8130	200-00-000-1990	02/01/2023
PRV STATION-SADDLEHORN/TU	2857	Water Service Distribution Infrastructure	Infrastructure	2,269.08	125.92	2,395.00	40.00	04/15/1983	200-00-000-1035	200-22-990-8130	200-00-000-1990	04/15/2023
TRANS & DIST MAINS	2941	Water Service Distribution Infrastructure	Infrastructure	689.86	52.62	742.48	40.00	01/01/1984	200-00-000-1035	200-22-990-8130	200-00-000-1990	01/01/2024
1984-85 INSTALLATIONS	4532	Water Service Distribution Infrastructure	Infrastructure	476.43	57.50	533.93	40.00	06/30/1985	200-00-000-1035	200-22-990-8130	200-00-000-1990	06/30/2025
INSTALLATIONS 1984/85	4585	Water Service Distribution Infrastructure	Infrastructure	2,854.25	343.07	3,197.32	40.00	06/30/1985	200-00-000-1035	200-22-990-8130	200-00-000-1990	06/30/2025
UNIVERSAL SPICE KITS	9839	Water Service Distribution Infrastructure	Infrastructure	2,727.73	1,020.27	3,748.00	20.00	08/15/2006	200-00-000-1035	200-22-990-8130	200-00-000-1990	08/15/2026
RESIDENTIAL WATER METER XPN	9946	Water Service Distribution Infrastructure	Infrastructure	2,540.80	1,185.48	3,726.28	20.00	07/31/2007	200-00-000-1035	200-22-990-8130	200-00-000-1990	07/31/2027
RESIDENTIAL WATER METER XPN	9945	Water Service Distribution Infrastructure	Infrastructure	3,387.20	1,581.17	4,968.37	20.00	07/31/2007	200-00-000-1035	200-22-990-8130	200-00-000-1990	07/31/2027
TRANSMITTER HANGER	10166	Water Service Distribution Infrastructure	Infrastructure	514.57	310.43	825.00	20.00	09/15/2008	200-00-000-1035	200-22-990-8130	200-00-000-1990	09/15/2028
UNIVERSAL ORION RTR	10133	Water Service Distribution Infrastructure	Infrastructure	729.97	440.03	1,170.00	20.00	09/15/2008	200-00-000-1035	200-22-990-8130	200-00-000-1990	09/15/2028
2 ORION TRANSMITTER REGIST	10132	Water Service Distribution Infrastructure	Infrastructure	3,018.16	1,822.84	4,841.00	20.00	09/15/2008	200-00-000-1035	200-22-990-8130	200-00-000-1990	09/15/2028
Remove,Replumb Meter Serv.Line	10584	Water Service Distribution Infrastructure	Infrastructure	1,323.23	1,486.77	2,810.00	20.00	09/26/2011	200-00-000-1035	200-22-990-8130	200-00-000-1990	09/26/2031
Meter Vault @ Champ Golf Cours	10702	Water Service Distribution Infrastructure	Infrastructure	1,092.89	1,757.11	2,850.00	20.00	06/24/2013	200-00-000-1035	200-22-990-8130	200-00-000-1990	06/24/2033
Meter Vault @ 999 Lakeshore Dr	10701	Water Service Distribution Infrastructure	Infrastructure	1,615.52	2,599.48	4,215.00	20.00	06/24/2013	200-00-000-1035	200-22-990-8130	200-00-000-1990	06/24/2033
3 Badger Compound Meter	10693	Water Service Distribution Infrastructure	Infrastructure	719.44	1,157.47	1,876.91	20.00	06/28/2013	200-00-000-1035	200-22-990-8130	200-00-000-1990	06/28/2033
REPLACE FIRE HYDRANTS - 199	6587	Water Service Distribution Infrastructure	Infrastructure	2,489.12	1,683.51	4,172.63	40.00	06/30/1996	200-00-000-1035	200-22-990-8130	200-00-000-1990	06/30/2036
WATER MAIN REPLACEMENT 1996	6476	Water Service Distribution Infrastructure	Infrastructure	807.30	517.05	1,324.35	40.00	10/31/1996	200-00-000-1035	200-22-990-8130	200-00-000-1990	10/31/2036
WATER MAIN REPLACEMENT 1996	6475	Water Service Distribution Infrastructure	Infrastructure	874.37	559.06	1,433.43	40.00	10/31/1996	200-00-000-1035	200-22-990-8130	200-00-000-1990	10/31/2036
Water System Improvements	10468	Water Service Distribution Infrastructure	Infrastructure	1,463.04	2,650.36	4,113.40	30.00	07/23/2010	200-00-000-1035	200-22-990-8130	200-00-000-1990	07/22/2040
Replace generator fuel lines	11006	Water Service Distribution Infrastructure	Infrastructure	1,069.50	2,780.50	3,850.00	15.00	03/25/2016	200-00-000-1035	200-22-990-8130	200-00-000-1990	03/25/2031
Badger Meter - CaiNeva Resort	10944	Water Service Distribution Infrastructure	Infrastructure	0.00	0.00	0.00	25.00	11/01/2015	200-00-000-1035	200-22-990-8130	200-00-000-1990	10/31/2040
				318,937.48	23,305.74	342,243.22						
2011 Portable Welder #648 -Wtr	10496-1	Water Service Equipment	Machinery & Equipment	3,393.71	0.00	3,393.71	10.00	02/08/2011	200-00-000-1040	200-22-990-8130	200-00-000-1990	02/07/2021
Meter Testing Unit	11060	Water Service Equipment	Machinery & Equipment	3,168.55	287.99	3,456.54	5.00	09/06/2016	200-00-000-1040	200-22-990-8130	200-00-000-1990	09/06/2021
Boiler in Washbay	11226-A	Water Service Equipment	Machinery & Equipment	91.96	410.04	502.00	20.00	07/01/2017	200-00-000-1040	200-22-990-8130	200-00-000-1990	07/01/2037
				6,654.22	698.03	7,352.25						
14 FOOT SNOWPLOW-BALDERSO#307A	6516	Water Vehicles	Machinery & Equipment	4,999.00	0.00	4,999.00	3.00	12/16/1996	200-00-000-1050	200-22-990-8130	200-00-000-1990	12/16/1999
				4,999.00	0.00	4,999.00						
				343,905.06	27,787.39	371,692.45						
BUILDING LIFT STA. #3	5000	Sewer Buildings and Structures	Building & Renovations	2,500.00	0.00	2,500.00	40.00	10/31/1962	200-00-000-1130	200-25-990-8130	200-00-000-1990	10/31/2002
ADDITION TO TRTRMT PLANT	5075	Sewer Buildings and Structures	Building & Renovations	227.33	0.00	227.33	40.00	09/01/1972	200-00-000-1130	200-25-990-8130	200-00-000-1990	09/01/2012

Description	Fixed Asset#	FA Type	FA Category	Accum Depr	Book Value	Cost	Est Use Life	In Use Date	Capital Acct	Clearing Acct	Accum Depr Acct	Life End
WAREHOUSE CAGING	9345	Sewer Buildings and Structures	Building & Renovations	2,548.13	0.00	2,548.13	10.00	05/24/2004	200-00-000-1130	200-25-990-8130	200-00-000-1990	05/24/2014
SHEETROCK GARAGE AT STP	5076	Sewer Buildings and Structures	Building & Renovations	760.00	0.00	760.00	40.00	02/08/1979	200-00-000-1130	200-25-990-8130	200-00-000-1990	02/08/1979
WWTP Garage Doors	11067	Sewer Buildings and Structures	Building & Renovations	1,704.64	1,948.65	3,653.29	10.00	07/01/2016	200-00-000-1130	200-25-990-8130	200-00-000-1990	07/01/2026
Utilities Facilities Pavement - Road Repairs	11424-B	Sewer Buildings and Structures	Building & Renovations	1,360.32	2,040.18	3,400.50	5.00	06/30/2019	200-00-000-1130	200-25-990-8130	200-00-000-1990	06/29/2024
Roof Repair @ Control Bldg at wetlands	11443	Sewer Buildings and Structures	Building & Renovations	762.84	6,865.16	7,628.00	10.00	06/27/2019	200-00-000-1130	200-25-990-8130	200-00-000-1990	06/26/2029
Control Building Repairs (Windows & Structural)	11167	Sewer Buildings and Structures	Building & Renovations	1,562.40	6,249.60	7,812.00	15.00	06/27/2017	200-00-000-1130	200-25-990-8130	200-00-000-1990	06/26/2032
Breezeway Concrete Repair	11071	Sewer Buildings and Structures	Building & Renovations	1,819.99	3,507.01	5,327.00	10.00	01/31/2017	200-00-000-1130	200-25-990-8130	200-00-000-1990	01/31/2027
MAINTENANCE FACILITY GARAGE	6944	Sewer Buildings and Structures	Building & Renovations	1,009.59	764.31	1,773.90	40.00	04/30/1998	200-00-000-1130	200-25-990-8130	200-00-000-1990	04/30/2038
				14,255.24	21,374.91	35,630.15	0.00					
WETLANDS SEEPAGE STUDY	4974	Sewer Service Distribution Infrastructure	Infrastructure	9,169.34	0.00	9,169.34	3.00	10/13/1987	200-00-000-1135	200-25-990-8130	200-00-000-1990	10/12/1990
14 FOOT SNOWPLOW-BALDERSON#307A	6517	Sewer Service Distribution Infrastructure	Infrastructure	4,999.00	0.00	4,999.00	3.00	12/16/1996	200-00-000-1135	200-25-990-8130	200-00-000-1990	12/16/1999
Wet Well Traffic Lids	6693	Sewer Service Distribution Infrastructure	Infrastructure	4,347.08	0.00	4,347.08	10.00	07/31/1997	200-00-000-1135	200-25-990-8130	200-00-000-1990	07/31/2007
Laboratory Sampler - Effluent	7418	Sewer Service Distribution Infrastructure	Infrastructure	3,129.70	0.00	3,129.70	10.00	05/01/1999	200-00-000-1135	200-25-990-8130	200-00-000-1990	04/30/2009
Laboratory Sampler - Inflow	7421	Sewer Service Distribution Infrastructure	Infrastructure	3,129.70	0.00	3,129.70	10.00	05/01/1999	200-00-000-1135	200-25-990-8130	200-00-000-1990	04/30/2009
ADJ MANHOLES/VALVE BOXES 20	8543	Sewer Service Distribution Infrastructure	Infrastructure	642.99	0.00	642.99	8.00	09/21/2001	200-00-000-1135	200-25-990-8130	200-00-000-1990	09/21/2009
FROM PROJECT 69-2	5116	Sewer Service Distribution Infrastructure	Infrastructure	136.86	0.00	136.86	40.00	06/30/1972	200-00-000-1135	200-25-990-8130	200-00-000-1990	06/30/2012
FROM PROJECT 69-2	5181	Sewer Service Distribution Infrastructure	Infrastructure	634.47	0.00	634.47	40.00	06/30/1972	200-00-000-1135	200-25-990-8130	200-00-000-1990	06/30/2012
FROM PROJECT 69-2	4982	Sewer Service Distribution Infrastructure	Infrastructure	1,120.06	0.00	1,120.06	40.00	06/30/1972	200-00-000-1135	200-25-990-8130	200-00-000-1990	06/30/2012
WATER MAIN REPLACEMENT 2002	8992	Sewer Service Distribution Infrastructure	Infrastructure	3,478.77	0.00	3,478.77	10.00	10/20/2002	200-00-000-1135	200-25-990-8130	200-00-000-1990	10/19/2012
SVCE INSTLTNS 1972-73	5184	Sewer Service Distribution Infrastructure	Infrastructure	498.43	0.00	498.43	40.00	01/01/1973	200-00-000-1135	200-25-990-8130	200-00-000-1990	01/01/2013
TRANSIENT VOLTAGE SURGE SUR	9086	Sewer Service Distribution Infrastructure	Infrastructure	3,256.85	0.00	3,256.85	10.00	01/23/2003	200-00-000-1135	200-25-990-8130	200-00-000-1990	01/22/2013
FROM PROJECT 69-2	5185	Sewer Service Distribution Infrastructure	Infrastructure	652.21	0.00	652.21	40.00	06/30/1973	200-00-000-1135	200-25-990-8130	200-00-000-1990	06/30/2013
PORTABLE TRENCH SHORING	7152	Sewer Service Distribution Infrastructure	Infrastructure	3,761.50	0.00	3,761.50	15.00	07/22/1998	200-00-000-1135	200-25-990-8130	200-00-000-1990	07/21/2013
WWTP Crackfill & Seal Aspha	10227	Sewer Service Distribution Infrastructure	Infrastructure	4,926.00	0.00	4,926.00	5.00	10/07/2008	200-00-000-1135	200-25-990-8130	200-00-000-1990	10/07/2013
SVCE INSTLTNS 1973-74	5186	Sewer Service Distribution Infrastructure	Infrastructure	1,611.12	0.00	1,611.12	40.00	01/01/1974	200-00-000-1135	200-25-990-8130	200-00-000-1990	01/01/2014
Repave UT Facilities - WWTP	10355	Sewer Service Distribution Infrastructure	Infrastructure	1,264.00	0.00	1,264.00	5.00	06/22/2009	200-00-000-1135	200-25-990-8130	200-00-000-1990	06/22/2014
Repave UT Facilities	10356	Sewer Service Distribution Infrastructure	Infrastructure	3,062.72	0.00	3,062.72	5.00	06/22/2009	200-00-000-1135	200-25-990-8130	200-00-000-1990	06/22/2014
Centrifugal Pump	5867	Sewer Service Distribution Infrastructure	Infrastructure	1,438.13	0.00	1,438.13	20.00	11/30/1994	200-00-000-1135	200-25-990-8130	200-00-000-1990	11/30/2014
Centrifugal Pump	5868	Sewer Service Distribution Infrastructure	Infrastructure	1,438.13	0.00	1,438.13	20.00	11/30/1994	200-00-000-1135	200-25-990-8130	200-00-000-1990	11/30/2014
Centrifugal Pump	5869	Sewer Service Distribution Infrastructure	Infrastructure	1,438.13	0.00	1,438.13	20.00	11/30/1994	200-00-000-1135	200-25-990-8130	200-00-000-1990	11/30/2014
Centrifugal Pump	5870	Sewer Service Distribution Infrastructure	Infrastructure	1,438.13	0.00	1,438.13	20.00	11/30/1994	200-00-000-1135	200-25-990-8130	200-00-000-1990	11/30/2014
Centrifugal Pump	5871	Sewer Service Distribution Infrastructure	Infrastructure	1,438.13	0.00	1,438.13	20.00	11/30/1994	200-00-000-1135	200-25-990-8130	200-00-000-1990	11/30/2014
Centrifugal Pump	5872	Sewer Service Distribution Infrastructure	Infrastructure	1,438.13	0.00	1,438.13	20.00	11/30/1994	200-00-000-1135	200-25-990-8130	200-00-000-1990	11/30/2014
SVCE INSTLTNS 1974-75	5187	Sewer Service Distribution Infrastructure	Infrastructure	156.47	0.00	156.47	40.00	01/01/1975	200-00-000-1135	200-25-990-8130	200-00-000-1990	01/01/2015
ADJ MANHOLES/VALVE BOXES 20	9627	Sewer Service Distribution Infrastructure	Infrastructure	923.05	0.00	923.05	10.00	09/20/2005	200-00-000-1135	200-25-990-8130	200-00-000-1990	09/20/2015
ADJ MANHOLES/VALVE BOXES 20	9633	Sewer Service Distribution Infrastructure	Infrastructure	1,640.57	0.00	1,640.57	10.00	09/20/2005	200-00-000-1135	200-25-990-8130	200-00-000-1990	09/20/2015
ADJ MANHOLES/VALVE BOXES 20	9643	Sewer Service Distribution Infrastructure	Infrastructure	1,640.57	0.00	1,640.57	10.00	09/20/2005	200-00-000-1135	200-25-990-8130	200-00-000-1990	09/20/2015
ADJ MANHOLES/VALVE BOXES 20	9641	Sewer Service Distribution Infrastructure	Infrastructure	1,870.01	0.00	1,870.01	10.00	09/20/2005	200-00-000-1135	200-25-990-8130	200-00-000-1990	09/20/2015
ADJ MANHOLES/VALVE BOXES 20	9631	Sewer Service Distribution Infrastructure	Infrastructure	2,213.21	0.00	2,213.21	10.00	09/20/2005	200-00-000-1135	200-25-990-8130	200-00-000-1990	09/20/2015
ADJ MANHOLES/VALVE BOXES 20	9645	Sewer Service Distribution Infrastructure	Infrastructure	2,336.72	0.00	2,336.72	10.00	09/20/2005	200-00-000-1135	200-25-990-8130	200-00-000-1990	09/20/2015
ADJ MANHOLES/VALVE BOXES 20	9639	Sewer Service Distribution Infrastructure	Infrastructure	2,556.93	0.00	2,556.93	10.00	09/20/2005	200-00-000-1135	200-25-990-8130	200-00-000-1990	09/20/2015
ADJ MANHOLES/VALVE BOXES 20	9637	Sewer Service Distribution Infrastructure	Infrastructure	3,080.73	0.00	3,080.73	10.00	09/20/2005	200-00-000-1135	200-25-990-8130	200-00-000-1990	09/20/2015
ADJ MANHOLES/VALVE BOXES 20	9629	Sewer Service Distribution Infrastructure	Infrastructure	3,133.93	0.00	3,133.93	10.00	09/20/2005	200-00-000-1135	200-25-990-8130	200-00-000-1990	09/20/2015
ADJ MANHOLES/VALVE BOXES 20	9635	Sewer Service Distribution Infrastructure	Infrastructure	4,660.99	0.00	4,660.99	10.00	09/20/2005	200-00-000-1135	200-25-990-8130	200-00-000-1990	09/20/2015
Electric Controls	6275	Sewer Service Distribution Infrastructure	Infrastructure	421.52	0.00	421.52	20.00	09/30/1995	200-00-000-1135	200-25-990-8130	200-00-000-1990	09/30/2015
COMPRESSOR SPS-5	6272	Sewer Service Distribution Infrastructure	Infrastructure	384.39	0.00	384.39	20.00	12/31/1995	200-00-000-1135	200-25-990-8130	200-00-000-1990	12/31/2015
Electric Controls	6273	Sewer Service Distribution Infrastructure	Infrastructure	969.79	0.00	969.79	20.00	12/31/1995	200-00-000-1135	200-25-990-8130	200-00-000-1990	12/31/2015
Electrical Cabinets	6624	Sewer Service Distribution Infrastructure	Infrastructure	259.34	0.00	259.34	20.00	03/31/1996	200-00-000-1135	200-25-990-8130	200-00-000-1990	03/31/2016
Station Pumps Control Cabin	6268	Sewer Service Distribution Infrastructure	Infrastructure	1,940.64	0.00	1,940.64	20.00	03/31/1996	200-00-000-1135	200-25-990-8130	200-00-000-1990	03/31/2016
OZONE GAS MONITOR	10238	Sewer Service Distribution Infrastructure	Infrastructure	3,100.00	0.00	3,100.00	8.00	05/01/2008	200-00-000-1135	200-25-990-8130	200-00-000-1990	05/01/2016
Pump Guidance Rail System	6581	Sewer Service Distribution Infrastructure	Infrastructure	3,758.42	0.00	3,758.42	20.00	06/30/1996	200-00-000-1135	200-25-990-8130	200-00-000-1990	06/30/2016
Centrifugal Pump	6621	Sewer Service Distribution Infrastructure	Infrastructure	628.07	0.00	628.07	20.00	08/31/1996	200-00-000-1135	200-25-990-8130	200-00-000-1990	08/31/2016
ADJ MANHOLES/VALVE BOXES 20	9786	Sewer Service Distribution Infrastructure	Infrastructure	917.50	0.00	917.50	10.00	09/05/2006	200-00-000-1135	200-25-990-8130	200-00-000-1990	09/04/2016
ADJ MANHOLES/VALVE BOXES 20	9796	Sewer Service Distribution Infrastructure	Infrastructure	932.91	0.00	932.91	10.00	09/05/2006	200-00-000-1135	200-25-990-8130	200-00-000-1990	09/04/2016
ADJ MANHOLES/VALVE BOXES 20	9784	Sewer Service Distribution Infrastructure	Infrastructure	1,060.00	0.00	1,060.00	10.00	09/05/2006	200-00-000-1135	200-25-990-8130	200-00-000-1990	09/04/2016
ADJ MANHOLES/VALVE BOXES 20	9788	Sewer Service Distribution Infrastructure	Infrastructure	1,400.00	0.00	1,400.00	10.00	09/05/2006	200-00-000-1135	200-25-990-8130	200-00-000-1990	09/04/2016
ADJ MANHOLES/VALVE BOXES 20	9782	Sewer Service Distribution Infrastructure	Infrastructure	1,883.79	0.00	1,883.79	10.00	09/05/2006	200-00-000-1135	200-25-990-8130	200-00-000-1990	09/04/2016
ADJ MANHOLES/VALVE BOXES 20	9792	Sewer Service Distribution Infrastructure	Infrastructure	2,095.75	0.00	2,095.75	10.00	09/05/2006	200-00-000-1135	200-25-990-8130	200-00-000-1990	09/04/2016
ADJ MANHOLES/VALVE BOXES 20	9790	Sewer Service Distribution Infrastructure	Infrastructure	2,099.54	0.00	2,099.54	10.00	09/05/2006	200-00-000-1135	200-25-990-8130	200-00-000-1990	09/04/2016
ADJ MANHOLES/VALVE BOXES 20	9794	Sewer Service Distribution Infrastructure	Infrastructure	2,859.66	0.00	2,859.66	10.00	09/05/2006	200-00-000-1135	200-25-990-8130	200-00-000-1990	09/04/2016
Pump Guidance Rail System	6580	Sewer Service Distribution Infrastructure	Infrastructure	2,785.99	0.00	2,785.99	20.00	10/31/1996	200-00-000-1135	200-25-990-8130	200-00-000-1990	10/31/2016
Centrifugal Pump	6656	Sewer Service Distribution Infrastructure	Infrastructure	1,422.48	0.00	1,422.48	20.00	03/31/1997	200-00-000-1135	200-25-990-8130	200-00-000-1990	03/31/2017
ADJ MANHOLES/VALVE BOXES 20	9979	Sewer Service Distribution Infrastructure	Infrastructure	2,007.56	0.00	2,007.56	10.00	09/18/2007	200-00-000-1135	200-25-990-8130	200-00-000-1990	09/17/2017
ADJ MANHOLES/VALVE BOXES 20	9973	Sewer Service Distribution Infrastructure	Infrastructure	2,574.59	0.00	2,574.59	10.00	09				

Description	Fixed Asset#	FA Type	FA Category	Accum Depr	Book Value	Cost	Est Use Life	In Use Date	Capital Acct	Clearing Acct	Accum Depr Acct	Life End
SVCE INSTLTNS 1979-80	5190	Sewer Service Distribution Infrastructure	Infrastructure	2,300.35	0.00	2,300.35	40.00	01/01/1980	200-00-000-1135	200-25-990-8130	200-00-000-1990	01/01/2020
COLLECTION & TRANS MAINS	5192	Sewer Service Distribution Infrastructure	Infrastructure	754.35	19.32	773.67	40.00	06/30/1981	200-00-000-1135	200-25-990-8130	200-00-000-1990	06/30/2021
SCHNEIDER RANCH	4985	Sewer Service Distribution Infrastructure	Infrastructure	2,053.34	52.68	2,106.02	40.00	07/01/1981	200-00-000-1135	200-25-990-8130	200-00-000-1990	07/01/2021
TRANSIENT VOLTAGE SURGE SUR	8503	Sewer Service Distribution Infrastructure	Infrastructure	1,064.75	18.04	1,082.79	20.00	09/06/2001	200-00-000-1135	200-25-990-8130	200-00-000-1990	09/06/2021
MANHOLE RELINING	8891	Sewer Service Distribution Infrastructure	Infrastructure	4,491.97	310.23	4,802.20	20.00	06/28/2002	200-00-000-1135	200-25-990-8130	200-00-000-1990	06/28/2022
SVCE INSTLTNS 1981-82	5193	Sewer Service Distribution Infrastructure	Infrastructure	4,497.23	149.49	4,646.72	40.00	06/30/1982	200-00-000-1135	200-25-990-8130	200-00-000-1990	06/30/2022
MANHOLE	8886	Sewer Service Distribution Infrastructure	Infrastructure	4,273.58	332.34	4,605.92	20.00	08/18/2002	200-00-000-1135	200-25-990-8130	200-00-000-1990	08/18/2022
Raise manholes/valve boxes	10672B	Sewer Service Distribution Infrastructure	Infrastructure	2,261.07	536.57	2,797.64	10.00	02/01/2013	200-00-000-1135	200-25-990-8130	200-00-000-1990	02/01/2023
Wetlands Facility Repairs	10769	Sewer Service Distribution Infrastructure	Infrastructure	8,736.00	3,743.76	12,479.76	10.00	03/02/2014	200-00-000-1135	200-25-990-8130	200-00-000-1990	03/01/2024
FLOW METER	9808	Sewer Service Distribution Infrastructure	Infrastructure	2,410.23	766.77	3,177.00	20.00	05/12/2005	200-00-000-1135	200-25-990-8130	200-00-000-1990	05/12/2025
SWING CHECK VALVE 4X8	9840	Sewer Service Distribution Infrastructure	Infrastructure	678.48	231.52	910.00	20.00	12/15/2005	200-00-000-1135	200-25-990-8130	200-00-000-1990	12/15/2025
SWING CHECK VALVE 4X8	9841	Sewer Service Distribution Infrastructure	Infrastructure	678.48	231.52	910.00	20.00	12/15/2005	200-00-000-1135	200-25-990-8130	200-00-000-1990	12/15/2025
AUTOMATIC TRANSFER SWITCH	9831	Sewer Service Distribution Infrastructure	Infrastructure	958.65	339.85	1,298.50	20.00	04/12/2006	200-00-000-1135	200-25-990-8130	200-00-000-1990	04/12/2026
AUTOMATIC TRANSFER SWITCH	9830	Sewer Service Distribution Infrastructure	Infrastructure	1,696.70	612.36	2,309.06	20.00	06/29/2006	200-00-000-1135	200-25-990-8130	200-00-000-1990	06/29/2026
SWING CHECK VALVE 4X4	9826	Sewer Service Distribution Infrastructure	Infrastructure	440.70	182.68	623.38	20.00	01/24/2007	200-00-000-1135	200-25-990-8130	200-00-000-1990	01/24/2027
SWING CHECK VALVE 4X4	9827	Sewer Service Distribution Infrastructure	Infrastructure	440.70	182.68	623.38	20.00	01/24/2007	200-00-000-1135	200-25-990-8130	200-00-000-1990	01/24/2027
SONIC LEVEL CONTROL	9828	Sewer Service Distribution Infrastructure	Infrastructure	1,390.63	576.12	1,966.75	20.00	01/24/2007	200-00-000-1135	200-25-990-8130	200-00-000-1990	01/24/2027
SEWER PUMP MODIFICATION	5162	Sewer Service Distribution Infrastructure	Infrastructure	2,615.30	608.15	3,223.45	40.00	09/30/1988	200-00-000-1135	200-25-990-8130	200-00-000-1990	09/30/2028
REPL. & RELINE SEWERMAINS 2	8546	Sewer Service Distribution Infrastructure	Infrastructure	2,891.07	1,583.27	4,474.34	30.00	10/18/2001	200-00-000-1135	200-25-990-8130	200-00-000-1990	10/18/2031
Levee Repairs at Wetlands	11334	Sewer Service Distribution Infrastructure	Infrastructure	1,047.04	6,805.74	7,852.78	20.00	06/30/2018	200-00-000-1135	200-25-990-8130	200-00-000-1990	06/30/2038
Effluent Export Line - Segment 3 pipe & Segment 4 ARV	11437	Sewer Service Distribution Infrastructure	Infrastructure	79,490.04	3,100,109.96	3,179,600.00	40.00	6/30/2019	200-00-000-1135	200-25-990-8130	200-00-000-1990	06/30/2059
				270,089.51	3,117,393.05	3,387,482.56						
2011 Portable Welder #648 -Swr	10496-2	Sewer Service Equipment	Machinery & Equipment	3,393.70	0.00	3,393.70	10.00	02/08/2011	200-00-000-1140	200-25-990-8130	200-00-000-1990	02/07/2021
Boiler in Washbay	11226-B	Sewer Service Equipment	Machinery & Equipment	91.96	410.04	502.00	20.00	07/01/2017	200-00-000-1140	200-25-990-8130	200-00-000-1990	07/01/2037
				3,485.66	410.04	3,895.70						
#270 PIPELINE TRAILER	2306	Sewer Vehicles	Machinery & Equipment	3,849.15	0.00	3,849.15	10.00	03/26/1992	200-00-000-1150	200-25-990-8130	200-00-000-1990	03/26/2002
				3,849.15	0.00	3,849.15						
				291,679.56	3,139,178.00	3,430,857.56						
Green Brush attachment for Toro Greensmowers	11436	Recreation Service Equipment	Machinery & Equipment	319.60	447.29	766.89	4.00	06/30/2019	320-00-000-1240	320-31-420-8130	320-00-000-1990	06/30/2023
Green Brush attachment for Toro Greensmowers	11431	Recreation Service Equipment	Machinery & Equipment	319.60	447.29	766.89	4.00	06/30/2019	320-00-000-1240	320-31-420-8130	320-00-000-1990	06/30/2023
Green Brush attachment for Toro Greensmowers	11432	Recreation Service Equipment	Machinery & Equipment	319.60	447.29	766.89	4.00	06/30/2019	320-00-000-1240	320-31-420-8130	320-00-000-1990	06/30/2023
Green Brush attachment for Toro Greensmowers	11433	Recreation Service Equipment	Machinery & Equipment	319.60	447.29	766.89	4.00	06/30/2019	320-00-000-1240	320-31-420-8130	320-00-000-1990	06/30/2023
Green Brush attachment for Toro Greensmowers	11434	Recreation Service Equipment	Machinery & Equipment	319.60	447.29	766.89	4.00	06/30/2019	320-00-000-1240	320-31-420-8130	320-00-000-1990	06/30/2023
Green Brush attachment for Toro Greensmowers	11435	Recreation Service Equipment	Machinery & Equipment	319.60	447.29	766.89	4.00	06/30/2019	320-00-000-1240	320-31-420-8130	320-00-000-1990	06/30/2023
				1,917.60	2,683.73	4,601.33						
True Single Door Refrigerator	11146	Recreation Service Equipment	Machinery & Equipment	1,799.10	599.90	2,399.00	5.00	05/31/2017	320-00-000-1240	320-31-530-8130	320-00-000-1990	05/31/2022
Walk In Cooler Refurbishment (Shelving)	11149	Recreation Service Equipment	Machinery & Equipment	2,624.16	954.24	3,578.40	5.00	06/30/2017	320-00-000-1240	320-31-530-8130	320-00-000-1990	06/30/2022
Bartender Pass Through	10688	Recreation Service Equipment	Machinery & Equipment	3,912.94	1,080.06	4,993.00	10.00	06/01/2013	320-00-000-1240	320-31-530-8130	320-00-000-1990	06/01/2023
				8,336.20	2,634.20	10,970.40						
#97-072 FAIRWAY MOWER REELS	9218	Recreation Service Equipment	Machinery & Equipment	3,450.00	0.00	3,450.00	3.00	04/01/2003	320-00-000-1240	320-31-970-8130	320-00-000-1990	03/31/2006
#97-073 FAIRWAY MOWER REELS	9219	Recreation Service Equipment	Machinery & Equipment	3,450.00	0.00	3,450.00	3.00	04/01/2003	320-00-000-1240	320-31-970-8130	320-00-000-1990	03/31/2006
#97-074 FAIRWAY MOWER REELS	9220	Recreation Service Equipment	Machinery & Equipment	3,450.00	0.00	3,450.00	3.00	04/01/2003	320-00-000-1240	320-31-970-8130	320-00-000-1990	03/31/2006
#97-075 FAIRWAY MOWER REELS	9221	Recreation Service Equipment	Machinery & Equipment	3,450.00	0.00	3,450.00	3.00	04/01/2003	320-00-000-1240	320-31-970-8130	320-00-000-1990	03/31/2006
#97-076 FAIRWAY MOWER REELS	9222	Recreation Service Equipment	Machinery & Equipment	3,450.00	0.00	3,450.00	3.00	04/01/2003	320-00-000-1240	320-31-970-8130	320-00-000-1990	03/31/2006
				17,250.00	0.00	17,250.00						
CHATEAU	9426	Recreation Buildings and Structures	Building & Renovations	1,400.00	0.00	1,400.00	5.00	09/01/2004	320-00-000-1230	320-31-990-8130	320-00-000-1990	09/01/2009
Security System	9429	Recreation Buildings and Structures	Building & Renovations	3,569.65	0.00	3,569.65	5.00	09/01/2004	320-00-000-1230	320-31-990-8130	320-00-000-1990	09/01/2009
CHATEAU	9414	Recreation Buildings and Structures	Building & Renovations	773.35	1,832.40	2,605.75	51.00	09/01/2004	320-00-000-1230	320-31-990-8130	320-00-000-1990	09/01/2055
				5,743.00	1,832.40	7,575.40						
DRINKING FOUNTAIN	9403	Golf Course Improvements	Venue Improvements	1,839.60	0.00	1,839.60	10.00	10/01/2002	320-00-000-1232	320-31-990-8130	320-00-000-1990	09/30/2012
OVERLAY CHAMP MAINTENANCE Y	9738	Golf Course Improvements	Venue Improvements	15,944.00	0.00	15,944.00	10.00	07/06/2006	320-00-000-1232	320-31-990-8130	320-00-000-1990	07/05/2016
PAVE RESTROOM PATH- CHAMP G	10234	Golf Course Improvements	Venue Improvements	4,200.00	0.00	4,200.00	10.00	10/01/2008	320-00-000-1232	320-31-990-8130	320-00-000-1990	10/01/2018
EROSION CONTROL 15TH GREEN	8474	Golf Course Improvements	Venue Improvements	2,862.50	137.50	3,000.00	20.00	06/01/2001	320-00-000-1232	320-31-990-8130	320-00-000-1990	06/01/2021
BRIDGE - NO. 3	7046	Golf Course Improvements	Venue Improvements	2,945.30	200.75	3,146.05	25.00	06/30/1997	320-00-000-1232	320-31-990-8130	320-00-000-1990	06/30/2022
MASTER PLAN AND DESIGN FEES	8477	Golf Course Improvements	Venue Improvements	35,864.51	11,038.89	46,903.40	25.00	06/01/2001	320-00-000-1232	320-31-990-8130	320-00-000-1990	06/01/2026
				63,655.91	11,377.14	75,033.05						
WELDING EQUIPMENT	5808	Recreation Service Equipment	Machinery & Equipment	1,858.28	0.00	1,858.28	5.00	09/26/1994	320-00-000-1240	320-31-990-8130	320-00-000-1990	09/26/1999
#500 AERIFIER	10035	Recreation Service Equipment	Machinery & Equipment	2,575.00	0.00	2,575.00	4.00	10/12/2001	320-00-000-1240	320-31-990-8130	320-00-000-1990	10/12/2005
GOLF SHOP WASTE OIL SYSTEM	9276	Recreation Service Equipment	Machinery & Equipment	2,954.62	0.00	2,954.62	3.00	03/30/2004	320-00-000-1240	320-31-990-8130	320-00-000-1990	03/30/2007
#97-094 GREENS MOWER CUT UN	10110	Recreation Service Equipment	Machinery & Equipment	3,724.00	0.00	3,724.00	4.00	08/18/2008	320-00-000-1240	320-31-990-8130	320-00-000-1990	08/18/2012
#97-095 GREENS MOWER CUT UN	10111	Recreation Service Equipment	Machinery & Equipment	3,724.00	0.00	3,724.00	4.00	08/18/2008	320-00-000-1240	320-31-990-8130	320-00-000-1990	08/18/2012
#97-093 GREENS MOWER CUT UN	10109	Recreation Service Equipment	Machinery & Equipment	3,724.31	0.00	3,724.31	4.00	08/18/2008	320-00-000-1240	320-31-990-8130	320-00-000-1990	08/18/2012
#621 JD TC125 CORE HARVESTE	10114	Recreation Service Equipment	Machinery & Equipment	4,875.00	0.00	4,875.00	5.00	08/25/2008	320-00-000-1240	320-31-990-8130	320-00-000-1990	08/25/2013
JIB CRANE	9277	Recreation Service Equipment	Machinery & Equipment	3,066.52	0.00	3,066.52	10.00	03/30/2004	320-00-000-1240	320-31-990-8130	320-00-000-1990	03/30/2014
Square Club Washer	11548	Recreation Service Equipment	Machinery & Equipment	241.60	1,570.40	1,812.00	5.00	06/30/2020	320-00-000-1240	320-31-990-8130	320-00-000-1990	06/30/2025
				26,743.33	1,570.40	28,313.73						
POS TERMINAL - GOLF	10286	Recreation Office Equipment	Machinery & Equipment	2,550.00	0.00	2,550.00	5.00	11/28/2008	320-00-000-1245	320-31-990-8130	320-00-000-1990	11/28/2013
				2,550.00	0.00	2,550.00						

Description	Fixed Asset#	FA Type	FA Category	Accum Depr	Book Value	Cost	Est Use Life	In Use Date	Capital Acct	Clearing Acct	Accum Depr Acct	Life End
				98,692.24	14,779.94	113,472.18						
Irrigation Improvements	11282	Golf Course Improvements	Venue Improvements	813.60	4,068.50	4,882.10	20.00	06/30/2018	320-00-000-1232	320-32-410-8130	320-00-000-1990	
				813.60	4,068.50	4,882.10						
TOOL CHEST, CABINET & TOOLS	5806	Recreation Service Equipment	Machinery & Equipment	1,645.60	0.00	1,645.60	5.00	11/15/1994	320-00-000-1240	320-32-970-8130	320-00-000-1990	11/15/1999
				1,645.60	0.00	1,645.60						
BUILDING REPAIR EXEC '93	5561	Recreation Buildings and Structures	Building & Renovations	26,119.43	0.00	26,119.43	10.00	10/14/1993	320-00-000-1230	320-32-990-8130	320-00-000-1990	10/14/2003
Building Improvements	8970	Recreation Buildings and Structures	Building & Renovations	2,647.61	0.00	2,647.61	10.00	05/31/2002	320-00-000-1230	320-32-990-8130	320-00-000-1990	05/30/2012
EQUIPMENT STORAGE LOFT	6611	Recreation Buildings and Structures	Building & Renovations	2,479.00	0.00	2,479.00	20.00	11/30/1996	320-00-000-1230	320-32-990-8130	320-00-000-1990	11/30/2016
				31,246.04	0.00	31,246.04						
REPAVE RECREATION FACILITIE	6095	Golf Course Improvements	Venue Improvements	3,184.42	0.00	3,184.42	7.00	09/30/1995	320-00-000-1232	320-32-990-8130	320-00-000-1990	09/29/2002
Mt Course Tee/Bunker Renovatio	10628	Golf Course Improvements	Venue Improvements	2,138.40	1,560.60	3,699.00	15.00	06/30/2012	320-00-000-1232	320-32-990-8130	320-00-000-1990	06/30/2027
IMPROVE MT COURSE 2001	8689	Golf Course Improvements	Venue Improvements	3,754.76	45.24	3,800.00	84.00	03/11/2002	320-00-000-1232	320-32-990-8130	320-00-000-1990	03/11/2086
				9,077.58	1,605.84	10,683.42						
#500 AERIFIER	10036	Recreation Service Equipment	Machinery & Equipment	2,575.00	0.00	2,575.00	4.00	10/12/2001	320-00-000-1240	320-32-990-8130	320-00-000-1990	10/12/2005
#621 JD TC125 CORE HARVESTE	10115	Recreation Service Equipment	Machinery & Equipment	4,875.00	0.00	4,875.00	5.00	08/25/2008	320-00-000-1240	320-32-990-8130	320-00-000-1990	08/25/2013
GolfTrac Software System - Mountain Golf	11176-B	Information Technology Communications Equipment	Machinery & Equipment	4,397.39	0.00	4,397.39	3.00	05/01/2017	320-00-000-1240	320-32-990-8130	320-00-000-1990	04/30/2020
				11,847.39	0.00	11,847.39						
				52,171.01	1,605.84	53,776.85						
ASPEN GROVE IMPROVEMENTS	8110	Recreation Buildings and Structures	Building & Renovations	3,998.88	0.00	3,998.88	5.00	03/31/2000	330-00-000-1230	330-33-500-8130	330-00-000-1990	03/31/2005
Security System	9428	Recreation Buildings and Structures	Building & Renovations	3,569.65	0.00	3,569.65	5.00	09/01/2004	330-00-000-1230	330-33-500-8130	330-00-000-1990	09/01/2009
CHATEAU	9427	Recreation Buildings and Structures	Building & Renovations	4,550.00	0.00	4,550.00	5.00	09/01/2004	330-00-000-1230	330-33-500-8130	330-00-000-1990	09/01/2009
CHATEAU	9415	Recreation Buildings and Structures	Building & Renovations	790.69	1,815.05	2,605.74	50.00	09/01/2004	330-00-000-1230	330-33-500-8130	330-00-000-1990	09/01/2054
				12,909.22	1,815.05	14,724.27						
Stand Up Refrigerator	10721	Recreation Service Equipment	Machinery & Equipment	2,311.12	0.00	2,311.12	5.00	08/31/2013	330-00-000-1240	330-33-500-8130	330-00-000-1990	08/31/2018
Chateau Stand Up Freezer	10720	Recreation Service Equipment	Machinery & Equipment	2,849.84	0.00	2,849.84	5.00	08/31/2013	330-00-000-1240	330-33-500-8130	330-00-000-1990	08/31/2018
6 Farm Tables	11263	Recreation Service Equipment	Machinery & Equipment	3,520.00	1,280.00	4,800.00	5.00	07/01/2017	330-00-000-1240	330-33-500-8130	330-00-000-1990	07/01/2022
Reclaimed Wood Podium	11264	Recreation Service Equipment	Machinery & Equipment	418.88	381.12	800.00	7.00	07/01/2017	330-00-000-1240	330-33-500-8130	330-00-000-1990	06/30/2024
True Double Door Refrigerator	11142	Recreation Service Equipment	Machinery & Equipment	1,255.95	2,093.05	3,349.00	10.00	05/31/2017	330-00-000-1240	330-33-500-8130	330-00-000-1990	05/31/2027
6' Rolling Tables and stationary Tables	11265	Recreation Service Equipment	Machinery & Equipment	1,404.04	2,425.43	3,829.47	10.00	07/01/2017	330-00-000-1240	330-33-500-8130	330-00-000-1990	07/01/2027
Imperial 6 Burner Range with oven	11605	Recreation Service Equipment	Machinery & Equipment	225.75	3,644.21	3,869.96	10.00	07/31/2020	330-00-000-1240	330-33-500-8130	330-00-000-1990	07/31/2030
				11,985.58	9,823.81	21,809.39						
POS TERMINAL - FACILITIES	10287	Recreation Office Equipment	Machinery & Equipment	2,550.00	0.00	2,550.00	5.00	11/28/2008	330-00-000-1245	330-33-500-8130	330-00-000-1990	11/28/2013
Thermal Receipt Printers (10)	10517	Recreation Office Equipment	Machinery & Equipment	2,950.00	0.00	2,950.00	5.00	06/28/2011	330-00-000-1245	330-33-500-8130	330-00-000-1990	06/27/2016
CASH DRAWERS	10529	Recreation Office Equipment	Machinery & Equipment	932.69	0.00	932.69	5.00	07/01/2011	330-00-000-1245	330-33-500-8130	330-00-000-1990	06/30/2016
				6,432.69	0.00	6,432.69						
				31,327.49	11,638.86	42,966.35						
Table with Wood Block	10255	Recreation Service Equipment	Machinery & Equipment	313.00	0.00	313.00	5.00	12/15/2008	340-00-000-1240	340-34-530-8130	340-00-000-1990	12/15/2013
Hot Dog Roller	10256	Recreation Service Equipment	Machinery & Equipment	1,333.66	0.00	1,333.66	5.00	12/15/2008	340-00-000-1240	340-34-530-8130	340-00-000-1990	12/15/2013
Wall Shelves for Ski	10257	Recreation Service Equipment	Machinery & Equipment	1,387.20	0.00	1,387.20	5.00	12/15/2008	340-00-000-1240	340-34-530-8130	340-00-000-1990	12/15/2013
Work Top Refrigerator	10258	Recreation Service Equipment	Machinery & Equipment	1,540.22	0.00	1,540.22	5.00	12/15/2008	340-00-000-1240	340-34-530-8130	340-00-000-1990	12/15/2013
Steam Table	10735	Recreation Service Equipment	Machinery & Equipment	2,103.60	0.00	2,103.60	5.00	12/12/2013	340-00-000-1240	340-34-530-8130	340-00-000-1990	12/12/2018
Broiler on Table with Wheels	10734	Recreation Service Equipment	Machinery & Equipment	3,612.08	0.00	3,612.08	5.00	12/12/2013	340-00-000-1240	340-34-530-8130	340-00-000-1990	12/12/2018
				10,289.76	0.00	10,289.76						
FURNACE - SNOWFLAKE	8616	Recreation Buildings and Structures	Building & Renovations	4,362.31	0.00	4,362.31	10.00	10/01/2001	340-00-000-1230	340-34-990-8130	340-00-000-1990	10/01/2011
SSB Sheet Carpeting	10547	Recreation Buildings and Structures	Building & Renovations	2,802.15	121.85	2,924.00	10.00	12/01/2010	340-00-000-1230	340-34-990-8130	340-00-000-1990	11/30/2020
SSB Resilient Base	10548	Recreation Buildings and Structures	Building & Renovations	4,583.70	199.30	4,783.00	10.00	12/01/2010	340-00-000-1230	340-34-990-8130	340-00-000-1990	11/30/2020
Pavement repairs & slurry seal at Diamond Peak parking lot and	11525	Recreation Buildings and Structures	Building & Renovations	10,451.13	37,784.35	48,235.48	5.00	05/31/2020	340-00-000-1230	340-34-990-8130	340-00-000-1990	05/31/2025
FIRE HYDRANT	3564	Recreation Buildings and Structures	Building & Renovations	2,482.35	322.34	2,804.69	40.00	10/03/1985	340-00-000-1230	340-34-990-8130	340-00-000-1990	10/03/2025
				24,681.64	38,427.84	63,109.48						
AUXILIARY ENGINE- School Hse	3459	Slope and Mountain Improvements	Venue Improvements	4,786.44	0.00	4,786.44	8.00	01/01/1979	340-00-000-1234	340-34-990-8130	340-00-000-1990	01/01/1987
002-LINE PIPE FITTINGS	3853	Slope and Mountain Improvements	Venue Improvements	2,117.28	0.00	2,117.28	20.00	12/31/1989	340-00-000-1234	340-34-990-8130	340-00-000-1990	12/31/2009
SKI MASTER PLAN	8576	Slope and Mountain Improvements	Venue Improvements	17,447.05	0.00	17,447.05	15.00	06/30/1997	340-00-000-1234	340-34-990-8130	340-00-000-1990	06/29/2012
SNOWMAKING P&E 90.301	3752	Slope and Mountain Improvements	Venue Improvements	2,164.82	0.00	2,164.82	22.00	04/30/1991	340-00-000-1234	340-34-990-8130	340-00-000-1990	04/29/2013
SNOWMAKING GUNS & SLEDS	9267	Slope and Mountain Improvements	Venue Improvements	4,151.45	696.69	4,848.14	20.00	01/16/2004	340-00-000-1234	340-34-990-8130	340-00-000-1990	01/16/2024
				30,667.04	696.69	31,363.73						
Sandwich Prep Table	10260	Recreation Service Equipment	Machinery & Equipment	2,627.25	0.00	2,627.25	5.00	12/15/2008	340-00-000-1240	340-34-990-8130	340-00-000-1990	12/15/2013
				2,627.25	0.00	2,627.25						
THERMAL RECEIPT PRINTER	10042	Recreation Office Equipment	Machinery & Equipment	2,950.00	0.00	2,950.00	5.00	12/13/2007	340-00-000-1245	340-34-990-8130	340-00-000-1990	12/12/2012
FARGO CARD PRINTER	10053	Recreation Office Equipment	Machinery & Equipment	2,235.00	0.00	2,235.00	5.00	12/30/2007	340-00-000-1245	340-34-990-8130	340-00-000-1990	12/29/2012
Mobile Radio and Antenna	9060	Recreation Office Equipment	Machinery & Equipment	788.58	0.00	788.58	10.00	01/03/2003	340-00-000-1245	340-34-990-8130	340-00-000-1990	01/02/2013
Ski Safe	10368	Recreation Office Equipment	Machinery & Equipment	2,500.00	0.00	2,500.00	10.00	07/01/2009	340-00-000-1245	340-34-990-8130	340-00-000-1990	07/01/2019
				8,473.58	0.00	8,473.58						
SNOW BLOWER #96-032	9775	Recreation Vehicles	Machinery & Equipment	1,757.00	0.00	1,757.00	5.00	09/19/2006	340-00-000-1250	340-34-990-8130	340-00-000-1990	09/19/2011
SNOW BLOWER - #96-033	9776	Recreation Vehicles	Machinery & Equipment	1,889.00	0.00	1,889.00	5.00	09/19/2006	340-00-000-1250	340-34-990-8130	340-00-000-1990	09/19/2011
SNOW BLOWER #96-034	9777	Recreation Vehicles	Machinery & Equipment	2,224.00	0.00	2,224.00	5.00	09/19/2006	340-00-000-1250	340-34-990-8130	340-00-000-1990	09/19/2011

Description	Fixed Asset#	FA Type	FA Category	Accum Depr	Book Value	Cost	Est Use Life	In Use Date	Capital Acct	Clearing Acct	Accum Depr Acct	Life End
				5,870.00	0.00	5,870.00						
				72,319.51	39,124.53	111,444.04						
CYBEX - TORSO	10012	Recreation Service Equipment	Machinery & Equipment	4,283.25	0.00	4,283.25	5.00	11/08/2007	350-00-000-1240	350-48-840-8130	350-00-000-1990	11/07/2012
LCD TV ATTACHED TO ELLIPTIC	10298	Recreation Service Equipment	Machinery & Equipment	1,560.00	0.00	1,560.00	5.00	02/20/2009	350-00-000-1240	350-48-840-8130	350-00-000-1990	02/20/2014
LCD TV ATTACHED TO ELLIPTIC	10299	Recreation Service Equipment	Machinery & Equipment	1,560.00	0.00	1,560.00	5.00	02/20/2009	350-00-000-1240	350-48-840-8130	350-00-000-1990	02/20/2014
VERSA-CLIMBER	10397	Recreation Service Equipment	Machinery & Equipment	3,858.00	0.00	3,858.00	5.00	09/01/2009	350-00-000-1240	350-48-840-8130	350-00-000-1990	09/01/2014
VANITIES	8338	Recreation Service Equipment	Machinery & Equipment	1,310.00	0.00	1,310.00	15.00	06/09/2000	350-00-000-1240	350-48-840-8130	350-00-000-1990	06/09/2015
Concept Rower 2	10613	Recreation Service Equipment	Machinery & Equipment	1,320.00	0.00	1,320.00	7.00	04/16/2012	350-00-000-1240	350-48-840-8130	350-00-000-1990	04/16/2019
Upper Body Ergometer	10655	Recreation Service Equipment	Machinery & Equipment	4,025.00	0.00	4,025.00	7.00	12/11/2012	350-00-000-1240	350-48-840-8130	350-00-000-1990	12/11/2019
Freemotion CarbonDriver Cycles	10761	Recreation Service Equipment	Machinery & Equipment	3,190.33	290.01	3,480.34	7.00	01/21/2014	350-00-000-1240	350-48-840-8130	350-00-000-1990	01/20/2021
LifeFitness Upright Bike	10788	Recreation Service Equipment	Machinery & Equipment	4,376.61	460.72	4,837.33	7.00	03/05/2014	350-00-000-1240	350-48-840-8130	350-00-000-1990	03/04/2021
LifeFitness Upright Bike	10789	Recreation Service Equipment	Machinery & Equipment	4,376.61	460.72	4,837.33	7.00	03/05/2014	350-00-000-1240	350-48-840-8130	350-00-000-1990	03/04/2021
Precor Recumbent Cycle	10852	Recreation Service Equipment	Machinery & Equipment	3,179.68	748.32	3,928.00	7.00	07/01/2014	350-00-000-1240	350-48-840-8130	350-00-000-1990	06/30/2021
Precor Recumbent Cycle	10853	Recreation Service Equipment	Machinery & Equipment	3,179.68	748.32	3,928.00	7.00	07/01/2014	350-00-000-1240	350-48-840-8130	350-00-000-1990	06/30/2021
Motor Hoist	9339	Recreation Service Equipment	Machinery & Equipment	2,880.47	364.53	3,245.00	20.00	05/28/2003	350-00-000-1240	350-48-840-8130	350-00-000-1990	05/28/2023
				39,099.63	3,072.62	42,172.25						
EQUIPMENT STORAGE SHED	6237	Recreation Buildings and Structures	Building & Renovations	4,543.44	0.00	4,543.44	5.00	01/29/1995	350-00-000-1230	350-48-990-8130	350-00-000-1990	01/29/2000
HANDICAP DOORS - REC. CENTE	6008	Recreation Buildings and Structures	Building & Renovations	4,328.72	0.00	4,328.72	10.00	05/12/1995	350-00-000-1230	350-48-990-8130	350-00-000-1990	05/11/2005
				8,872.16	0.00	8,872.16						
CYBEX - AB/AD Machine	9240	Recreation Service Equipment	Machinery & Equipment	4,143.00	0.00	4,143.00	5.00	12/19/2003	350-00-000-1240	350-48-990-8130	350-00-000-1990	12/18/2008
LIFEFITNESS - DUAL ADJ PULL	9518	Recreation Service Equipment	Machinery & Equipment	4,338.40	0.00	4,338.40	5.00	02/22/2005	350-00-000-1240	350-48-990-8130	350-00-000-1990	02/22/2010
Ice Machine - Recreation Center	10827	Recreation Service Equipment	Machinery & Equipment	4,570.00	0.00	4,570.00	5.00	12/11/2014	350-00-000-1240	350-48-990-8130	350-00-000-1990	12/11/2019
Recreation Card Reading Machines	10881	Recreation Service Equipment	Machinery & Equipment	2,984.00	0.00	2,984.00	5.00	03/01/2015	350-00-000-1240	350-48-990-8130	350-00-000-1990	02/29/2020
Matrix Ab/Low Back Strength Machine	11001	Recreation Service Equipment	Machinery & Equipment	2,415.43	426.24	2,841.67	5.00	03/22/2016	350-00-000-1240	350-48-990-8130	350-00-000-1990	03/22/2021
Stages SCE Indoor Cycles with Power Meter & console	11004	Recreation Service Equipment	Machinery & Equipment	1,465.84	258.66	1,724.50	5.00	03/26/2016	350-00-000-1240	350-48-990-8130	350-00-000-1990	03/26/2021
Stages SCE Indoor Cycles with Power Meter & console	11005	Recreation Service Equipment	Machinery & Equipment	1,831.26	323.19	2,154.45	5.00	03/26/2016	350-00-000-1240	350-48-990-8130	350-00-000-1990	03/26/2021
Hammer Strength Hammer Select Assist Dip/Chin	11000	Recreation Service Equipment	Machinery & Equipment	3,387.90	677.60	4,065.50	5.00	04/26/2016	350-00-000-1240	350-48-990-8130	350-00-000-1990	04/26/2021
				25,135.83	1,685.69	26,821.52						
				34,007.99	1,685.69	35,693.68						
CARPET - PARKS BUILDING	10313	Recreation Buildings and Structures	Building & Renovations	3,555.00	0.00	3,555.00	7.00	10/01/2008	370-00-000-1230	370-43-780-8130	370-00-000-1990	10/01/2015
COMPRESSOR&STORAGE-PRKS. BL	10311	Recreation Buildings and Structures	Building & Renovations	3,035.70	0.00	3,035.70	10.00	10/01/2008	370-00-000-1230	370-43-780-8130	370-00-000-1990	10/01/2018
LOCKERS - PARKS BLDG.	10307	Recreation Buildings and Structures	Building & Renovations	2,138.28	1,291.72	3,430.00	20.00	10/01/2008	370-00-000-1230	370-43-780-8130	370-00-000-1990	10/01/2028
				8,728.98	1,291.72	10,020.70						
IP #2 EXTENSION	4222	Field and Parks Improvements	Venue Improvements	3,944.00	0.00	3,944.00	5.00	07/12/1989	370-00-000-1236	370-43-780-8130	370-00-000-1990	07/12/1994
DRINKING FOUNTAIN	9401	Field and Parks Improvements	Venue Improvements	1,839.60	0.00	1,839.60	10.00	10/01/2002	370-00-000-1236	370-43-780-8130	370-00-000-1990	09/30/2012
DRINKING FOUNTAIN	9402	Field and Parks Improvements	Venue Improvements	1,839.60	0.00	1,839.60	10.00	10/01/2002	370-00-000-1236	370-43-780-8130	370-00-000-1990	09/30/2012
Incline Park #3 - SCORE BOOTH	8962	Field and Parks Improvements	Venue Improvements	4,145.00	0.00	4,145.00	10.00	10/01/2002	370-00-000-1236	370-43-780-8130	370-00-000-1990	09/30/2012
Aspen Grove Pavement	11051	Field and Parks Improvements	Venue Improvements	2,627.50	0.00	2,627.50	2.00	07/01/2015	370-00-000-1236	370-43-780-8130	370-00-000-1990	06/30/2017
Sewer Pump Station Vault Li	9205	Field and Parks Improvements	Venue Improvements	3,145.37	453.13	3,598.50	20.00	10/11/2003	370-00-000-1236	370-43-780-8130	370-00-000-1990	10/11/2023
Stair Replacement - Incline Park - Additional Costs to parent ass	11326	Field and Parks Improvements	Venue Improvements	161.20	758.30	919.50	19.00	10/31/2017	370-00-000-1236	370-43-780-8130	370-00-000-1990	10/30/2036
ADA Compliance/Lot Preston Fid	10706	Field and Parks Improvements	Venue Improvements	1,002.38	2,878.49	3,880.87	30.00	07/01/2013	370-00-000-1236	370-43-780-8130	370-00-000-1990	07/01/2043
				18,704.65	4,089.92	22,794.57						
				27,433.63	5,381.64	32,815.27						
Replace Tennis Roof	10634	Recreation Buildings and Structures	Building & Renovations	1,400.49	1,799.51	3,200.00	20.00	07/01/2012	380-00-000-1230	380-45-880-8130	380-00-000-1990	07/01/2032
				1,400.49	1,799.51	3,200.00						
Tennis Court Paver Installation	10900	Field and Parks Improvements	Venue Improvements	2,779.32	2,053.68	4,833.00	10.00	05/31/2015	380-00-000-1236	380-45-880-8130	380-00-000-1990	05/30/2025
				2,779.32	2,053.68	4,833.00						
				4,179.81	3,853.19	8,033.00						
Artistic Fence	10933	Field and Parks Improvements	Venue Improvements	2,798.00	0.00	2,798.00	5.00	06/30/2015	390-00-000-1236	390-39-780-8130	390-00-000-1990	06/29/2020
Bear Boxes	10927	Recreation Service Equipment	Machinery & Equipment	736.44	562.56	1,299.00	10.00	06/30/2015	390-00-000-1236	390-39-780-8130	390-00-000-1990	06/29/2025
				3,534.44	562.56	4,097.00						
Motor Hoist	9340	Recreation Buildings and Structures	Building & Renovations	2,454.51	304.49	2,759.00	20.00	05/28/2003	390-00-000-1230	390-39-850-8130	390-00-000-1990	05/28/2023
Burnt Cedar Building	9168	Recreation Buildings and Structures	Building & Renovations	3,132.10	1,327.85	4,459.95	25.00	08/15/2003	390-00-000-1230	390-39-850-8130	390-00-000-1990	08/14/2028
				5,586.61	1,632.34	7,218.95						
Implement Beach Improvement	9231	Field and Parks Improvements	Venue Improvements	4,706.78	0.00	4,706.78	10.00	08/31/2002	390-00-000-1236	390-39-850-8130	390-00-000-1990	08/30/2012
				4,706.78	0.00	4,706.78						
FRYER	9956	Recreation Service Equipment	Machinery & Equipment	735.00	0.00	735.00	3.00	06/30/2007	390-00-000-1240	390-39-850-8130	390-00-000-1990	06/29/2010
FRYER	9957	Recreation Service Equipment	Machinery & Equipment	735.00	0.00	735.00	3.00	06/30/2007	390-00-000-1240	390-39-850-8130	390-00-000-1990	06/29/2010
GRILL	9955	Recreation Service Equipment	Machinery & Equipment	2,600.00	0.00	2,600.00	3.00	06/30/2007	390-00-000-1240	390-39-850-8130	390-00-000-1990	06/29/2010
				4,070.00	0.00	4,070.00						
POS TERMINAL - BEACH	10285	Recreation Office Equipment	Machinery & Equipment	2,550.00	0.00	2,550.00	5.00	11/28/2008	390-00-000-1245	390-39-850-8130	390-00-000-1990	11/28/2013
				2,550.00	0.00	2,550.00						
				16,913.39	1,632.34	18,545.73						
BEACH LIFEGUARD CHAIRS	8392	Recreation Service Equipment	Machinery & Equipment	1,550.00	0.00	1,550.00	5.00	06/28/2000	390-00-000-1240	390-39-990-8130	390-00-000-1990	06/28/2005
BEACH LIFEGUARD CHAIRS	8393	Recreation Service Equipment	Machinery & Equipment	1,550.00	0.00	1,550.00	5.00	06/28/2000	390-00-000-1240	390-39-990-8130	390-00-000-1990	06/28/2005

Description	Fixed Asset#	FA Type	FA Category	Accum Depr	Book Value	Cost	Est Use Life	In Use Date	Capital Acct	Clearing Acct	Accum Depr Acct	Life End
BEACH LIFEGUARD CHAIRS	8394	Recreation Service Equipment	Machinery & Equipment	1,550.00	0.00	1,550.00	5.00	06/28/2000	390-00-000-1240	390-39-990-8130	390-00-000-1990	06/28/2005
KAYAK STORAGE RACKS	9360	Recreation Service Equipment	Machinery & Equipment	2,805.43	0.00	2,805.43	5.00	04/15/2004	390-00-000-1240	390-39-990-8130	390-00-000-1990	04/15/2009
Chaise lounge chairs for beaches	11277	Recreation Service Equipment	Machinery & Equipment	1,612.96	1,233.29	2,846.25	5.00	05/01/2018	390-00-000-1240	390-39-990-8130	390-00-000-1990	05/01/2023
Planters for Beaches	11278	Recreation Service Equipment	Machinery & Equipment	1,100.92	2,784.08	3,885.00	10.00	05/01/2018	390-00-000-1240	390-39-990-8130	390-00-000-1990	04/30/2028
Ski Beach Bathroom Remodel - ADA Compliant	10928	Recreation Buildings and Structures	Building & Renovations	536.52	1,831.56	2,368.08	25.00	06/30/2015	390-00-000-1230	390-39-990-8130	390-00-000-1990	06/29/2040
				10,705.83	5,848.93	16,554.76						
PLASMA CUTTER WITH ACCESSOR	9952	Administration Service Equipment	Machinery & Equipment	2,275.00	0.00	2,275.00	6.00	03/13/2007	410-00-000-1940	410-51-990-8130	410-00-000-1990	03/12/2013
#95-060 FIELD&ORCHARD SPRAY	8364	Administration Service Equipment	Machinery & Equipment	3,011.25	0.00	3,011.25	4.00	03/08/2001	410-00-000-1940	410-51-990-8130	410-00-000-1990	03/08/2005
LUBE REEL DELIVERY SYSTEM	9292	Administration Service Equipment	Machinery & Equipment	4,191.67	0.00	4,191.67	3.00	04/20/2004	410-00-000-1940	410-51-990-8130	410-00-000-1990	04/20/2007
				9,477.92	0.00	9,477.92						
EQUIPMENT TRAILER #539	9237	Administration Vehicles	Machinery & Equipment	3,794.87	0.00	3,794.87	10.00	01/06/2004	430-00-000-1950	430-53-940-8130	430-00-000-1990	01/05/2014
				3,794.87	0.00	3,794.87						
Dell Power Edge Server 2950	10369	Information Technology Communications Equipment	Machinery & Equipment	4,975.51	0.00	4,975.51	5.00	07/01/2009	990-00-000-1938	990-00-000-8130	990-00-000-1990	07/01/2014
Time Clock Memory Upgrade	11168	Information Technology Communications Equipment	Machinery & Equipment	4,950.00	0.00	4,950.00	3.00	06/30/2017	990-00-000-1938	990-00-000-8130	990-00-000-1990	06/29/2020
Computer Data Center	11323	Information Technology Communications Equipment	Machinery & Equipment	4,847.50	0.00	4,847.50	3.00	07/01/2017	990-00-000-1938	990-00-000-8130	990-00-000-1990	06/30/2020
Dell Laptop 3530, Dell Docking Station	11513	Information Technology Communications Equipment	Machinery & Equipment	611.49	1,546.61	2,158.10	5.00	08/09/2019	990-00-000-1938	990-00-000-8130	990-00-000-1990	08/08/2024
Xerox Multifunction Printer/Copier B405	11512	Information Technology Communications Equipment	Machinery & Equipment	155.30	776.70	932.00	5.00	03/11/2020	990-00-000-1938	990-00-000-8130	990-00-000-1990	03/11/2025
				15,539.80	2,323.31	17,863.11						
OFFICE CUBICLE	2141	Administration Office Equipment	Machinery & Equipment	1,930.08	0.00	1,930.08	5.00	05/14/1992	990-00-000-1945	990-00-000-8130	990-00-000-1990	05/14/1997
MODULAR OFFICE FURNITURE	6428	Administration Office Equipment	Machinery & Equipment	4,421.85	0.00	4,421.85	5.00	08/30/1996	990-00-000-1945	990-00-000-8130	990-00-000-1990	08/30/2001
MODULAR OFFICE FURNITURE	6690	Administration Office Equipment	Machinery & Equipment	2,675.42	0.00	2,675.42	5.00	07/23/1997	990-00-000-1945	990-00-000-8130	990-00-000-1990	07/23/2002
MODULAR OFFICE FURNITURE	9244	Administration Office Equipment	Machinery & Equipment	3,865.87	0.00	3,865.87	5.00	10/31/2003	990-00-000-1945	990-00-000-8130	990-00-000-1990	10/30/2008
				12,893.22	0.00	12,893.22						
				28,433.02	2,323.31	30,756.33						
				<u>1,107,928.16</u>	<u>3,267,861.27</u>	<u>4,375,789.43</u>						
				<u>Effluent Pipeline</u>	<u>79,490.04</u>	<u>3,100,109.96</u>	<u>3,179,600.00</u>					
				<u>Write off Less Pipeline</u>	<u>1,028,438.12</u>	<u>167,751.31</u>	<u>1,196,189.43</u>					



Accounting, Auditing and Financial Reporting
Establishing Appropriate Capitalization Threshold for Capital Assets
Policy 9.1.0

POLICY. The District will consider the following guidelines in establishing capitalization thresholds:

- 1.0** Potentially capitalizable items should only be capitalized if they have an estimated useful life of greater than two years following the date of acquisition or placed into service.
- 2.0** Capitalization thresholds are best applied to individual items rather than to groups of similar items (e.g., desks and tables), unless the effect of doing so would be to eliminate a significant portion of total capital assets.
- 3.0** In no case will the District establish a capitalization threshold of less than \$5,000 for any individual item.
- 4.0** In establishing capitalization thresholds, when the District is a recipient of federal awards, then federal requirements that prevent the use of capitalization thresholds in excess of certain specified maximum amounts for purposes of federal reimbursement will prevail.
- 5.0** Capitalization of buildings and infrastructure should consider the use of componentization as a way to reflect the varying life cycle considerations of mechanical, structural elements, and wear items that may require different cycles of maintenance and replacement from the main asset being capitalized. The significance of such componentization takes precedent over the \$5,000 threshold, and thus smaller amounts may be listed to facilitate proper asset management.

MAY 2021

Governmental Accounting Standards Series

Implementation Guide No. 2021-1, *Implementation Guidance Update—2021*



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May 2021



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Basic Financial Statements and Management's Discussion and Analysis

Question 7.9.8 in Implementation Guide 2015-1

- 5.1. Q—Should a government's capitalization policy be applied only to individual assets or can it be applied to a group of assets acquired together? Consider a government that has established a capitalization threshold of \$5,000 for equipment. If the government purchases 100 computers costing \$1,500 each, should the computers be capitalized?

A—Capitalization policies adopted by governments include many considerations such as finding an appropriate balance between ensuring that all significant capital assets, collectively, are capitalized and minimizing the cost of recordkeeping for capital assets. A government should capitalize assets whose individual acquisition costs are less than the threshold for an individual asset if those assets in the aggregate are significant. Computers, classroom furniture, and library books are examples of asset types that may not meet a capitalization policy on an individual basis, yet could be significant collectively. In this example, if the \$150,000 aggregate amount (100 computers costing \$1,500 each) is significant, the government should capitalize the computers.

Question 7.33.5 in Implementation Guide 2015-1

- 5.2. Q—In some communities, fines may be one of the largest sources of revenue reported in governmental activities. Because these communities rely on fines to provide resources to support many activities, would it be appropriate to report fines as *general* revenues, similar to other revenues that fund multiple programs?

A—No. As indicated in the answer to Question 7.33.4 in Implementation Guide 2015-1, the *use* of revenues from fees, fines, and charges does not affect the classification as a program revenue. The only consideration for nontax revenues is: "From which function does the revenue derive?"

Question 7.55.3 in Implementation Guide 2015-1

- 5.3. Q—Is it allowable to report a particular fund (a capital projects fund, for example) as a major fund for only one or two years?

A—Yes. Although many funds will continue to pass the major fund test year after year, other funds may not. For example, capital projects funds often experience uneven expenditure levels and may exceed the major fund percentages for only a brief period (or sporadically over a longer period). Governments can, however, in the interest of consistency, choose to report a fund as a major fund even if it does not meet the percentage criteria.

Other Implementation Guidance

Statement No. 48, Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues

Question 4.9 in Implementation Guide 2019-1

- 5.4. Q—A government owns a building that it reports as a capital asset. The building has a carrying value of \$3 million and an appraised value of \$10 million. If the government



Punch Card Accounting

Based on input gathered from interviews, documents reviewed, and our evaluation of existing practices compared to applicable accounting standards and best practices, we have the following observations and recommendations.

1	Observation	The District's current punch card accounting methodology attempts to recognize the value associated with the benefits of the Facility Fees within the activities by fund where the picture passes and punch cards are presented for use. Further, we found that the District estimates the usage of picture passes and punch cards and the budgeted revenues by fund are consistent with that estimate.
	Recommendation	While we find there is a reasonable purpose behind the contra revenue methodology that is not inconsistent with GAAP and the budget requirements of the State, we recommend ceasing the use of the current accounting methodology. This methodology complicates revenue estimates to use for budget purposes, is confusing to stakeholders, and requires a significant amount of staff time during the year to administer. The time, cost, and complexity involved appears to outweigh the benefits perceived to be achieved.
2	Observation	The Board has the authority to, or not to, assess Facility Fees in support of Beach and Community Service venues, as well as to determine the allocation of the Facility Fees to fund operations, capital asset acquisitions, and/or debt service of both Community Services and Beach. The allocation in any particular year can address the immediate needs of the District as determined by the Board.
	Recommendation	The District should record revenues from charges for services and Facility Fees within the different activities and funds according to the net cash collected from rates charged and the allocation of Facility Fees determined by the Board at the time of the budget adoption.
3	Observation	Management has been classifying Facility Fees as a non-program related general revenue and therefore resulting from a non-exchange transactions since 2015 but has not specifically disclosed its policy on its revenue classification in the notes to the financial statements.
	Recommendation	Whether the District continues to report its recreational activities within governmental funds or switches to enterprise funds, its policy on the



classification of the Facility Fee revenue should be disclosed in the notes to the financial statements. We recommend the District stick to the non-exchange classification of the Facility fees, and if the decision is to switch to enterprise fund reporting, to report the fees within the non-operating section in the statement of revenues and expenses and the non-capital related financing activities section in the statement of cash flows.

Observation of current punch card accounting.

Board Policy 2.1.0.2.4 provides for the reporting of the annual recreation and beach Facility Fees and the allocation of these fees to the District's various recreational activities, capital projects, and debt service. The policy provides that the Board will authorize the assessment and allocation through the budget process.

Policy 16.1.1 provides the authority for charging the Facility Fees and the basis for which it will be assessed, the method and manner of the assessment and collection of the fees, and the benefits the fees provide residents through certain uses and rates at the District's various recreational facilities. The Board approved Ordinance 7 provides for the establishment of the uses and rates, rules and regulations for recreation passes and punch cards which are presented by residents at the recreational facilities to obtain the benefits and privileges provided to them in exchange for payment of the fees.

By Resolution and through the budget adoption process, the Board determines the assessment of the Facility Fees among the different recreational activities reported in Community Services and Beach funds, as well as amounts allocated for capital asset acquisitions and debt service benefitting the activities within these two funds.

To take advantage of the privileges provided by Ordinance 7, members have the option of receiving a picture pass or punch cards to present when utilizing the various recreational activities and facilities that, among other benefits, allow for reduced pricing compared to rates charged the general public.

We found that the District has been utilizing a contra-revenue accounting methodology that tracks the location where picture passes and punch cards are presented for use at the various recreational venues, as well as to recognize the value of the punch cards between the Community Services and Beach venues. From inquiries of management, we learned that the budgeted revenues by fund as adopted contains an estimate of the relative values of the benefits members obtain from usage of the punch cards at venues within Community Services and Beach.

In our interviews with various stakeholders, we heard that the initial purpose of the contra-revenue accounting methodology was developed in an effort to better align the values associated with the punch cards with the venues where presented for use. However, we heard from many stakeholders the current revenue recognition practice is complicated, confusing, requires significant staff time, and seems inconsistent with the authority of the Board to assess the Facility Fees to fund the various recreational activities and related capital acquisitions and debt service pursuant to their discretion.

We understand that some District stakeholders have raised the question as to whether the contra-revenue accounting methodology ends up with a reallocation of the Recreation Facility Fee revenues



paid by certain residents that don't have beach privileges away from the Community Services Fund and records them as revenues within the Beach Fund. From inquiries of management and the observations of documents provided to us, we did not find that resources from the Fees paid by members without beach privileges were reallocated and transferred out of the Community Services Fund. Nor did we find actual revenues reported for a year to be inconsistent with the intent of the adopted budget.

From review of past comprehensive annual financial reports, we find that management has been inconsistent in the classification of the Facility Fees revenue within the financial statements, and not currently following GAAP. Prior to 2016 when the District was reporting its recreational activities within enterprise funds, the Facility Fees were classified as 'operating revenue' consistent with exchange or exchange-like accounting guidance. After 2016 the District classified the fees as 'general revenues' which is consistent with the non-exchange transaction accounting guidance, and only appropriate when the fees are unrelated to funding specific programs or activities of the District.

Applicable revenue recognition guidance applicable to the Facility Fees.

A governmental accounting system must make it possible to present fairly and with full disclosure the funds and activities of the governmental unit in conformity with GAAP, and to determine and demonstrate compliance with finance related legal and contractual provisions. Governing bodies, by definition, exercise the "power of the purse" by their responsibility to authorize the entity to raise and spend public money. This authorization in Nevada comes through the adoption of the annual budget. (GASB Cod Sec 1100.101, GAAFR 4-2, NRS 354.596-598)

The use of funds is the established mechanism to meet the objective noted above. A fund reports financial resources which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with regulations, restrictions, or limitations. The particular use of a fund can be dictated by laws, regulations, or often as determined at the discretion of the governing board. (GAAFR 4-1&2)

GAAP provides for revenue recognition based on the classification of the underlying transactions which generally falls into two classifications of exchange or exchange-like, and non-exchange. Exchange transactions generally result from fees charged to users for goods or services where the fee is commensurate with the value received by the user. Greens fees at a golf course or the day-use fee at a gym are examples. Non-exchange transactions result when the provider of the resources does not necessarily receive something of equal value in return. Examples include the payment of taxes to fund general government services like community planning and public safety. The classification of the underlying revenue has significant implications on the timing of recognition of a resource (an asset or reduction of a liability) and revenue. It also has implications on the fund-type to be used for the underlying activity. (GAAFR 8-1&2)

There are instances the parties to the services may be willing to receive or pay amounts that are similar, but may not be same, as the value of the underlying goods and services. These transactions are classified as exchange-like transactions. The difference between exchange and exchange-like transactions is a matter of degree. In contrast to a "pure" exchange transaction, an exchange-like transaction is one in which the values exchanged, though related, may not be quite equal or in which the direct benefits may not be exclusively for the parties to the transaction. Nevertheless, the exchange characteristics are strong enough to justify treating the transaction as exchange for accounting purposes. (GASB Cod Sec N50.503)



Exchange and exchange-like transactions are to be recognized as, or over the period when, the underlying service is provided. Non-exchange transaction accounting guidance is provided by GASB Statement No. 33 which generally provides for asset recognition when a resources are received or at the time a legal right to resources exist, and revenues recognized when all eligibility criteria are met securing the entity's right to the resources.

There is diversity in practice in the application of existing guidance with transactions that are not pure exchange or non-exchange. As a result, GAAP requires management to set a policy to be consistently applied as to the nature of transactions considered program revenues for its governmental activities, and operating revenues for its business-type activities and to disclose the policy in the footnotes to the financial statements. From review of past CAFR's, we did not find a disclosure specific to the revenue classification of the District's Facility Fees. (GASB Cod Sec 2300.106)

In the government-wide statement of activities, revenues are to be classified as either program or general. Program revenues are defined as those directly associated with the function or program and would disappear if the function or program were eliminated. Examples include fees and charges paid by those who purchase, use, or otherwise directly benefit from the service, program-specific grants and contributions restricted to financing the underlying function or activity, and interest earnings on investments restricted to use by a specific function or activity. General revenues are defined as those not directly related to financing a specific function or activity. Examples are taxes, grants and contributions that are not restricted to a specific function or activity, and interest on invested resources not restricted to specific functions or activities. (GASB Cod Sec 2200.136-140)

Evaluation of the District's current Punch Card accounting methodology

We find that the District's Board has the authority to assess the Facility Fees in support of activities and venues reported within the Beach and Community Services as provided in the Board Policies and Ordinances as well as NRS 318.197. Further, the Board has the authority to determine the allocation of the fees in support of operations, capital expenditures and debt service which is memorialized in Board Resolutions and the District's adopted budget. As noted above, the budgeted revenues by fund have included revisions for the District's estimated usage of punch cards among the various recreational activities prior to adoption by the District's Board.

In addition, we find that the District's current contra-revenue accounting methodology results in revenues recognized by the various activities and funds in accordance with the intent of the approved budget, as well as the accounting literature for reporting revenue within the various funds of an entity at the discretion of the governing board.

Further, based on existing guidance available today and on the diversity in practice in the application of revenue classification criteria for certain transactions, we can understand why management has not been able to come to a definitive conclusion on the classification of the District's Facility Fees presumably resulting in the switch in classification after 2015. While the fee is not 'pure' in the same sense as the payment of greens fees for a round of golf, the fee does provide specific rights and privileges to residents to the District's recreational activities along with the District's policy of using the fee, in addition to user charges, to directly finance recreational activity operations, capital needs, and debt service.



One factor that would seem to support management's current classification as 'non-exchange' is the fact that the assessment and payment of the fee lacks the mutual assent of the parties. Residents do not have a choice on the payment of the fee unlike the decision to play golf and incur greens fees. GASB's new revenue and expense recognition project currently under deliberation provides for four criteria to be met for a transaction to be considered exchange or exchange-like including the concept of 'mutual assent' of the parties. This concept is not included in current accounting standards and is being discussed, in part, to provide clearer guidance on what constitutes an exchange transaction. (GASB Revenue and Expense Recognition Preliminary Views Ch 3, par 3)

We find that the classification of the Facility Fees in the government-wide statement of activities since 2015 as a general revenue is inconsistent with GAAP in that the fees are assessed specifically to finance the District's recreational activities. As such, it meets the criteria to be reported as a program revenue in the statement of activities. Further, the fees meet the criteria to be included in the charges for services column in the statement. (GASB Cod Sec 2200.137)

Recommendations.

We recommend ceasing the use of contra-revenue accounting currently applied to the value received for the payment of Facility Fees attributed to the use of picture passes and punch cards. We question the benefits derived compared to cost incurred by the District to administer this approach especially given the Board's authority to allocate the resources they deem appropriate to best meet the needs for the ensuing year through the adopted budget. In addition, eliminating the use of contra revenue accounting will eliminate the variability that results when picture passes and punch cards are utilized differently from preliminary estimates included in the budget thereby providing management more certainty as to actual resources available to finance each activity during the year, and should significantly reduce staff time and effort required to perform the daily and monthly accounting.

We recommend the charges for services revenues be reported within the activities and funds at the net rates collected at each venue, and Facility Fees reported within each fund be consistent with the assessment and allocation initially set by the Board during the budget adoption process.

We recommend the District include its policy on the classification of Facility Fees as either program or general revenue, or, either operating or non-operating, in the footnotes to the financial statements. If the District continues to report its recreational activities within governmental funds, we recommend the fees be classified as program revenues and reported in the charges for services column and on the appropriate lines for the portions related to Community Services and Beach activities. If the District reports the recreational activities in enterprise funds, we recommend the fee be reported as non-operating revenue.

HISTORY OF REPORTING OF FACILITY FEES IN DISTRICT FINANCIAL STATEMENTS

<u>FYE</u>	Statement of Activities		Statement of Revenues, Expenses and Change in Net Position		Statement of Cash Flows				<u>Independent External Auditor</u>
	Program Revenues	General Revenues	Operating Revenues	Non-Operating Revenues	Operating Activities	Non-Capital Financing Activities	Capital and Related Financing Activities	Investing Activities	
<i>Proprietary (Enterprise) Funds</i>									
6/30/2022									
<i>Governmental (Special Revenue) Funds</i>									
6/30/2021		X							Davis Farr, LLP
6/30/2020		X							Eide Bailly, LLP
6/30/2019		X							Eide Bailly, LLP
6/30/2018		X							Eide Bailly, LLP
6/30/2017		X							Eide Bailly, LLP
6/30/2016		X							Eide Bailly, LLP
6/30/2015		X							Eide Bailly, LLP
<i>Proprietary (Enterprise) Funds</i>									
6/30/2014	X		X		X				Kafoury, Armstrong & Co.
6/30/2013	X		X		X				Kafoury, Armstrong & Co.
6/30/2012	X		X		X				Kafoury, Armstrong & Co.
6/30/2011	X		X		X				Kafoury, Armstrong & Co.
6/30/2010	X		X		X				Barnard, Vogler & Co.
6/30/2009	X		X		X				Barnard, Vogler & Co.
6/30/2008	X		X		X				Barnard, Vogler & Co.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

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

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

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2021**

	GENERAL	COMMUNITY SERVICES SPECIAL REV.	BEACH SPECIAL REVENUE	COMMUNITY SERVICES CAP. PROJECTS	BEACH CAPITAL PROJECTS	COMMUNITY SERVICES DEBT SERV.	Nonmajor BEACH DEBT SERVICE	TOTAL GOVERNMENTAL FUNDS
REVENUES								
Ad valorem taxes	\$ 1,760,049	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,760,049
Personal Property Tax	52,909	-	-	-	-	-	-	52,909
Intergovernmental								
Consolidated taxes	1,629,192	-	-	-	-	-	-	1,629,192
Local Government Tax Act	259,256	-	-	-	-	-	-	259,256
Services	1,440	36,997	-	-	-	-	-	38,437
Charges for Services	-	16,092,512	839,405	-	-	-	-	16,931,917
Facility Fees	-	1,735,612	648,974	536,571	3,196,016	412,748	7,720	6,537,641
Interfund Services	-	91,769	-	-	-	-	-	91,769
Operating Grants	-	17,000	-	-	-	-	-	17,000
Capital Grants	-	-	-	88,505	-	-	-	88,505
Investment income	68,489	4,471	635	-	-	-	-	73,595
Miscellaneous	8,363	119,697	-	-	-	-	-	128,060
Total revenues	<u>3,779,698</u>	<u>18,098,058</u>	<u>1,489,014</u>	<u>625,076</u>	<u>3,196,016</u>	<u>412,748</u>	<u>7,720</u>	<u>27,608,330</u>
EXPENDITURES								
GENERAL GOVERNMENT								
Manager	397,556	-	-	-	-	-	-	397,556
Trustees	143,722	-	-	-	-	-	-	143,722
Accounting	324,601	-	-	-	-	-	-	324,601
Information Services	940,924	-	-	-	-	-	-	940,924
Human Resources	2,999	-	-	-	-	-	-	2,999
Health & Wellness	16,218	-	-	-	-	-	-	16,218
Community & Employee Relations	165,651	-	-	-	-	-	-	165,651
Administration	563,250	-	-	-	-	-	-	563,250
Capital Outlay	365,878	-	-	-	-	-	-	365,878
RECREATION								
Championship Golf	-	3,342,505	-	112,217	-	-	-	3,454,722
Mountain Golf	-	1,014,000	-	11,330	-	-	-	1,025,330
Facilities	-	1,005,717	-	60,107	-	-	-	1,065,824
Ski	-	6,603,759	-	287,796	-	-	-	6,891,555
Community Programming and Recreation Center	-	1,938,411	-	87,206	-	-	-	2,025,617
Parks	-	758,179	-	66,349	-	-	-	824,528
Tennis	-	249,060	-	73,392	-	-	-	322,452
Recreation Administration	-	377,556	-	7,800	-	-	-	384,556
Beach	-	-	1,700,422	-	234,767	-	-	1,935,189
Capital Outlay								
Championship Golf	-	-	-	785,415	-	-	-	785,415
Mountain Golf	-	-	-	79,296	-	-	-	79,296
Ski	-	-	-	115,169	-	-	-	115,169
Community Programming and Recreation Center	-	-	-	252,906	-	-	-	252,906
Parks	-	-	-	170,123	-	-	-	170,123
Tennis	-	-	-	798,648	-	-	-	798,648
Beach	-	-	-	-	1,010,438	-	-	1,010,438
Debt Service								
Principal	-	-	-	-	-	362,075	5,925	368,000
Interest	-	-	-	-	-	21,097	345	21,442
Total expenditures	<u>2,922,799</u>	<u>15,289,187</u>	<u>1,700,422</u>	<u>2,907,254</u>	<u>1,245,205</u>	<u>383,172</u>	<u>6,270</u>	<u>24,454,309</u>
Excess revenues (expenditures)	856,899	2,808,871	(211,408)	(2,282,178)	1,950,811	29,576	1,450	3,154,021
OTHER FINANCING SOURCES:								
Proceeds from Sale of Capital and Intangible Assets	-	52,250	-	1,500	-	-	-	53,750
Transfers In (Out) - Facility Fees for Capital Expenditure	-	(537,835)	-	537,835	-	-	-	-
Net change in fund balance	<u>856,899</u>	<u>2,323,286</u>	<u>(211,408)</u>	<u>(1,742,843)</u>	<u>1,950,811</u>	<u>29,576</u>	<u>1,450</u>	<u>3,207,771</u>
Fund Balance, July 1, as reported	4,630,149	15,280,913	2,591,632	-	-	-	-	22,502,694
Prior period adjustment	243,512	(1,637,400)	-	1,637,400	-	-	-	243,512
Fund balance, July 1 as adjusted	<u>4,873,661</u>	<u>13,643,513</u>	<u>2,591,632</u>	<u>1,637,400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,746,206</u>
Fund balance, June 30	<u>\$ 5,730,560</u>	<u>\$ 15,966,799</u>	<u>\$ 2,380,224</u>	<u>\$ (105,443)</u>	<u>\$ 1,950,811</u>	<u>\$ 29,576</u>	<u>\$ 1,450</u>	<u>\$ 25,953,977</u>

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

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

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
Primary government:							
Governmental activities:							
General government	\$ 4,098,969	\$ -	\$ -	\$ -	\$ (4,098,969)	\$ -	\$ (4,098,969)
Community Services	19,596,517	15,597,229	17,000	1,637,399	(2,344,889)	-	(2,344,889)
Beach	2,010,652	1,619,582	-	-	(391,070)	-	(391,070)
Total governmental-type activities	<u>25,706,138</u>	<u>17,216,811</u>	<u>17,000</u>	<u>1,637,399</u>	<u>(6,834,928)</u>	<u>-</u>	<u>(6,834,928)</u>
Business-type activities:							
Utilities	11,495,874	12,564,466	-	-	-	1,068,592	1,068,592
Total primary government	<u>\$ 37,202,012</u>	<u>\$ 29,781,277</u>	<u>\$ 17,000</u>	<u>\$ 1,637,399</u>	<u>(6,834,928)</u>	<u>1,068,592</u>	<u>(5,766,336)</u>
General revenues:							
Property taxes					1,722,895	-	1,722,895
Combined taxes					1,719,933	-	1,719,933
Facility Fees (Assessed)					6,740,884	-	6,740,884
Unrestricted investment earnings					587,208	298,225	885,433
Gain (loss) on sale of capital assets					23,888	(22,332)	1,556
Insurance Proceeds					243,548	-	243,548
Miscellaneous revenues					116,993	-	116,993
Transfers In (Out)					(45,000)	45,000	-
Total general revenues and transfers					<u>11,110,349</u>	<u>320,893</u>	<u>11,431,242</u>
Changes in net position					<u>4,275,421</u>	<u>1,389,485</u>	<u>5,664,906</u>
Net position - beginning, as previously reported					75,655,473	77,308,278	152,963,751
Prior Period Adjustment					(665,009)	-	(665,009)
Net positions, beginning, as adjusted					<u>74,990,464</u>	<u>77,308,278</u>	<u>152,298,742</u>
Net position - ending					<u>\$ 79,265,885</u>	<u>\$ 78,697,763</u>	<u>\$ 157,963,648</u>

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2020**

	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
REVENUES								
Ad valorem taxes	\$ 1,706,170	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,706,170
Personal Property Tax	16,724	-	-	-	-	-	-	16,724
Intergovernmental								
Consolidated taxes	1,483,310	-	-	-	-	-	-	1,483,310
Local Government Tax Act Services	236,623	-	-	-	-	-	-	236,623
Charges for Services	-	35,245	-	-	-	-	-	35,245
Facility Fees	-	15,485,428	1,619,582	-	-	-	-	17,105,010
Interfund Services	-	5,774,067	966,817	-	-	-	-	6,740,884
Operating Grants	-	76,558	-	-	-	-	-	76,558
Capital Grants	-	17,000	-	1,637,399	-	-	-	1,637,399
Investment income	432,643	126,143	28,422	-	-	-	-	587,208
Miscellaneous	952	116,042	-	-	-	-	-	116,994
Total revenues	3,876,422	21,630,483	2,614,821	1,637,399	-	-	-	29,759,125
EXPENDITURES								
GENERAL GOVERNMENT								
Manager	407,666	-	-	-	-	-	-	407,666
Trustees	168,531	-	-	-	-	-	-	168,531
Accounting	395,959	-	-	-	-	-	-	395,959
Information Services	735,979	-	-	-	-	-	-	735,979
Human Resources	34,143	-	-	-	-	-	-	34,143
Health & Wellness	33,532	-	-	-	-	-	-	33,532
Community & Employee Relations	118,664	-	-	-	-	-	-	118,664
Administration	537,961	-	-	-	-	-	-	537,961
Capital Outlay	279,424	-	-	-	-	-	-	279,424
RECREATION								
Championship Golf	-	4,255,618	-	-	-	-	-	4,255,618
Mountain Golf	-	960,547	-	-	-	-	-	960,547
Facilities	-	469,752	-	-	-	-	-	469,752
Ski	-	7,011,524	-	-	-	-	-	7,011,524
Community Programming and Recreation Center	-	2,189,572	-	-	-	-	-	2,189,572
Parks	-	843,619	-	-	-	-	-	843,619
Tennis	-	242,873	-	-	-	-	-	242,873
Recreation Administration	-	572,599	-	-	-	-	-	572,599
Beach	-	-	1,758,394	-	-	-	-	1,758,394
Capital Outlay	-	-	-	-	-	-	-	-
Championship Golf	-	-	-	439,872	-	-	-	439,872
Mountain Golf	-	-	-	1,592,962	-	-	-	1,592,962
Facilities	-	-	-	71,584	-	-	-	71,584
Ski	-	-	-	792,711	-	-	-	792,711
Community Programming and Recreation Center	-	-	-	244,815	-	-	-	244,815
Parks	-	-	-	1,944,812	-	-	-	1,944,812
Tennis	-	-	-	233,778	-	-	-	233,778
Recreation Administration	-	-	-	(261,503)	-	-	-	(261,503)
Beach	-	-	-	-	82,009	-	-	82,009
Debt Service								
Principal	-	-	-	-	-	355,188	5,812	361,000
Interest	-	-	-	-	-	29,166	477	29,643
Total expenditures	2,711,859	16,546,104	1,758,394	5,059,031	82,009	384,354	6,289	26,548,040
Excess revenues (expenditures)	1,164,563	5,084,379	856,427	(3,421,632)	(82,009)	(384,354)	(6,289)	3,211,085
OTHER FINANCING SOURCES:								
Proceeds from Sale of Capital and Intangible Assets	-	44,639	-	-	-	-	-	44,639
Insurance Proceeds	-	243,548	-	-	-	-	-	243,548
Transfers In (Out) - Facility Fees for Capital Expenditure	-	(3,421,632)	(82,009)	3,421,632	82,009	-	-	-
Transfers In (Out) - Facility Fees for Debt Service	-	(384,354)	(6,289)	-	-	384,354	6,289	-
Transfers In (Out) - From (to) Other Sources	(300,000)	241,875	13,125	-	-	-	-	(45,000)
Net change in fund balance	864,563	1,808,455	781,254	-	-	-	-	3,454,272
Fund Balance, July 1, as reported	3,765,586	13,333,953	1,810,378	-	-	-	-	18,909,917
Prior period adjustment	-	138,505	-	-	-	-	-	138,505
Fund balance, July 1 as adjusted	3,765,586	13,472,458	1,810,378	-	-	-	-	19,048,422
Fund balance, June 30	\$ 4,630,149	\$ 15,280,913	\$ 2,591,632	\$ -	\$ -	\$ -	\$ -	\$ 22,502,694

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		Total
					Governmental Activities	Business-type Activities	
Primary government:							
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
 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
REVENUES								
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	249,615	-	-	-	-	-	-	249,615
Services	-	14,570	-	-	-	-	-	14,570
Charges for Services	-	17,648,014	1,492,687	-	-	-	-	19,140,701
Interfund Services	-	86,060	-	-	-	-	-	86,060
Facility Fees - Operations	-	2,984,399	774,928	-	-	-	-	3,759,327
Facility Fees - Capital Expenditure	-	2,508,528	198,558	-	-	-	-	2,707,086
Facility Fees - Debt Service	-	329,848	1,635	-	-	-	-	331,483
Operating Grants	-	17,000	-	-	-	-	-	17,000
Capital Grants	-	-	-	31,958	-	-	-	31,958
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
EXPENDITURES								
GENERAL GOVERNMENT								
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
RECREATION								
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
Beach	-	-	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	28,795,542
Excess revenues (expenditures)	768,444	6,611,938	597,480	(6,011,542)	(284,298)	(381,401)	(6,241)	1,294,380
OTHER FINANCING SOURCES:								
Sale of Capital and Intangible 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)	(524,945)	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	800,000	(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

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018**

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
Primary government:							
Governmental activities:							
General government	\$ 3,828,917	\$ 1,094,000	\$ -	\$ -	\$ (2,734,917)	\$ -	\$ (2,734,917)
Community Services	19,043,639	14,726,788	17,000	558,128	(3,741,723)	-	(3,741,723)
Beach	1,849,659	1,266,613	-	-	(583,046)	-	(583,046)
Internal Services	3,056,400	3,190,849	-	-	134,449	-	134,449
Total governmental-type activities	<u>27,778,615</u>	<u>20,278,250</u>	<u>17,000</u>	<u>558,128</u>	<u>(6,925,237)</u>	<u>-</u>	<u>(6,925,237)</u>
Business-type activities:							
Utilities	<u>10,253,834</u>	<u>11,925,557</u>	<u>-</u>	<u>199,934</u>	<u>-</u>	<u>1,871,657</u>	<u>1,871,657</u>
Total primary government	<u>\$ 38,032,449</u>	<u>\$ 32,203,807</u>	<u>\$ 17,000</u>	<u>\$ 758,062</u>	<u>(6,925,237)</u>	<u>1,871,657</u>	<u>(5,053,580)</u>
General revenues:							
Property taxes					1,546,575	-	1,546,575
Combined taxes					1,637,250	-	1,637,250
Facility Fees					6,771,522	-	6,771,522
Unrestricted investment earnings					175,122	77,280	252,402
Gain (loss) on sale of capital assets					79,083	50,020	129,103
Miscellaneous revenues					111,495	-	111,495
Transfers In (Out)					(120,000)	120,000	-
Total general revenues and transfers					<u>10,201,047</u>	<u>247,300</u>	<u>10,448,347</u>
Changes in net position					<u>3,275,810</u>	<u>2,118,957</u>	<u>5,394,767</u>
Net position - beginning					<u>67,797,956</u>	<u>72,659,077</u>	<u>140,457,033</u>
Net position - ending					<u>\$ 71,073,766</u>	<u>\$ 74,778,034</u>	<u>\$ 145,851,800</u>

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2018**

	<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>
REVENUES								
Ad valorem taxes	\$ 1,524,623	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1,524,623
Personal Property Tax	12,671	-	-	-	-	-	-	12,671
Intergovernmental:								
Consolidated taxes	1,388,529	-	-	-	-	-	-	1,388,529
Local Government Tax Act	248,721	-	-	-	-	-	-	248,721
Services	-	20,220	-	-	-	-	-	20,220
Charges for Services	-	14,632,554	1,266,613	-	-	-	-	15,899,167
Interfund Services	-	74,014	-	-	-	-	-	74,014
Facility Fees - Operations	-	1,759,641	637,842	-	-	-	-	2,417,483
Facility Fees - Capital Expenditure	-	2,700,842	301,833	-	-	-	-	3,002,675
Facility Fees - Debt Service	-	1,309,499	7,739	-	-	-	-	1,317,238
Operating Grants	-	17,000	-	-	-	-	-	17,000
Capital Grants	-	-	-	156,775	-	-	-	156,775
Investment income	89,960	69,303	2,288	-	-	-	-	161,551
Miscellaneous	2,033	109,462	-	-	-	-	-	111,495
Total revenues	<u>3,266,537</u>	<u>20,692,535</u>	<u>2,236,315</u>	<u>156,775</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,352,162</u>
EXPENDITURES								
GENERAL GOVERNMENT								
Manager	355,012	-	-	-	-	-	-	355,012
Trustees	176,450	-	-	-	-	-	-	176,450
Accounting	833,348	-	-	-	-	-	-	833,348
Information Services	820,658	-	-	-	-	-	-	820,658
Risk Management	127,032	-	-	-	-	-	-	127,032
Human Resources	597,875	-	-	-	-	-	-	597,875
Health & Wellness	24,594	-	-	-	-	-	-	24,594
Community & Employee Relations	188,682	-	-	-	-	-	-	188,682
Administration	462,552	-	-	-	-	-	-	462,552
Central Services Cost Allocation Income	(1,094,000)	-	-	-	-	-	-	(1,094,000)
Capital Outlay	113,813	-	-	-	-	-	-	113,813
RECREATION								
Championship Golf	-	4,055,702	-	-	-	-	-	4,055,702
Mountain Golf	-	972,171	-	-	-	-	-	972,171
Facilities	-	448,797	-	-	-	-	-	448,797
Ski	-	7,024,327	-	-	-	-	-	7,024,327
Community Programming and Recreation Center	-	2,232,105	-	-	-	-	-	2,232,105
Parks	-	818,298	-	-	-	-	-	818,298
Tennis	-	228,530	-	-	-	-	-	228,530
Recreation Administration	-	357,498	-	-	-	-	-	357,498
Beach	-	-	1,619,746	-	-	-	-	1,619,746
Capital Outlay	-	-	-	3,905,926	221,248	-	-	4,127,174
Debt Service:								
Principal	-	-	-	-	-	1,181,494	5,506	1,187,000
Interest	-	-	-	-	-	103,846	731	104,577
Total expenditures	<u>2,606,016</u>	<u>16,137,428</u>	<u>1,619,746</u>	<u>3,905,926</u>	<u>221,248</u>	<u>1,285,340</u>	<u>6,237</u>	<u>25,781,941</u>
Excess revenues (expenditures)	660,521	4,555,107	616,569	(3,749,151)	(221,248)	(1,285,340)	(6,237)	570,221
OTHER FINANCING SOURCES:								
Sale of Capital Assets	16	85,562	857	1,980	-	-	-	88,415
Transfers In (Out) - Facility Fees for Capital Expenditure	-	(2,700,842)	(301,833)	2,700,842	301,833	-	-	-
Transfers In (Out) - Facility Fees for Debt Service	-	(1,309,499)	(7,739)	-	-	1,309,499	7,739	-
Transfers In (Out) - From (to) Other Sources	-	(305,000)	35,000	950,000	-	-	-	680,000
Net change in fund balance	<u>660,537</u>	<u>325,328</u>	<u>342,854</u>	<u>(96,329)</u>	<u>80,585</u>	<u>24,139</u>	<u>1,502</u>	<u>1,338,636</u>
Fund balance, July 1	<u>1,862,249</u>	<u>10,320,141</u>	<u>1,070,237</u>	<u>2,423,806</u>	<u>5,155</u>	<u>27,394</u>	<u>3,104</u>	<u>15,712,086</u>
Fund balance, June 30	<u>\$ 2,522,786</u>	<u>\$ 10,645,469</u>	<u>\$ 1,413,091</u>	<u>\$ 2,327,477</u>	<u>\$ 85,740</u>	<u>\$ 51,533</u>	<u>\$ 4,606</u>	<u>\$ 17,050,722</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, 2017**

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
Primary government:							
Governmental activities:							
General government	\$ 3,814,458	\$ 1,177,200	\$ 1,440	\$ -	\$ (2,635,818)	\$ -	\$ (2,635,818)
Community Services	18,599,633	16,820,165	17,000	113,615	(1,648,853)	-	(1,648,853)
Beach	1,802,103	1,065,015			(737,088)	-	(737,088)
Internal Services	3,107,668	3,114,747			7,079	-	7,079
Total governmental-type activities	<u>27,323,862</u>	<u>22,177,127</u>	<u>18,440</u>	<u>113,615</u>	<u>(5,014,680)</u>	<u>-</u>	<u>(5,014,680)</u>
Business-type activities:							
Utilities	9,883,961	11,813,169	-	425,509	-	2,354,717	2,354,717
Total primary government	<u>\$ 37,207,823</u>	<u>\$ 33,990,296</u>	<u>\$ 18,440</u>	<u>\$ 539,124</u>	<u>(5,014,680)</u>	<u>2,354,717</u>	<u>(2,659,963)</u>
General revenues:							
Property taxes					1,476,148	-	1,476,148
Combined taxes					1,484,830	-	1,484,830
Facility Fees					6,749,251	-	6,749,251
Unrestricted investment earnings					83,842	60,132	143,974
Gain (loss) on sale of capital assets					111,696	17,730	129,426
Miscellaneous revenues					198,729	-	198,729
Total general revenues					<u>10,104,496</u>	<u>77,862</u>	<u>10,182,358</u>
Changes in net position					5,089,816	2,432,579	7,522,395
Net position - beginning					<u>62,708,136</u>	<u>70,226,498</u>	<u>132,934,634</u>
Net position - ending					<u>\$ 67,797,952</u>	<u>\$ 72,659,077</u>	<u>\$ 140,457,029</u>

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2017**

	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
REVENUES								
Ad valorem taxes	\$ 1,462,280	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1,462,280
Personal Property Tax	13,737	-	-	-	-	-	-	13,737
Intergovernmental:								
Consolidated taxes	1,252,044	-	-	-	-	-	-	1,252,044
Local Government Tax Act	232,786	-	-	-	-	-	-	232,786
Services	1,440	22,233	-	-	-	-	-	23,673
Charges for Services	-	16,797,932	1,065,015	-	-	-	-	17,862,947
Facility Fees - Operations	-	2,050,534	581,653	-	-	-	-	2,632,187
Facility Fees - Capital Expenditure	-	2,619,078	185,937	-	-	-	-	2,805,015
Facility Fees - Debt Service	-	1,309,540	7,747	-	-	-	-	1,317,287
Operating Grants	-	17,000	-	-	-	-	-	17,000
Capital Grants	-	-	-	113,615	-	-	-	113,615
Investment income	51,680	23,608	6,078	-	-	-	-	81,366
Sale of Capital Assets	-	78,264	-	62,952	-	-	-	141,216
Miscellaneous	3,198	195,531	-	-	-	-	-	198,729
Total revenues	3,017,165	23,113,720	1,846,430	176,567	-	-	-	28,153,882
EXPENDITURES								
GENERAL GOVERNMENT								
Manager	348,022	-	-	-	-	-	-	348,022
Trustees	168,718	-	-	-	-	-	-	168,718
Accounting	933,328	-	-	-	-	-	-	933,328
Information Services	689,500	-	-	-	-	-	-	689,500
Risk Management	128,644	-	-	-	-	-	-	128,644
Human Resources	527,667	-	-	-	-	-	-	527,667
Health & Wellness	22,966	-	-	-	-	-	-	22,966
Community & Employee Relations	233,073	-	-	-	-	-	-	233,073
Administration	551,749	-	-	-	-	-	-	551,749
Central Services Cost Allocation Income	(1,177,200)	-	-	-	-	-	-	(1,177,200)
Capital Outlay	148,435	-	-	-	-	-	-	148,435
RECREATION								
Championship Golf	-	3,944,772	-	-	-	-	-	3,944,772
Mountain Golf	-	1,002,359	-	-	-	-	-	1,002,359
Facilities	-	498,578	-	-	-	-	-	498,578
Ski	-	6,810,598	-	-	-	-	-	6,810,598
Community Programming and Recreation Center	-	2,225,893	-	-	-	-	-	2,225,893
Parks	-	821,033	-	-	-	-	-	821,033
Tennis	-	262,369	-	-	-	-	-	262,369
Recreation Administration	-	354,357	-	-	-	-	-	354,357
Beach	-	-	1,587,259	-	-	-	-	1,587,259
Capital Outlay	-	-	-	3,633,210	256,161	-	-	3,889,371
Debt Service	-	-	-	-	-	1,117,639	5,361	1,123,000
Principal	-	-	-	-	-	166,648	854	167,472
Interest	-	-	-	-	-	-	-	-
Total expenditures	2,574,902	15,919,959	1,587,259	3,633,210	256,161	1,284,257	6,215	25,261,963
Excess revenues (expenditures)	442,263	7,193,761	259,171	(3,456,643)	(256,161)	(1,284,257)	(6,215)	2,891,919
OTHER FINANCING SOURCES:								
Transfers In (Out) - Facility Fees for Capital Expenditure	-	(2,619,078)	(185,937)	2,619,078	185,937	-	-	-
Transfers In (Out) - Facility Fees for Debt Service	-	(1,309,540)	(7,747)	-	-	1,309,540	7,747	-
Transfers In (Out) - From (for) Other Sources	(400,000)	(799,830)	(55,000)	1,199,830	55,000	-	-	-
Net change in fund balance	42,263	2,465,313	10,487	362,265	(15,224)	25,283	1,532	2,891,919
Fund balance, July 1	1,819,986	7,854,828	1,059,750	2,061,541	20,379	2,111	1,572	12,820,167
Fund balance, June 30	\$ 1,862,249	\$ 10,320,141	\$ 1,070,237	\$ 2,423,806	\$ 5,155	\$ 27,394	\$ 3,104	\$ 15,712,086

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, 2016**

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
Primary government:							
Governmental activities:							
General government	\$ 3,672,661	\$ 1,123,000	\$ 1,440	\$ -	\$ (2,548,221)	\$ -	\$ (2,548,221)
Community Services	17,442,179	15,596,222	18,440	586,361	(1,241,156)	-	(1,241,156)
Beach	1,690,445	1,002,518	-	-	(687,927)	-	(687,927)
Internal Services	2,972,060	2,935,521	-	-	(36,539)	-	(36,539)
Total governmental-type activities	25,777,345	20,657,261	19,880	586,361	(4,513,843)	-	(4,513,843)
Business-type activities:							
Utilities	9,901,095	11,158,119	-	-	-	1,257,024	1,257,024
Total primary government	\$ 35,678,440	\$ 31,815,380	\$ 19,880	\$ 586,361	(4,513,843)	1,257,024	(3,256,819)
General revenues:							
Property taxes					1,498,519	-	1,498,519
Combined taxes					1,487,986	-	1,487,986
Facility Fees					6,772,822	-	6,772,822
Unrestricted investment earnings					150,795	154,162	304,957
Gain (loss) on sale of capital assets					75,719	42,764	118,483
Miscellaneous revenues					203,756	-	203,756
Total general revenues					10,189,597	196,926	10,386,523
Extraordinary items:							
Extraordinary expense					-	(47,600)	(47,600)
Changes in net position					5,675,754	1,406,350	7,082,104
Net position - beginning					57,032,382	68,820,148	125,852,530
Net position - ending					\$ 62,708,136	\$ 70,226,498	\$ 132,934,634

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, 2016**

	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
REVENUES								
Ad valorem taxes	\$ 1,497,006	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1,497,006
Intergovernmental:								
Consolidated and other taxes	1,187,986	-	-	-	-	-	-	1,187,986
Services	-	15,787	-	-	-	-	-	15,787
Charges for Services	-	15,580,435	1,002,518	-	-	-	-	16,582,953
Facility Fees - Operations	-	2,180,324	582,058	-	-	-	-	2,762,382
Facility Fees - Capital Expenditures	-	2,524,818	186,259	-	-	-	-	2,711,077
Facility Fees - Debt Service	-	1,278,804	7,761	-	-	-	-	1,286,565
Operating Grants	1,440	18,440	-	-	-	-	-	19,880
Capital Grants	-	-	-	586,361	-	-	-	586,361
Investment income	45,989	58,438	11,263	-	-	-	-	115,690
Sale of Capital Assets	-	34,409	-	38,703	2,607	-	-	75,719
Miscellaneous	2,863	474,853	344	-	-	-	-	478,060
Total revenues	3,035,284	22,166,508	1,790,203	625,064	2,607	-	-	27,619,666
EXPENDITURES								
GENERAL GOVERNMENT								
Current:								
Manager	322,337	-	-	-	-	-	-	322,337
Trustees	173,671	-	-	-	-	-	-	173,671
Accounting	915,338	-	-	-	-	-	-	915,338
Information Services	700,124	-	-	-	-	-	-	700,124
Risk Management	127,565	-	-	-	-	-	-	127,565
Human Resources	513,369	-	-	-	-	-	-	513,369
Health & Wellness	23,125	-	-	-	-	-	-	23,125
Community & Employee Relations	159,260	-	-	-	-	-	-	159,260
Administration	573,458	-	-	-	-	-	-	573,458
Central Services Cost Allocation Income	(1,123,000)	-	-	-	-	-	-	(1,123,000)
Capital Outlay	79,331	-	-	-	-	-	-	79,331
RECREATION								
Championship Golf	-	3,526,103	-	-	-	-	-	3,526,103
Mountain Golf	-	937,694	-	-	-	-	-	937,694
Facilities	-	432,187	-	-	-	-	-	432,187
Ski	-	6,441,024	-	-	-	-	-	6,441,024
Community Programming and Recreation Center	-	2,228,727	-	-	-	-	-	2,228,727
Parks	-	715,538	-	-	-	-	-	715,538
Tennis	-	256,359	-	-	-	-	-	256,359
Recreation Administration	-	315,943	-	-	-	-	-	315,943
Beach	-	-	1,493,554	-	-	-	-	1,493,554
Capital Outlay	-	-	-	2,344,198	319,152	-	-	2,663,350
Debt Service:								
Principal	-	-	-	-	-	1,078,784	5,216	1,084,000
Interest	-	-	-	-	-	204,290	973	205,263
Total expenditures	2,466,578	14,853,575	1,493,554	2,344,198	319,152	1,283,074	6,189	22,766,320
Excess of revenues over expenditures	568,706	7,312,933	296,649	(1,719,134)	(316,545)	(1,283,074)	(6,189)	4,853,346
OTHER FINANCING SOURCES:								
Transfers In (Out) - Facility Fees for Capital Expenditure	-	(2,524,818)	(186,259)	2,524,818	186,259	-	-	-
Transfers In (Out) - Facility Fees for Debt Service	-	(1,278,804)	(7,761)	-	-	1,278,804	7,761	-
Transfer In (Out) - From Other Sources	(250,000)	(1,012,236)	(150,665)	1,255,857	150,665	6,381	-	-
Net change in fund balance	318,706	2,497,073	(48,036)	2,061,541	203,379	2,111	1,572	4,853,346
Fund balance, July 1	1,501,287	5,357,755	1,107,786	-	-	-	-	7,966,828
Fund balance, June 30	\$ 1,819,993	\$ 7,854,828	\$ 1,059,750	\$ 2,061,541	\$ 203,379	\$ 2,111	\$ 1,572	\$ 12,820,174

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, 2015**

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
Primary government:							
Governmental activities:							
General government	\$ 2,119,478	\$ -	\$ -	\$ -	\$ (2,119,478)	\$ -	\$ (2,119,478)
Total governmental activities	<u>2,119,478</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,119,478)</u>	<u>-</u>	<u>(2,119,478)</u>
Business-type activities:							
Utilities	9,596,265	10,851,723	-	329,705	-	1,585,163	1,585,163
Community Services	15,502,916	16,487,415	17,000	235,674	-	1,237,173	1,237,173
Beach	1,521,090	1,767,751	-	-	-	246,661	246,661
Total business-type activities	<u>26,620,271</u>	<u>29,106,889</u>	<u>17,000</u>	<u>565,379</u>	<u>-</u>	<u>3,068,997</u>	<u>3,068,997</u>
Total primary government	<u>\$ 28,739,749</u>	<u>\$ 29,106,889</u>	<u>\$ 17,000</u>	<u>\$ 565,379</u>	<u>(2,119,478)</u>	<u>3,068,997</u>	<u>949,519</u>
General revenues:							
Property taxes					1,377,337	-	1,377,337
Combined taxes					1,369,950	-	1,369,950
Unrestricted investment earnings					43,295	163,007	206,302
Gain (loss) on sale of capital assets					-	(30,589)	(30,589)
Miscellaneous revenues					2,540	113,684	116,224
Total general revenues					<u>2,793,122</u>	<u>246,102</u>	<u>3,039,224</u>
Extraordinary items:							
Extraordinary expense					-	(26,906)	(26,906)
Changes in net position					673,644	3,288,193	3,961,837
Net position - beginning					4,462,200	117,428,493	121,890,693
Net position - ending					<u>\$ 5,135,844</u>	<u>\$ 120,716,686</u>	<u>\$ 125,852,530</u>

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2015**

	Business - type Activities - Enterprise Funds			Total Enterprise Funds	Business-type Activities Internal Service Funds
	Utility Fund	Community Services Fund	Beach Enterprise Fund		
OPERATING REVENUES					
Sales and fees	\$ 10,851,123	\$ 10,860,998	\$ 1,052,579	\$ 22,764,700	\$ 600
Facility fees	-	6,018,616	778,149	6,796,765	-
Parcel Owner discounts on entry fees	-	(470,402)	(62,977)	(533,379)	-
Operating grants	-	17,000	-	17,000	-
Interfund services	-	78,203	-	78,203	2,559,522
Total operating revenues	<u>10,851,123</u>	<u>16,504,415</u>	<u>1,767,751</u>	<u>29,123,289</u>	<u>2,560,122</u>
OPERATING EXPENSES					
Wages and benefits	3,342,258	6,347,788	777,105	10,467,151	1,458,889
Cost of goods sold	6,019	947,647	-	953,666	-
Services and supplies	1,642,031	3,415,632	394,571	5,452,234	727,818
Defensible Space	99,479	99,479	-	198,958	-
Central Services Cost	283,000	745,000	73,000	1,101,000	-
Insurance	120,659	233,228	18,944	372,831	292,552
Utilities	984,438	1,136,738	102,062	2,223,238	8,997
Legal and audit	71,918	91,989	2,746	166,653	5,064
Depreciation	2,865,958	2,342,332	149,427	5,357,717	10,638
Total operating expenses	<u>9,415,760</u>	<u>15,359,833</u>	<u>1,517,855</u>	<u>26,293,448</u>	<u>2,503,958</u>
Operating income	<u>1,435,363</u>	<u>1,144,582</u>	<u>249,896</u>	<u>2,829,841</u>	<u>56,164</u>
NONOPERATING REVENUES (EXPENSES)					
Investment earnings	81,996	46,153	10,186	138,335	24,672
Gain (loss) on sales of assets	(34,499)	31,576	(27,666)	(30,589)	-
Extraordinary expense	(26,906)	-	-	(26,906)	-
Cell Tower lease income	-	113,684	-	113,684	-
Interest on bond debt	(180,505)	(239,634)	(3,208)	(423,347)	-
Amortization bond discounts & premiums	-	42,487	(27)	42,460	-
Fiscal agent fees	-	(1,500)	-	(1,500)	-
Total nonoperating revenues (expenses)	<u>(159,914)</u>	<u>(7,234)</u>	<u>(20,715)</u>	<u>(187,863)</u>	<u>24,672</u>
Income before contributions	<u>1,275,449</u>	<u>1,137,348</u>	<u>229,181</u>	<u>2,641,978</u>	<u>80,836</u>
Capital Grant Contributions	<u>329,705</u>	<u>235,674</u>	<u>-</u>	<u>565,379</u>	<u>-</u>
Changes in net position	<u>1,605,154</u>	<u>1,373,022</u>	<u>229,181</u>	<u>3,207,357</u>	<u>80,836</u>
Total net position, July 1	<u>67,214,994</u>	<u>43,389,489</u>	<u>5,472,107</u>		<u>1,351,903</u>
Total net position, June 30	<u>\$ 68,820,148</u>	<u>\$ 44,762,511</u>	<u>\$ 5,701,288</u>		<u>\$ 1,432,739</u>
Adjustment to reflect consolidation of internal service fund activities related to Enterprise Funds				<u>80,836</u>	
Change in net position of Business-Type Activities				<u>\$ 3,288,193</u>	

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2015**

	Business - type Activities - Enterprise Funds				Business-type Activities Internal Service Funds
	Utility Fund	Community Services Fund	Beach Fund	Total Enterprise Funds	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 11,009,050	\$ 16,498,005	\$ 1,766,670	\$ 29,273,725	\$ 600
Receipts from interfund services provided	-	78,203	-	78,203	2,559,522
Receipts from operating grants	-	17,000	-	17,000	-
Cell Tower lease income collected & misc	-	113,684	-	113,684	-
Payments to suppliers	(2,352,388)	(5,810,554)	(426,847)	(8,589,789)	(1,024,525)
Payments to employees	(3,340,710)	(6,371,359)	(783,731)	(10,495,800)	(1,631,275)
Payments for interfund services used	(739,036)	(745,000)	(181,438)	(1,665,474)	(33,829)
Net cash provided (used) by operating activities	4,576,916	3,779,979	374,654	8,731,549	(129,507)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Extraordinary expense	(26,906)	-	-	(26,906)	-
Due to (from) other funds	744,780	419,187	984,848	2,148,815	43,306
Net cash provided (used) by non-capital financing activities	717,874	419,187	984,848	2,121,909	43,306
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	(2,942,220)	(2,832,606)	(695,822)	(6,470,648)	(21,532)
Proceeds (costs) from sale of assets	8,170	38,521	(4,296)	42,395	-
Payment of fiscal agent fees	-	(1,500)	-	(1,500)	-
Payments on capital debt	(456,276)	(1,513,398)	(270,602)	(2,240,276)	-
Capital contributions	189,092	41,755	-	230,847	-
Interest expense	(186,858)	(248,237)	(5,403)	(440,498)	-
Net cash provided (used) by capital and related financing activities	(3,388,092)	(4,515,465)	(976,123)	(8,879,680)	(21,532)
CASH FLOWS FROM INVESTING ACTIVITIES					
Restricted investments released (increased)	(250)	(89)	-	(339)	58,868
Investments purchased	(3,860,000)	(250,000)	(1,550,000)	(5,660,000)	-
Long-term investments sold	1,800,000	525,000	1,075,000	3,400,000	-
Investment earnings	67,204	36,052	9,724	112,980	24,532
Net cash provided (used) by investing activities	(1,993,046)	310,963	(465,276)	(2,147,359)	83,400
Net change in cash and cash equivalents	(86,348)	(5,336)	(81,897)	(173,581)	(24,333)
Cash and cash equivalents, July 1	426,913	138,434	88,391	653,738	36,212
Cash and cash equivalents, June 30	\$ 340,565	\$ 133,098	\$ 6,494	\$ 480,157	\$ 11,879
Non-cash capital activities					
Acquisition of 1 easement Note 4	\$ -			\$ -	

(Continued)

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2015**

	Business - type Activities - Enterprise Funds			Total Enterprise Funds	Business-type Activities Internal Service Funds
	Utility Fund	Community Services Fund	Beach Fund		
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 1,435,363	\$ 1,144,582	\$ 249,896	\$ 2,829,841	\$ 56,164
Non-cash adjustments -					
Depreciation and amortization	2,865,958	2,342,332	149,427	5,357,717	10,638
Increase (decrease) in cash from changes in:					
Accounts receivable	106,768	35,541	(1,166)	141,143	-
Operating Grant Receivable	-	-	-	-	-
Due from other Governments	-	1,927	4,822	6,749	-
Inventory	3,831	577	-	4,408	(22,190)
Prepaid expenses	(20,515)	(2,933)	(4,192)	(27,640)	4,265
Collection of cell tower leases	-	113,684	-	113,684	-
Accounts payable	132,804	116,515	(12,770)	236,549	(5,998)
Accrued personnel costs	1,548	(23,571)	(6,626)	(28,649)	(172,386)
Unearned revenue and customer deposits	51,159	51,325	(4,737)	97,747	-
Total adjustments	3,141,553	2,635,397	124,758	5,901,708	(185,671)
Net cash provided (used) by operating activities	\$ 4,576,916	\$ 3,779,979	\$ 374,654	\$ 8,731,549	\$ (129,507)

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, 2014**

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
Primary government:							
Governmental activities:							
General government	\$ 2,128,147	\$ -	\$ -	\$ -	\$ (2,128,147)	\$ -	\$ (2,128,147)
Total governmental activities	<u>2,128,147</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,128,147)</u>	<u>-</u>	<u>(2,128,147)</u>
Business-type activities:							
Utilities	9,222,798	10,432,200	2,893	461,994	-	1,674,289	1,674,289
Community Services	15,264,284	16,552,498	106,238	(407)	-	1,394,045	1,394,045
Beach	1,375,724	1,813,337	-	-	-	437,613	437,613
Total business-type activities	<u>25,862,806</u>	<u>28,798,035</u>	<u>109,131</u>	<u>461,587</u>	<u>-</u>	<u>3,505,947</u>	<u>3,505,947</u>
Total primary government	<u>\$ 27,990,953</u>	<u>\$ 28,798,035</u>	<u>\$ 109,131</u>	<u>\$ 461,587</u>	<u>(2,128,147)</u>	<u>3,505,947</u>	<u>1,377,800</u>
General revenues:							
Property taxes					1,293,676	-	1,293,676
Combined taxes					1,277,567	-	1,277,567
Unrestricted investment earnings					43,959	120,154	164,113
Gain on sale of capital assets					13,536	79,552	93,088
Miscellaneous revenues					2,990	108,325	111,315
Total general revenues					<u>2,631,728</u>	<u>308,031</u>	<u>2,939,759</u>
Extraordinary Items:							
Extraordinary expense					-	(30,587)	(30,587)
Changes in net position					<u>503,581</u>	<u>3,783,391</u>	<u>4,286,972</u>
Net position - as previously reported							
Restatement adjustment					-	(228,086)	(228,086)
Net position, beginning restated					<u>3,958,619</u>	<u>113,645,102</u>	<u>117,603,721</u>
Net position - ending					<u>\$ 4,462,200</u>	<u>\$ 117,428,493</u>	<u>\$ 121,890,693</u>

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2014**

	Business - type Activities - Enterprise Funds				Business-type Activities Internal Service Funds
	Utility Fund	Community Services Fund	Beach Enterprise Fund	Enterprise Funds	
OPERATING REVENUES					
Sales and fees	\$ 10,431,225	\$ 10,991,126	\$ 1,104,246	\$ 22,526,597	\$ 975
Facility fees	-	6,024,564	780,716	6,805,280	-
Parcel Owner discounts on entry fees	-	(529,896)	(71,625)	(601,521)	-
Operating grants	2,893	106,238	-	109,131	-
Interfund services	-	66,704	-	66,704	2,279,321
Total operating revenues	<u>10,434,118</u>	<u>16,658,736</u>	<u>1,813,337</u>	<u>28,906,191</u>	<u>2,280,296</u>
OPERATING EXPENSES					
Wages and benefits	3,145,732	6,121,222	690,594	9,957,548	1,351,205
Cost of goods sold	5,628	945,313	-	950,941	-
Services and supplies	1,469,435	3,444,405	357,460	5,271,300	514,817
Defensible Space	100,000	100,000	-	200,000	-
Central Services Cost	291,000	705,996	72,000	1,068,996	-
Insurance	108,149	274,792	17,222	400,163	379,174
Utilities	1,042,146	1,109,464	85,763	2,237,373	7,298
Legal and audit	95,829	41,138	3,246	140,213	4,667
Depreciation	2,771,756	2,293,786	137,493	5,203,035	9,950
Total operating expenses	<u>9,029,675</u>	<u>15,036,116</u>	<u>1,363,778</u>	<u>25,429,569</u>	<u>2,267,111</u>
Operating income	<u>1,404,443</u>	<u>1,622,620</u>	<u>449,559</u>	<u>3,476,622</u>	<u>13,185</u>
NONOPERATING REVENUES (EXPENSES)					
Investment earnings	61,007	31,908	2,988	95,903	24,251
Gain (loss) on sales of assets	25,875	52,573	1,104	79,552	-
Extraordinary expense	(30,587)	-	-	(30,587)	-
Cell Tower Lease Income	-	108,325	-	108,325	-
Interest on bond debt	(193,123)	(289,773)	(11,811)	(494,707)	-
Amortization bond discounts & premiums	-	49,395	(135)	49,260	-
Total nonoperating revenues (expenses)	<u>(136,828)</u>	<u>(47,572)</u>	<u>(7,854)</u>	<u>(192,254)</u>	<u>24,251</u>
Income before contributions	<u>1,267,615</u>	<u>1,575,048</u>	<u>441,705</u>	<u>3,284,368</u>	<u>37,436</u>
Capital Grant Contributions	461,994	(407)	-	461,587	-
Changes in net position	<u>1,729,609</u>	<u>1,574,641</u>	<u>441,705</u>	<u>3,745,955</u>	<u>37,436</u>
Total net position, July 1, as previously reported	65,566,886	41,953,367	5,038,468		1,314,467
Application of GASB 65	(81,501)	(138,519)	(8,066)		-
Total net position, July 1, as restated	<u>65,485,385</u>	<u>41,814,848</u>	<u>5,030,402</u>		<u>1,314,467</u>
Total net position, June 30	<u>\$ 67,214,994</u>	<u>\$ 43,389,489</u>	<u>\$ 5,472,107</u>		<u>\$ 1,351,903</u>
				Adjustment to reflect consolidation of internal service fund activities related to Enterprise Funds	<u>37,436</u>
				Change in net position of Business-Type Activities	<u>\$ 3,783,391</u>

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2014**

	Business - type Activities - Enterprise Funds				Business-type Activities Internal Service Funds
	Utility Fund	Community Services Fund	Beach Fund	Enterprise Funds	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 10,347,990	\$ 16,567,371	\$ 1,813,856	\$ 28,729,217	\$ 975
Receipts from interfund services provided	-	66,704	-	66,704	2,279,321
Receipts from operating grants	2,893	147,767	-	150,660	-
Cell Tower Lease Income Collected & Misc	-	108,325	-	108,325	-
Payments to suppliers	(2,484,332)	(5,266,187)	(273,891)	(8,024,410)	(773,034)
Payments to employees	(3,066,981)	(6,087,762)	(681,106)	(9,835,849)	(1,388,699)
Payments for interfund services used	(739,036)	(1,291,021)	(181,438)	(2,211,495)	(33,829)
Net cash provided (used) by operating activities	4,060,534	4,245,197	677,421	8,983,152	84,734
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Extraordinary expense	(30,587)	-	-	(30,587)	-
Due to (from) other funds	(594,001)	(262,873)	(483,958)	(1,340,832)	(107,733)
Net cash provided (used) by non-capital financing activities	(624,588)	(262,873)	(483,958)	(1,371,419)	(107,733)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	(3,059,460)	(2,266,640)	(167,375)	(5,493,475)	-
Proceeds from sale of assets	25,875	56,004	1,104	82,983	-
Proceeds of capital debt	-	-	-	-	-
Payments on capital debt	(443,833)	(1,460,782)	(263,218)	(2,167,833)	-
Capital contributions	395,647	(407)	-	395,240	-
Interest expense	(199,301)	(298,149)	(13,974)	(511,424)	-
Net cash provided (used) by capital and related financing activities	(3,281,072)	(3,969,974)	(443,463)	(7,694,509)	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Restricted investments released (increased)	(234)	929	-	695	22,825
Other deposits	-	-	-	-	-
Investments purchased	(8,015,250)	(3,108,437)	(675,000)	(11,798,687)	-
Long-term investments sold	7,815,250	3,122,292	925,000	11,862,542	-
Investment earnings	54,249	25,736	3,395	83,380	24,251
Net cash provided (used) by investing activities	(145,985)	40,520	253,395	147,930	47,076
Net change in cash and cash equivalents	8,889	52,870	3,395	65,154	24,077
Cash and cash equivalents, July 1	418,025	85,563	84,996	588,584	12,135
Cash and cash equivalents, June 30	\$ 426,914	\$ 138,433	\$ 88,391	\$ 653,738	\$ 36,212
Non-cash capital activities					
Acquisition of 4 unbuildable parcels Note 4		\$ -		\$ -	

(Continued)

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Business - type Activities - Enterprise Funds</u>				<u>Business-type Activities Internal Service Funds</u>
	<u>Utility Fund</u>	<u>Community Services Fund</u>	<u>Beach Fund</u>	<u>Enterprise Funds</u>	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 1,404,443	\$ 1,622,620	\$ 449,559	\$ 3,476,622	\$ 13,185
Non-cash adjustments -					
Depreciation and amortization	2,771,756	2,293,786	137,493	5,203,035	9,950
Increase (decrease) in cash from changes in:					
Accounts receivable	(133,175)	(37,880)	(1,668)	(172,723)	-
Grant Receivable	-	41,529	-	41,529	-
Due from other Governments	-	(2,427)	(1,746)	(4,173)	-
Inventory	(4,013)	20,917	-	16,904	3,143
Prepaid expenses	(12,106)	26,161	(2,106)	11,949	2,027
Collection of cell tower leases	-	108,325	-	108,325	-
Accounts payable	(95,062)	16,822	82,468	4,228	93,923
Accrued personnel costs	78,751	33,460	9,488	121,699	(37,494)
Unearned revenue and customer deposits	49,940	121,884	3,933	175,757	-
Total adjustments	2,656,091	2,622,577	227,862	5,506,530	71,549
Net cash provided (used) by operating activities	\$ 4,060,534	\$ 4,245,197	\$ 677,421	\$ 8,983,152	\$ 84,734

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, 2013**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Government</u>		
					<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Primary government:							
Governmental activities:							
General government	\$ 1,985,100	\$ -	\$ -	\$ -	\$ (1,985,100)	\$ -	\$ (1,985,100)
Total governmental activities	<u>1,985,100</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,985,100)</u>	<u>-</u>	<u>(1,985,100)</u>
Business-type activities:							
Utilities	8,580,345	9,770,425	-	2,013,853	-	3,203,933	3,203,933
Community Services	14,899,527	16,765,559	97,123	1,137,270	-	3,100,425	3,100,425
Beach	<u>1,158,071</u>	<u>1,755,342</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>597,271</u>	<u>597,271</u>
Total business-type activities	<u>24,637,943</u>	<u>28,291,326</u>	<u>97,123</u>	<u>3,151,123</u>	<u>-</u>	<u>6,901,629</u>	<u>6,901,629</u>
Total primary government	<u>\$ 26,623,043</u>	<u>\$ 28,291,326</u>	<u>\$ 97,123</u>	<u>\$ 3,151,123</u>	<u>(1,985,100)</u>	<u>6,901,629</u>	<u>4,916,529</u>
General revenues:							
Property taxes					1,307,715	-	1,307,715
Combined taxes					1,205,091	-	1,205,091
Unrestricted investment earnings					30,618	113,164	143,782
Sale of capital assets					3,769	5,472	9,241
Miscellaneous revenues					3,713	68,594	72,307
Washoe County Tax Refund					<u>55,372</u>	<u>-</u>	<u>55,372</u>
Total general revenues					<u>2,606,278</u>	<u>187,230</u>	<u>2,793,508</u>
Changes in net position					621,178	7,088,859	7,710,037
Net position - beginning					3,337,444	106,784,330	110,121,774
Net position - ending					<u>\$ 3,958,622</u>	<u>\$ 113,873,189</u>	<u>\$ 117,831,811</u>

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2013**

	Business - type Activities - Enterprise Funds				Business-type Activities Internal Service Funds
	Utility Fund	Community Services Fund	Beach Enterprise Fund	Enterprise Funds	
OPERATING REVENUES					
Sales and fees	\$ 9,767,475	\$ 11,309,353	\$ 1,058,128	\$ 22,134,956	\$ 2,950
Facility fees	-	5,962,384	775,102	6,737,486	-
Parcel Owner discounts on entry fees	-	(564,550)	(77,888)	(642,438)	-
Operating grants	-	97,123	-	97,123	-
Interfund services	-	58,372	-	58,372	2,042,462
Total operating revenues	<u>9,767,475</u>	<u>16,862,682</u>	<u>1,755,342</u>	<u>28,385,499</u>	<u>2,045,412</u>
OPERATING EXPENSES					
Wages and benefits	2,994,499	6,262,104	554,750	9,811,353	1,160,280
Cost of goods sold	-	912,704	-	912,704	-
Services and supplies	1,341,008	3,283,290	308,019	4,932,317	540,474
Defensible Space	99,956	99,957	-	199,913	-
Central Services Cost	257,100	673,500	63,600	994,200	-
Insurance	102,089	237,836	17,715	357,640	49,192
Utilities	1,001,334	962,524	77,989	2,041,847	5,798
Legal and audit	71,128	26,441	4,683	102,252	28,590
Depreciation	2,613,840	2,246,216	117,317	4,977,373	7,926
Total operating expenses	<u>8,480,954</u>	<u>14,704,572</u>	<u>1,144,073</u>	<u>24,329,599</u>	<u>1,792,260</u>
Operating income	<u>1,286,521</u>	<u>2,158,110</u>	<u>611,269</u>	<u>4,055,900</u>	<u>253,152</u>
NONOPERATING REVENUES (EXPENSES)					
Investment earnings	55,666	28,421	6,160	90,247	22,917
Gain (loss) on sales of assets	17,856	(12,384)	-	5,472	-
Cell Tower Lease Income	-	68,594	-	68,594	-
Interest on bond debt	(177,404)	(372,219)	(19,234)	(568,857)	-
Amortization issuance costs, discounts & premiums	(9,204)	26,044	(6,529)	10,311	-
Total nonoperating revenues (expenses)	<u>(113,086)</u>	<u>(261,544)</u>	<u>(19,603)</u>	<u>(394,233)</u>	<u>22,917</u>
Income before contributions	<u>1,173,435</u>	<u>1,896,566</u>	<u>591,666</u>	<u>3,661,667</u>	<u>276,069</u>
Capital Grant Contributions	<u>2,013,853</u>	<u>1,137,270</u>	<u>-</u>	<u>3,151,123</u>	<u>-</u>
Changes in net position	<u>3,187,288</u>	<u>3,033,836</u>	<u>591,666</u>	<u>6,812,790</u>	<u>276,069</u>
Total net position, July 1	<u>62,379,597</u>	<u>38,919,533</u>	<u>4,446,802</u>		<u>1,038,398</u>
Total net position, June 30	<u>\$ 65,566,885</u>	<u>\$ 41,953,369</u>	<u>\$ 5,038,468</u>		<u>\$ 1,314,467</u>
				Adjustment to reflect consolidation of internal service fund activities related to Enterprise Funds	<u>276,069</u>
				Change in net position of Business-Type Activities	<u>\$ 7,088,859</u>

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2013**

	Business - type Activities - Enterprise Funds				Business-type Activities Internal Service Funds
	Utility Fund	Community Services Fund	Beach Fund	Enterprise Funds	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 9,614,530	\$ 16,853,141	\$ 1,768,620	\$ 28,236,291	\$ 2,950
Receipts from interfund services provided	-	58,372	-	58,372	2,042,462
Receipts from operating grants	-	97,123	-	97,123	-
Cell Tower Lease Income collected	-	68,594	-	68,594	-
Payments to suppliers	(2,808,911)	(5,202,930)	(329,976)	(8,341,817)	(470,685)
Payments to employees	(2,986,356)	(6,235,734)	(555,166)	(9,777,256)	(1,349,551)
Payments for interfund services used	(528,033)	(1,263,505)	(130,700)	(1,922,238)	(112,429)
Net cash provided (used) by operating activities	3,291,230	4,375,061	752,778	8,419,069	112,747
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Due to (from) other funds	(479,391)	(594,985)	181,515	(892,861)	52,314
Net cash provided (used) by non-capital financing activities	(479,391)	(594,985)	181,515	(892,861)	52,314
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	(3,693,371)	(2,094,299)	(550,397)	(6,338,067)	(38,061)
Proceeds from sale of assets	17,856	15,929	-	33,785	-
Proceeds of capital debt	2,308,839	3,419,052	55,948	5,783,839	-
Payments on capital debt	(773,722)	(5,246,352)	(168,648)	(6,188,722)	-
Bond issue costs incurred	-	(56,123)	(918)	(57,041)	-
Capital contributions	2,181,953	1,340,923	-	3,522,876	-
Interest expense	(155,535)	(411,898)	(20,477)	(587,910)	-
Net cash provided (used) by capital and related financing activities	(113,980)	(3,032,768)	(684,492)	(3,831,240)	(38,061)
CASH FLOWS FROM INVESTING ACTIVITIES					
Restricted investments released (increased)	1,826	14,356	-	16,182	-
Other deposits	(3)	(7)	(2)	(12)	(52,305)
Investments purchased	(6,965,250)	(2,722,292)	(425,000)	(10,112,542)	(1,085,000)
Long-term investments sold	4,050,000	1,601,000	250,000	5,901,000	1,000,000
Investment earnings	49,947	22,810	6,475	79,232	22,440
Net cash provided (used) by investing activities	(2,863,480)	(1,084,133)	(168,527)	(4,116,140)	(114,865)
Net change in cash and cash equivalents	(165,621)	(336,825)	81,274	(421,172)	12,135
Cash and cash equivalents, July 1	583,646	422,388	3,722	1,009,756	-
Cash and cash equivalents, June 30	\$ 418,025	\$ 85,563	\$ 84,996	\$ 588,584	\$ 12,135
Non-cash capital activities					
Acquisition of 78 unbuildable parcels Note 4		\$ -		\$ -	

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2013**

	Business - type Activities - Enterprise Funds				Business-type Activities Internal Service Funds
	Utility Fund	Community Services Fund	Beach Fund	Enterprise Funds	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 1,286,521	\$ 2,158,110	\$ 611,269	\$ 4,055,900	\$ 253,152
Non-cash adjustments -					
Depreciation	2,613,840	2,246,216	117,317	4,977,373	7,926
Increase (decrease) in cash from changes in:					
Accounts receivable	(169,268)	50,691	(1,229)	(119,806)	-
Due from other Governments	-	47,513	12,953	60,466	-
Inventory	1,105	(16,590)	-	(15,485)	6,388
Prepaid expenses	(16,293)	(2,743)	1,043	(17,993)	37,425
Collection of cell tower leases	-	68,594	-	68,594	-
Accounts payable	(449,141)	(250,850)	10,287	(689,704)	(2,873)
Accrued personnel costs	8,143	26,370	(416)	34,097	(189,271)
Unearned revenue and customer deposits	16,323	47,750	1,554	65,627	-
Total adjustments	2,004,709	2,216,951	141,509	4,363,169	(140,405)
Net cash provided (used) by operating activities	\$ 3,291,230	\$ 4,375,061	\$ 752,778	\$ 8,419,069	\$ 112,747

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, 2012**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
Primary government:							
Governmental activities:							
General government	\$ 3,265,923	\$ 1,074,000	\$ -	\$ -	\$ (2,191,923)	\$ -	\$ (2,191,923)
Total governmental activities	<u>3,265,923</u>	<u>1,074,000</u>	<u>-</u>	<u>-</u>	<u>(2,191,923)</u>	<u>-</u>	<u>(2,191,923)</u>
Business-type activities:							
Utilities	8,604,093	9,130,805	-	912,933	-	1,439,645	1,439,645
Community Services	15,421,206	16,277,239	77,700	1,369,936	-	2,303,669	2,303,669
Beach	1,177,800	1,467,842	-	-	-	290,042	290,042
Total business-type activities	<u>25,203,100</u>	<u>26,875,886</u>	<u>77,700</u>	<u>2,282,869</u>	<u>-</u>	<u>4,033,355</u>	<u>4,033,355</u>
Total primary government	<u>\$ 28,469,023</u>	<u>\$ 27,949,886</u>	<u>\$ 77,700</u>	<u>\$ 2,282,869</u>	<u>(2,191,923)</u>	<u>4,033,355</u>	<u>1,841,432</u>
General revenues:							
Property taxes					1,325,436	-	1,325,436
Combined taxes					1,106,183	-	1,106,183
Unrestricted investment earnings					25,555	254,017	279,572
Gain on disposal of capital assets					-	11,021	11,021
Miscellaneous revenues					1,771	115,020	116,791
Total general revenues					<u>2,458,945</u>	<u>380,058</u>	<u>2,839,003</u>
Change in net assets					267,022	4,413,413	4,680,435
Net assets - beginning					<u>3,070,422</u>	<u>102,370,917</u>	<u>105,441,339</u>
Net assets - ending					<u>\$ 3,337,444</u>	<u>\$ 106,784,330</u>	<u>\$ 110,121,774</u>

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 FOR THE YEAR ENDED JUNE 30, 2012**

	Business - type Activities - Enterprise Funds				Business-type Activities Internal Service Funds
	Utility Fund	Community Services Fund	Beach Enterprise Fund	Enterprise Funds	
OPERATING REVENUES					
Sales and fees	\$ 9,127,955	\$ 10,414,480	\$ 1,016,280	\$ 20,558,715	\$ 2,850
Facility fees	-	5,919,707	899,565	6,819,272	-
Parcel Owner discounts	-	(108,379)	(448,003)	(556,382)	-
Operating grants	-	77,700	-	77,700	-
Interfund services	-	51,431	-	51,431	1,888,350
Total operating revenues	<u>9,127,955</u>	<u>16,354,939</u>	<u>1,467,842</u>	<u>26,950,736</u>	<u>1,891,200</u>
OPERATING EXPENSES					
Wages and benefits	2,947,376	6,334,351	528,625	9,810,352	1,369,973
Cost of goods sold	-	895,324	-	895,324	-
Services and supplies	1,273,502	3,143,522	326,490	4,743,514	478,312
Defensible Space	97,094	97,094	-	194,188	-
Central Services Cost	277,200	727,200	69,600	1,074,000	-
Insurance	92,857	242,393	17,731	352,981	50,972
Utilities	1,077,337	1,094,234	78,318	2,249,889	6,441
Legal and audit	73,743	43,661	7,369	124,773	35,044
Depreciation	2,565,241	2,359,117	116,944	5,041,302	9,119
Total operating expenses	<u>8,404,350</u>	<u>14,936,896</u>	<u>1,145,077</u>	<u>24,486,323</u>	<u>1,949,861</u>
Operating income (loss)	<u>723,605</u>	<u>1,418,043</u>	<u>322,765</u>	<u>2,464,413</u>	<u>(58,661)</u>
NONOPERATING REVENUES (EXPENSES)					
Investment earnings	86,010	24,062	4,495	114,567	139,450
Gain (loss) on sales of assets	381	20,654	(10,446)	10,589	432
Coverage Sales	-	41,323	-	41,323	-
Cell Tower Lease Income	-	73,697	-	73,697	-
Interest on bond debt	(169,042)	(487,223)	(23,318)	(679,583)	-
Amortization issuance costs	(9,589)	40,435	(6,529)	24,317	-
Total nonoperating revenues (expenses)	<u>(92,240)</u>	<u>(287,052)</u>	<u>(35,798)</u>	<u>(415,090)</u>	<u>139,882</u>
Income (loss) before contributions	<u>631,365</u>	<u>1,130,991</u>	<u>286,967</u>	<u>2,049,323</u>	<u>81,221</u>
Capital Grant Contributions	<u>912,933</u>	<u>1,369,936</u>	<u>-</u>	<u>2,282,869</u>	<u>-</u>
Change in net assets	<u>1,544,298</u>	<u>2,500,927</u>	<u>286,967</u>	<u>4,332,192</u>	<u>81,221</u>
Total net assets, July 1	<u>60,835,299</u>	<u>36,418,606</u>	<u>4,159,835</u>		<u>957,177</u>
Total net assets, June 30	<u>\$ 62,379,597</u>	<u>\$ 38,919,533</u>	<u>\$ 4,446,802</u>		<u>\$ 1,038,398</u>
				Adjustment to reflect consolidation of internal service fund activities related to Enterprise Funds	<u>81,221</u>
				Change in net assets of business-type activities	<u>\$ 4,413,413</u>

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2012**

	Business - type Activities - Enterprise Funds				Business-type Activities Internal Service Funds
	Utility Fund	Community Services Fund	Beach Fund	Enterprise Funds	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 9,039,928	\$ 16,156,878	\$ 1,468,267	\$ 26,665,073	\$ 2,850
Receipts from interfund services provided	-	51,431	-	51,431	1,888,350
Receipts from operating grants	-	77,700	-	77,700	-
Cell Tower Lease Income collected	-	73,697	-	73,697	-
Payments to suppliers	(2,453,951)	(5,461,414)	(454,457)	(8,369,822)	(580,616)
Payments to employees	(2,828,591)	(6,233,226)	(519,289)	(9,581,106)	(1,346,932)
Payments for interfund services used	(277,200)	(727,200)	(69,600)	(1,074,000)	-
Net cash provided (used) by operating activities	3,480,186	3,937,866	424,921	7,842,973	(36,348)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Due to (from) other funds	668,429	(1,626,064)	468,404	(489,231)	(166,059)
Net cash provided (used) by non-capital financing activities	668,429	(1,626,064)	468,404	(489,231)	(166,059)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	(6,030,838)	(2,785,667)	(7,196)	(8,823,701)	-
Interfund reimbursement - capital assets	-	10,446	(10,446)	-	-
Proceeds from sale of assets	381	51,531	-	51,912	434
Proceeds of capital debt	691,161	-	-	691,161	-
Payments on capital debt	(841,887)	(1,766,072)	(108,928)	(2,716,887)	-
Bond issue costs incurred	(32,935)	-	-	(32,935)	-
Capital contributions	660,750	1,348,332	-	2,009,082	-
Interest expense	(175,409)	(505,021)	(24,965)	(705,395)	-
Net cash provided (used) by capital and related financing activities	(5,728,777)	(3,646,451)	(151,535)	(9,526,763)	434
CASH FLOWS FROM INVESTING ACTIVITIES					
Restricted investments released (increased)	4,737	28,850	-	33,587	-
Other deposits	-	-	-	-	(188)
Investments purchased	-	-	(750,000)	(750,000)	-
Long-term investments sold	1,650,792	1,673,383	-	3,324,175	25,411
Investment earnings	95,277	26,586	3,522	125,385	176,750
Net cash provided (used) by investing activities	1,750,806	1,728,819	(746,478)	2,733,147	201,973
Net increase (decrease) in cash and cash equivalents	170,644	394,170	(4,688)	560,126	-
Cash and cash equivalents, July 1	413,002	28,218	8,410	449,630	-
Cash and cash equivalents, June 30	\$ 583,646	\$ 422,388	\$ 3,722	\$ 1,009,756	\$ -

(Continued)

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2012**

	Business - type Activities - Enterprise Funds				Business-type Activities Internal Service Funds
	Utility Fund	Community Services Fund	Beach Fund	Enterprise Funds	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 723,605	\$ 1,418,043	\$ 322,765	\$ 2,464,413	\$ (58,661)
Non-cash adjustments -					
Depreciation	2,565,241	2,359,117	116,944	5,041,302	9,119
Increase (decrease) in cash from changes in:					
Accounts receivable	(196,053)	(99,809)	300	(295,562)	-
Due from other Governments	-	(56,623)	(13,579)	(70,202)	-
Inventory	2,392	(29,245)	-	(26,853)	(5,774)
Prepaid expenses	(100,112)	(182,484)	(18,265)	(300,861)	(12,945)
Collection of cell tower leases	-	73,697	-	73,697	-
Accounts payable	258,302	266,543	(6,284)	518,561	8,872
Accrued personnel costs	118,785	101,125	9,336	229,246	23,041
Deferred revenue and customer deposits	108,026	87,502	13,704	209,232	-
Total adjustments	2,756,581	2,519,823	102,156	5,378,560	22,313
Net cash provided (used) by operating activities	\$ 3,480,186	\$ 3,937,866	\$ 424,921	\$ 7,842,973	\$ (36,348)

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, 2011**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
Primary government:							
Governmental activities:							
General government	\$ 3,882,904	\$ -	\$ -	\$ -	\$ (3,882,904)	\$ -	\$ (3,882,904)
Total governmental activities	<u>3,882,904</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,882,904)</u>	<u>-</u>	<u>(3,882,904)</u>
Business-type activities:							
Utilities	8,317,461	8,485,161	-	1,220,938	-	1,388,638	1,388,638
Community Services	15,599,730	17,612,042	84,000	2,126,748	-	4,223,060	4,223,060
Beach	1,263,121	1,228,336	-	-	-	(34,785)	(34,785)
Total business-type activities	<u>25,180,312</u>	<u>27,325,539</u>	<u>84,000</u>	<u>3,347,686</u>	<u>-</u>	<u>5,576,913</u>	<u>5,576,913</u>
Total primary government	<u>\$ 29,063,216</u>	<u>\$ 27,325,539</u>	<u>\$ 84,000</u>	<u>\$ 3,347,686</u>	<u>(3,882,904)</u>	<u>5,576,913</u>	<u>1,694,009</u>
General revenues:							
Property taxes					1,094,166	-	1,094,166
Combined taxes					1,101,055	-	1,101,055
Unrestricted investment earnings					24,175	229,855	254,030
Gain on disposal of capital assets					9,120	275,170	284,290
Miscellaneous revenues					2,071	27,747	29,818
Transfers to(from) funds					924,154	(924,154)	-
Total general revenues and transfers					<u>3,154,741</u>	<u>(391,382)</u>	<u>2,763,359</u>
Change in net assets					<u>(728,163)</u>	<u>5,185,531</u>	<u>4,457,368</u>
Net assets - beginning, as previously reported					4,732,559	94,129,802	98,862,361
Prior period adjustment					(933,974)	3,055,584	2,121,610
Net assets - beginning, as adjusted					<u>3,798,585</u>	<u>97,185,386</u>	<u>100,983,971</u>
Net assets - ending					<u>\$ 3,070,422</u>	<u>\$ 102,370,917</u>	<u>\$ 105,441,339</u>

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 FOR THE YEAR ENDED JUNE 30, 2011**

	Business - type Activities - Enterprise Funds				Business-type Activities Internal Service Funds
	Utility Fund	Community Services Fund	Beach Enterprise Fund	Enterprise Funds	
OPERATING REVENUES					
Sales and fees	\$ 8,485,161	\$ 11,488,132	\$ 765,196	\$ 20,738,489	\$ 5,400
Facility fees	-	6,067,022	783,028	6,850,050	-
Parcel Owner discounts on entry fees	-	-	(319,888)	(319,888)	-
Operating grants	-	84,000	-	84,000	-
Interfund services	-	56,888	-	56,888	1,958,922
Total operating revenues	<u>8,485,161</u>	<u>17,696,042</u>	<u>1,228,336</u>	<u>27,409,539</u>	<u>1,964,322</u>
OPERATING EXPENSES					
Wages and benefits	2,904,311	6,798,938	627,406	10,330,655	1,396,756
Cost of goods sold	(292)	981,113	13,030	993,851	-
Services and supplies	1,197,091	3,772,634	368,704	5,338,429	491,399
Insurance	110,401	249,728	16,427	376,556	41,586
Utilities	1,081,748	915,400	76,596	2,073,744	5,797
Legal and audit	89,772	46,624	4,798	141,194	34,539
Depreciation	2,722,907	2,423,499	120,104	5,266,510	9,119
Total operating expenses	<u>8,105,938</u>	<u>15,187,936</u>	<u>1,227,065</u>	<u>24,520,939</u>	<u>1,979,196</u>
Operating income (loss)	<u>379,223</u>	<u>2,508,106</u>	<u>1,271</u>	<u>2,888,600</u>	<u>(14,874)</u>
NONOPERATING REVENUES (EXPENSES)					
Investment earnings	151,646	42,697	-	194,343	35,512
Gain on sales of assets	7,756	264,849	-	272,605	2,565
Cell Tower Lease Income	-	27,747	-	27,747	-
Interest on bond debt	(197,550)	(449,097)	(27,759)	(674,406)	-
Amortization issuance costs	(9,589)	46,025	(6,529)	29,907	-
Total nonoperating revenues (expenses)	<u>(47,737)</u>	<u>(67,779)</u>	<u>(34,288)</u>	<u>(149,804)</u>	<u>38,077</u>
Income (loss) before contributions and transfers	<u>331,486</u>	<u>2,440,327</u>	<u>(33,017)</u>	<u>2,738,796</u>	<u>23,203</u>
Capital Grant Contributions	<u>1,220,938</u>	<u>2,126,748</u>	<u>-</u>	<u>3,347,686</u>	<u>-</u>
Transfer to General Fund	<u>(462,077)</u>	<u>(421,229)</u>	<u>(40,848)</u>	<u>(924,154)</u>	<u>-</u>
Change in net assets	<u>1,090,347</u>	<u>4,145,846</u>	<u>(73,865)</u>	<u>5,162,328</u>	<u>23,203</u>
Total net assets, July 1, as previously reported	59,410,735	30,485,367	4,233,700		933,974
Prior period adjustment	334,217	1,787,393	-		-
Total net assets, July 1, as adjusted	<u>59,744,952</u>	<u>32,272,760</u>	<u>4,233,700</u>		<u>933,974</u>
Total net assets, June 30	<u>\$ 60,835,299</u>	<u>\$ 36,418,606</u>	<u>\$ 4,159,835</u>		<u>\$ 957,177</u>
Adjustment to reflect consolidation of internal service fund activities related to Enterprise Funds				<u>23,203</u>	
Change in net assets of business-type activities				<u>\$ 5,185,531</u>	

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2011**

	Business - type Activities - Enterprise Funds				Business-type Activities Internal Service Funds
	Utility Fund	Community Services Fund	Beach Fund	Enterprise Funds	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 8,499,030	\$ 17,664,678	\$ 1,233,475	\$ 27,397,183	\$ 5,400
Receipts from interfund services provided	-	56,888	-	56,888	1,958,922
Receipts from operating grants	-	84,000	-	84,000	-
Cell Tower Lease Income collected	-	27,747	-	27,747	-
Payments to suppliers	(1,104,833)	(4,677,704)	(224,715)	(6,007,252)	(595,110)
Payments to employees	(2,960,039)	(6,852,579)	(643,464)	(10,456,082)	(1,418,202)
Payments for interfund services used	(555,417)	(1,105,035)	(223,968)	(1,884,420)	(18,863)
Net cash provided (used) by operating activities	3,878,741	5,197,995	141,328	9,218,064	(67,853)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Transfers to general fund	(462,077)	(421,229)	(40,848)	(924,154)	-
Due to (from) other funds	(567,788)	(528,961)	(1,172,756)	(2,269,505)	(161,316)
Net cash (used) by non-capital financing activities	(1,029,865)	(950,190)	(1,213,604)	(3,193,659)	(161,316)
CASH FLOWS FROM CAPITAL RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	(5,855,416)	(7,058,131)	(138,173)	(13,051,720)	-
Proceeds from sale of assets	7,756	264,849	-	272,605	2,565
Payments on capital debt	(816,372)	(1,892,960)	(217,040)	(2,926,372)	-
Capital contributions	1,679,123	1,842,710	-	3,521,833	-
Interest expense	(208,344)	(459,519)	(28,197)	(696,060)	-
Net cash provided (used) by capital and related financing activities	(5,193,253)	(7,303,051)	(383,410)	(12,879,714)	2,565
CASH FLOWS FROM INVESTING ACTIVITIES					
Restricted investments released (increased)	327,049	101,967	-	429,016	(21,255)
Long-term investments sold	1,774,694	1,918,533	-	3,693,227	49,903
Investment earnings	171,699	53,846	-	225,545	352
Net cash provided (used) by investing activities	2,273,442	2,074,346	-	4,347,788	29,000
Net (decrease) in cash and cash equivalents	(70,935)	(980,900)	(1,455,686)	(2,507,521)	(197,604)
Cash and cash equivalents, July 1	483,937	1,009,118	1,464,096	2,957,151	197,604
Cash and cash equivalents, June 30	\$ 413,002	\$ 28,218	\$ 8,410	\$ 449,630	\$ -

(Continued)

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2011

	Business - type Activities - Enterprise Funds				Business-type Activities Internal Service Funds
	Utility Fund	Community Services Fund	Beach Fund	Enterprise Funds	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 379,223	\$ 2,508,106	\$ 1,271	\$ 2,888,600	\$ (14,874)
Non-cash adjustments -					
Depreciation	2,722,907	2,423,499	120,104	5,266,510	9,119
Increase (decrease) in cash from changes in:					
Accounts receivable	(13,301)	8,692	1,118	(3,491)	-
Due from other Governments	-	26,550	10,142	36,692	-
Inventory	456	1,912	-	2,368	-
Prepaid expenses	83,028	(36,922)	5,068	51,174	(35,378)
Collection of cell tower leases	-	27,747	-	27,747	(14,752)
Accounts payable	734,986	217,770	25,804	978,560	19,243
Accrued personnel costs	(55,728)	(53,641)	(16,058)	(125,427)	(31,211)
Deferred revenue and customer deposits	27,170	74,282	(6,121)	95,331	-
Total adjustments	3,499,518	2,689,889	140,057	6,329,464	(52,979)
Net cash provided (used) by operating activities	\$ 3,878,741	\$ 5,197,995	\$ 141,328	\$ 9,218,064	\$ (67,853)

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, 2010**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Grants and Contributions	Primary Government		Total
				Governmental Activities	Business-type Activities	
Primary government:						
Governmental activities:						
General government	\$ 3,002,695	\$ -	\$ -	\$ (3,002,695)	\$ -	\$ (3,002,695)
Internal Services	1,766,735	1,814,349	-	47,614	-	47,614
Total governmental activities	4,769,430	1,814,349	-	(2,955,081)	-	(2,955,081)
Business-type activities:						
Utilities	8,415,952	8,051,694	1,476,174	-	1,111,916	1,111,916
Community Services	15,220,838	16,191,656	87,000	-	1,057,818	1,057,818
Beach	1,228,268	1,465,820	-	-	237,552	237,552
Total business-type activities	24,865,058	25,709,170	1,563,174	-	2,407,286	2,407,286
Total primary government	\$ 29,634,488	\$ 27,523,519	\$ 1,563,174	(2,955,081)	2,407,286	(547,795)
General revenues:						
Property taxes				796,482	-	796,482
Combined taxes				1,136,483	-	1,136,483
Unrestricted investment earnings				54,041	347,841	401,882
Gain (loss) on disposal of capital assets				7,030	180,548	187,578
Miscellaneous revenues				2,930	251,591	254,521
Transfers to(from) funds				1,267,842	(1,267,842)	-
Total general revenues and transfers				3,264,808	(487,862)	2,776,946
Change in net assets				309,727	1,919,424	2,229,151
Net assets - beginning				4,422,832	92,210,378	96,633,210
Net assets - ending				\$ 4,732,559	\$ 94,129,802	\$ 98,862,361

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 ASSETS
 FOR THE YEAR ENDED JUNE 30, 2010**

	Enterprise Funds			Total	Total
	Utility Fund	Community Services Fund	Beach Enterprise Fund	Business-Type Activities Enterprise Funds	Governmental - Type Activities Internal Service Funds
OPERATING REVENUES					
Sales and fees	\$ 8,051,694	\$ 11,064,940	\$ 600,280	\$ 19,716,914	\$ -
Facility Fees	-	5,126,716	865,540	5,992,256	-
Operating Grants	-	87,000	-	87,000	-
Interfund services	-	-	-	-	1,814,349
Total operating revenues	8,051,694	16,278,656	1,465,820	25,796,170	1,814,349
OPERATING EXPENSES					
Wages and benefits	2,837,986	6,480,609	592,445	9,911,040	1,303,235
Cost of goods sold	-	974,715	30,038	1,004,753	-
Services and supplies	1,247,429	3,583,322	322,697	5,153,448	394,058
Insurance	95,843	326,736	17,159	439,738	47,260
Utilities	1,171,061	949,400	81,839	2,202,300	5,516
Legal and audit	94,251	41,825	7,634	143,710	7,953
Depreciation	2,734,966	2,310,850	137,549	5,183,365	8,713
Total operating expenses	8,181,536	14,667,457	1,189,361	24,038,354	1,766,735
Operating income (loss)	(129,842)	1,611,199	276,459	1,757,816	47,614
NONOPERATING REVENUES (EXPENSES)					
Investment earnings	189,786	144,571	13,484	347,841	28,796
Gain (loss) on disposal of assets	1,215	179,119	214	180,548	7,030
Miscellaneous	(225,000)	366,055	110,536	251,591	-
Interest on bond debt	(224,477)	(605,076)	(32,663)	(862,216)	-
Amortization issuance costs	(9,939)	51,695	(6,244)	35,512	-
Total nonoperating revenue (expense)	(268,415)	136,364	85,327	(46,724)	35,826
Income (loss) before transfers and contributions	(398,257)	1,747,563	361,786	1,711,092	83,440
Capital contributions	1,476,174	-	-	1,476,174	-
Transfer to General Fund	(633,921)	(570,529)	(63,392)	(1,267,842)	-
Change in net assets	443,996	1,177,034	298,394	1,919,424	83,440
Total net assets, July 1	58,966,740	29,308,332	3,935,306	92,210,378	850,533
Total net assets, June 30	\$ 59,410,736	\$ 30,485,366	\$ 4,233,700	\$ 94,129,802	\$ 933,973

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, 2010**

	Enterprise Funds			Total Business-Type Activities	Total Governmental Activities
	Utility Fund	Community Services Fund	Beach Fund	Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 8,088,132	\$ 16,054,502	\$ 1,433,126	\$ 25,575,760	\$ -
Receipts from interfund services provided	-	-	-	-	1,814,349
Receipts from Operating Grants	-	-	-	-	-
Payments to suppliers	(2,693,740)	(5,878,628)	(470,499)	(9,042,867)	(456,616)
Payments to employees	(2,809,018)	(6,397,364)	(574,008)	(9,780,390)	(1,290,686)
Payments for interfund services used	-	-	-	-	-
Net cash provided (used) by operating activities	2,585,374	3,778,510	388,619	6,752,503	67,047
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Transfers to general fund	(633,921)	(570,529)	(63,392)	(1,267,842)	-
Transfers to (from) other funds	-	-	-	-	-
Net cash (used) by non-capital financing activities	(633,921)	(570,529)	(63,392)	(1,267,842)	-
CASH FLOWS FROM CAPITAL RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	(3,613,087)	(3,144,892)	(122,173)	(6,880,152)	(12,955)
Proceeds from sale of assets	1,215	179,119	214	180,548	7,030
Payments on capital debt	(791,569)	(1,804,638)	(240,362)	(2,836,569)	-
Non-operating income (expense)	(225,000)	366,055	110,536	251,591	-
Capital contributions	1,436,803	1,556,851	-	2,993,654	-
Interest expense	(234,878)	(618,131)	(34,636)	(887,645)	-
Net cash provided (used) by capital and related financing activities	(3,426,516)	(3,465,636)	(286,421)	(7,178,573)	(5,925)
CASH FLOWS FROM INVESTING ACTIVITIES					
Other deposits	(61,542)	106,762	(116)	45,104	-
Long-term investments purchased	1,803,423	-	-	1,803,423	-
Long-term investments sold	-	986,961	1,396,103	2,383,064	117,180
Investment earnings	216,319	144,700	14,703	375,722	19,302
Net cash (used) by investing activities	1,958,200	1,238,423	1,410,690	4,607,313	136,482
Net increase in cash and cash equivalents	483,137	980,768	1,449,496	2,913,401	197,604
Cash and cash equivalents, July 1	800	28,350	14,600	43,750	-
Cash and cash equivalents, June 30	\$ 483,937	\$ 1,009,118	\$ 1,464,096	\$ 2,957,151	\$ 197,604

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, 2010**

	Utility Fund	Community Services Fund	Beach Fund	Total Business-Type Activities Enterprise Funds	Total Governmental Activities Internal Service Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ (129,842)	\$ 1,611,199	\$ 276,459	\$ 1,757,816	\$ 47,614
Non-cash adjustments -					
Depreciation	2,734,966	2,310,850	137,549	5,183,365	8,713
Increase (decrease) in cash from changes in:					
Accounts receivable	26,215	83,547	(2,696)	107,066	-
Grants Receivable		(16,927)		(16,927)	-
Due from other Governments	-	(220,701)	(34,763)	(255,464)	-
Inventory	(30,307)	44,577	-	14,270	(832)
Prepaid expenses	(82,045)	(71,206)	(5,068)	(158,319)	(673)
Due from (to) other funds	-	6,450	(6,157)	293	-
Accounts payable	27,196	17,549	93	44,838	(324)
Accrued personnel costs	28,968	83,245	18,437	130,650	12,549
Deferred revenue and customer deposits	10,223	(70,073)	4,765	(55,085)	-
Total adjustments	2,715,216	2,167,311	112,160	4,994,687	19,433
Net cash provided (used) by operating activities	<u>\$ 2,585,374</u>	<u>\$ 3,778,510</u>	<u>\$ 388,619</u>	<u>\$ 6,752,503</u>	<u>\$ 67,047</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, 2009**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:						
Governmental activities:						
General government	\$ 3,150,889	\$ -	\$ -	\$ (3,150,889)	\$ -	\$ (3,150,889)
Internal Services	2,001,647	2,095,747	-	94,100	-	94,100
Total governmental activities	5,152,536	2,095,747	-	(3,056,789)	-	(3,056,789)
Business-type activities:						
Utilities	8,610,312	8,182,416	663,597	-	235,701	235,701
Community Services	16,318,982	16,104,555	1,224,817	-	1,010,390	1,010,390
Beach	1,295,830	1,960,552	-	-	664,722	664,722
Total business-type activities	26,225,124	26,247,523	1,888,414	-	1,910,813	1,910,813
Total primary government	\$ 31,377,660	\$ 28,343,270	\$ 1,888,414	(3,056,789)	1,910,813	(1,145,976)
General revenues:						
Property taxes				985,295	-	985,295
Combined taxes				1,218,893	-	1,218,893
Unrestricted investment earnings				62,449	488,062	550,511
Gain (loss) on disposal of capital assets				9,072	(70,804)	(61,732)
Miscellaneous revenues				4,771	671,759	676,530
Transfers to(from) funds				63,532	(63,532)	-
Total general revenues and transfers				2,344,012	1,025,485	3,369,497
Change in net assets				(712,777)	2,936,298	2,223,521
Net assets - beginning				5,135,609	89,274,080	94,409,689
Net assets - ending				\$ 4,422,832	\$ 92,210,378	\$ 96,633,210

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 ASSETS
 FOR THE YEAR ENDED JUNE 30, 2009**

	Enterprise Funds			Total	Total
	Utility Fund	Community Services Fund	Beach Enterprise Fund	Business-Type Activities Enterprise Funds	Governmental - Type Activities Internal Service Funds
OPERATING REVENUES					
Sales and fees	\$ 8,182,416	\$ 11,182,721	\$ 750,076	\$ 20,115,213	\$ -
Recreation charge assessments	-	4,921,834	1,210,476	6,132,310	-
Operating Grants	-	193,488	-	193,488	-
Interfund services	-	-	-	-	2,095,747
Total operating revenues	<u>8,182,416</u>	<u>16,298,043</u>	<u>1,960,552</u>	<u>26,441,011</u>	<u>2,095,747</u>
OPERATING EXPENSES					
Wages and benefits	2,875,354	6,924,231	640,061	10,439,646	1,471,716
Cost of goods sold	-	1,161,718	34,628	1,196,346	-
Services and supplies	1,403,461	3,982,928	329,719	5,716,108	483,091
Insurance	101,308	279,972	10,343	391,623	37,778
Utilities	1,219,626	1,030,761	81,503	2,331,890	-
Legal and audit	34,183	29,750	15,918	79,851	-
Depreciation	2,715,776	2,273,776	132,650	5,122,202	9,062
Total operating expenses	<u>8,349,708</u>	<u>15,683,136</u>	<u>1,244,822</u>	<u>25,277,666</u>	<u>2,001,647</u>
Operating income (loss)	<u>(167,292)</u>	<u>614,907</u>	<u>715,730</u>	<u>1,163,345</u>	<u>94,100</u>
NONOPERATING REVENUES (EXPENSES)					
Investment earnings	236,935	234,331	16,796	488,062	44,236
Gain (loss) on disposal of assets	(2,030)	(68,444)	(330)	(70,804)	9,072
Miscellaneous	21,473	650,286	-	671,759	-
Interest on bond debt	(260,604)	(635,846)	(44,744)	(941,194)	-
Amortization issuance costs	-	-	(6,264)	(6,264)	-
Total nonoperating revenue (expense)	<u>(4,226)</u>	<u>180,327</u>	<u>(34,542)</u>	<u>141,559</u>	<u>53,308</u>
Income (loss) before transfers and contributions	<u>(171,518)</u>	<u>795,234</u>	<u>681,188</u>	<u>1,304,904</u>	<u>147,408</u>
Capital contributions	<u>663,597</u>	<u>1,031,329</u>	<u>-</u>	<u>1,694,926</u>	<u>-</u>
Transfer to General Fund	(431,766)	(410,178)	(21,588)	(863,532)	-
Transfer to/from Other Funds	<u>800,000</u>	<u>(3,275,706)</u>	<u>3,275,706</u>	<u>800,000</u>	<u>(800,000)</u>
Change in net assets	<u>860,313</u>	<u>(1,859,321)</u>	<u>3,935,306</u>	<u>2,936,298</u>	<u>(652,592)</u>
Total net assets, July 1	<u>58,106,427</u>	<u>31,167,653</u>	<u>-</u>	<u>89,274,080</u>	<u>1,503,126</u>
Total net assets, June 30	<u>\$ 58,966,740</u>	<u>\$ 29,308,332</u>	<u>\$ 3,935,306</u>	<u>\$ 92,210,378</u>	<u>\$ 850,534</u>

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Enterprise Funds</u>			<u>Total Business-Type Activities</u>	<u>Total Governmental Activities</u>
	<u>Utility Fund</u>	<u>Community Services Fund</u>	<u>Beach Fund</u>	<u>Enterprise Funds</u>	<u>Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 8,249,629	\$ 16,140,520	\$ 1,961,908	\$ 26,352,057	\$ -
Receipts from interfund services provided	-	-	-	-	2,095,747
Receipts from Operating Grants	-	193,488	-	193,488	-
Payments to suppliers	(2,158,514)	(5,469,714)	(396,502)	(8,024,730)	(527,888)
Payments to employees	(2,837,239)	(6,924,231)	(640,061)	(10,401,531)	(1,498,569)
Payments for interfund services used	(612,124)	(1,030,655)	(75,609)	(1,718,388)	-
Net cash provided (used) by operating activities	<u>2,641,752</u>	<u>2,909,408</u>	<u>849,736</u>	<u>6,400,896</u>	<u>69,290</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Transfers to general fund	(431,766)	(410,178)	(21,588)	(863,532)	-
Paid to Fleet, Engineering and Buildings	-	(16,333)	-	(16,333)	16,333
Transfers to (from) other funds	800,000	(11,100)	11,100	800,000	(800,000)
Net cash (used) by non-capital financing activities	<u>368,234</u>	<u>(437,611)</u>	<u>(10,488)</u>	<u>(79,865)</u>	<u>(783,667)</u>
CASH FLOWS FROM CAPITAL RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	(2,634,955)	(7,403,087)	(80,587)	(10,118,629)	(812)
Proceeds from sale of assets	-	-	(178)	(178)	9,072
Payments on capital debt	(762,448)	(1,766,856)	(233,144)	(2,762,448)	-
Capital contributions	1,540,423	1,290,159	-	2,830,582	-
Interest expense	(261,127)	(661,055)	(42,874)	(965,056)	-
Net cash provided (used) by capital and related financing activities	<u>(2,118,107)</u>	<u>(8,540,839)</u>	<u>(356,783)</u>	<u>(11,015,729)</u>	<u>8,260</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Other deposits	22,873	11,400	-	34,273	-
Long-term investments purchased	(1,105,688)	-	(483,622)	(1,589,310)	(130,796)
Long-term investments sold	-	5,817,931	-	5,817,931	793,754
Investment earnings	190,936	228,611	15,757	435,304	43,159
Net cash (used) by investing activities	<u>(891,879)</u>	<u>6,057,942</u>	<u>(467,865)</u>	<u>4,698,198</u>	<u>706,117</u>
Net (decrease) in cash and cash equivalents	-	(11,100)	14,600	3,500	-
Cash and cash equivalents, July 1	800	39,450	-	40,250	-
Cash and cash equivalents, June 30	<u>\$ 800</u>	<u>\$ 28,350</u>	<u>\$ 14,600</u>	<u>\$ 43,750</u>	<u>\$ -</u>

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2009**

	Utility Fund	Community Services Fund	Beach Fund	Total Business-Type Activities Enterprise Funds	Total Governmental Activities Internal Service Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ (167,292)	\$ 614,907	\$ 715,730	\$ 1,163,345	\$ 94,100
Non-cash adjustments -					
Depreciation	2,715,776	2,273,776	132,650	5,122,202	9,062
Increase (decrease) in cash from changes in:					
Accounts receivable	56,407	(10,993)	-	45,414	-
Prepaid expenses	(4,780)	120	-	(4,660)	-
Inventory	(9,512)	2,369	-	(7,143)	15,078
Accounts payable	2,232	(21,127)	-	(18,895)	(22,097)
Accrued personnel costs	38,115	3,398	-	41,513	(26,853)
Deferred revenue and customer deposits	10,806	46,958	1,356	59,120	-
Total adjustments	2,809,044	2,294,501	134,006	5,237,551	(24,810)
Net cash provided (used) by operating activities	\$ 2,641,752	\$ 2,909,408	\$ 849,736	\$ 6,400,896	\$ 69,290

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Grants and Contributions	Primary Government		
				Governmental Activities	Business-type Activities	Total
Primary government:						
Governmental activities:						
General government	\$ 2,935,020	\$ -	\$ -	\$ (2,935,020)	\$ -	\$ (2,935,020)
Internal Services	138,076	286,495	-	148,419	-	148,419
Total governmental activities	3,073,096	286,495	-	(2,786,601)	-	(2,786,601)
Business-type activities:						
Utilities	8,310,657	8,264,972	-	-	(45,685)	(45,685)
Community Services	17,255,049	13,825,315	6,160,307	-	2,730,573	2,730,573
Internal Services	1,797,669	1,646,141	-	-	(151,528)	(151,528)
Total business-type activities	27,363,375	23,736,428	6,160,307	-	2,533,360	2,533,360
Total primary government	\$ 30,436,471	\$ 24,022,923	\$ 6,160,307	(2,786,601)	2,533,360	(253,241)
General revenues:						
Property taxes				1,029,668	-	1,029,668
Combined taxes				1,404,915	-	1,404,915
Unrestricted investment earnings				81,700	703,067	784,767
Gain on disposal of capital assets				-	7,107	7,107
Miscellaneous revenues				18,189	373,380	391,569
Capital contributions, grants and connections				-	813,896	813,896
Redclassify Workers Compensation Fund as governmental						-
Residual Fund Equity transfers				462,952	(462,952)	-
Total general revenues and transfers				2,997,424	1,434,498	4,431,922
Change in net assets				210,823	3,967,858	4,178,681
Net assets - beginning				3,959,865	86,271,143	90,231,008
Net assets - ending				\$ 4,170,688	\$ 90,239,001	\$ 94,409,689

21

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 ASSETS
FOR THE YEAR ENDED JUNE 30, 2008

	Enterprise Funds		Internal Service Fund	Total	Total Internal Service Fund
	Utility Fund	Community Services Fund	Fleet Maintenance		Workers Compensation
OPERATING REVENUES					
Sales and fees	\$ 8,264,972	\$ 13,825,315	\$ -	\$ 22,090,287	\$ -
Recreation charge assessments		5,763,959	-	5,763,959	-
Operating Grants	199,500	196,848	-	396,348	-
Interfund services	-	-	1,646,141	1,646,141	286,495
Total operating revenues	8,464,472	19,786,122	1,646,141	29,896,735	286,495
OPERATING EXPENSES					
Wages and benefits	2,657,108	7,278,984	1,207,541	11,143,633	71,326
Cost of goods sold	-	1,195,782	-	1,195,782	-
Services and supplies	883,015	3,336,360	534,014	4,753,389	16,413
Interfund services	377,444	1,038,146	8,740	1,424,330	-
Insurance	83,404	284,642	26,210	394,256	50,337
Utilities	1,225,741	1,083,903	5,423	2,315,067	-
Legal and audit	244,239	90,965	-	335,204	-
Depreciation	2,549,806	2,478,750	15,741	5,044,297	-
Total operating expenses	8,020,757	16,787,532	1,797,669	26,605,958	138,076
Operating income (loss)	443,715	2,998,590	(151,528)	3,290,777	148,419
NONOPERATING REVENUES (EXPENSES)					
Investment earnings	373,613	297,307	32,147	703,067	41,298
Gain on disposal of assets	-	7,107	-	7,107	-
Miscellaneous	15,407	357,973	-	373,380	-
Interest on bond debt	(272,448)	(441,945)	-	(714,393)	-
Amortization issuance costs	(9,589)	(20,543)	-	(30,132)	-
Investment advisor fees	(7,863)	(5,029)	-	(12,892)	(706)
Total nonoperating revenue (expense)	99,120	194,870	32,147	326,137	40,592
Income (loss) before transfers and contributi	542,835	3,193,460	(119,381)	3,616,914	189,011
Capital contributions	813,896	-	-	813,896	-
Transfer to General Fund	(231,476)	(231,476)	-	(462,952)	-
Change in net assets	1,125,255	2,961,984	(119,381)	3,967,858	189,011
Total net assets, July 1	56,981,172	28,205,669	1,084,302	86,271,143	349,194
Total net assets, June 30	\$ 58,106,427	\$ 31,167,653	\$ 964,921	\$ 90,239,001	\$ 538,205

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, 2008**

	Enterprise Funds		Internal Service	Total Business-Type	Internal Service
	Utility Fund	Recreation Fund	Fleet Maintenance	Activities	Workers Compensation
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 9,360,016	\$ 19,516,355	\$ -	\$ 28,876,371	\$ -
Receipts from interfund services provided	-	-	1,629,808	1,629,808	286,495
Receipts from Operating Grants	199,500	196,848	-	396,348	-
Payments to suppliers	(2,425,685)	(5,782,659)	(540,754)	(8,749,098)	(66,750)
Payments to employees	(2,592,876)	(7,260,958)	(1,171,929)	(11,025,763)	(71,320)
Payments for interfund services used	(377,444)	(1,038,146)	(8,740)	(1,424,330)	-
Net cash provided (used) by operating activities	4,163,511	5,631,440	(91,615)	9,703,336	148,419
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Transfers to general fund	(231,476)	(231,476)	-	(462,952)	-
Net cash (used) by non-capital financing activities	(231,476)	(231,476)	-	(462,952)	-
CASH FLOWS FROM CAPITAL RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	(4,519,680)	(2,367,598)	-	(6,887,278)	-
Proceeds from sale of assets	-	365,080	116,742	481,822	-
Payment of debt issuance costs	-	(48,662)	-	-	-
Proceeds from capital debt	-	7,512,025	-	7,512,025	-
Payments on capital debt	(676,946)	(1,355,000)	-	(2,031,946)	-
Capital contributions	2,806,535	-	-	2,806,535	-
Interest expense	(264,577)	(440,456)	-	(705,033)	-
Net cash provided (used) by capital and related financing activities	(2,654,668)	3,665,389	116,742	1,176,125	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Other deposits	29,993	103,202	-	133,195	-
Long-term investments purchased	(1,705,162)	(9,466,274)	(59,833)	(11,231,269)	(191,963)
Long-term investments sold	-	-	-	-	-
Investment earnings	405,665	300,748	34,706	741,119	44,250
Investment advisor fees	(7,863)	(5,029)	-	(12,892)	(706)
Net cash (used) by investing activities	(1,277,367)	(9,067,353)	(25,127)	(10,369,847)	(148,419)
Net (decrease) in cash and cash equivalents	-	(2,000)	-	46,662	-
Cash and cash equivalents, July 1	800	41,450	-	42,250	-
Cash and cash equivalents, June 30	\$ 800	\$ 39,450	\$ -	\$ 88,912	\$ -

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, 2008**

	<u>Utility Fund</u>	<u>Recreation Fund</u>	<u>Internal Service Fleet Maintenance</u>	<u>Total Business-Type Activities</u>	<u>Internal Service Workman's Compensation</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 443,715	\$ 2,998,590	\$ (151,528)	\$ 3,290,777	\$ 148,419
Non-cash adjustments -					
Depreciation	2,549,806	2,478,750	15,741	5,044,297	-
Increase (decrease) in cash from changes in:					
Accounts receivable	1,114,790	(67,739)	-	1,047,051	-
Prepaid expenses	-	189,041	(16,333)	172,708	-
Inventory	24,956	3,424	2,796	31,176	-
Accounts payable	(14,242)	16,528	22,097	24,383	-
Accrued personnel costs	64,232	18,026	35,612	117,870	-
Deferred revenue and customer deposits	(19,746)	(5,180)	-	(24,926)	-
Total adjustments	<u>3,719,796</u>	<u>2,632,850</u>	<u>59,913</u>	<u>6,412,559</u>	<u>-</u>
Net cash provided by operating activities	<u>\$ 4,163,511</u>	<u>\$ 5,631,440</u>	<u>\$ (91,615)</u>	<u>\$ 9,703,336</u>	<u>\$ 148,419</u>

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

Governmental Accounting, Auditing, and Financial Reporting

USING THE
GASB 34 MODEL

Stephen J. Gauthier

Government Finance Officers Association

- *Budget document approach.* Many practitioners directly concerned with the budgetary comparison are more familiar with the budget document than they are with the GAAP financial statements. Accordingly, the budgetary comparison may be presented using the same format, terminology, and classifications used in the budget document.
- *Financial statement approach.* Often the presentation method used for the budget document differs substantially from that used for the basic financial statements. Since the budgetary comparison is presented in connection with the basic financial statements, financial statement preparers are permitted to emphasize the link between the two by using the same format, terminology, and classifications used for the governmental fund statement of revenues, expenditures, and changes in fund balances.

With either approach, when the budgetary basis of accounting differs from GAAP, a reconciliation must be provided between the two bases of accounting.⁷⁶

PROPRIETARY FUND FINANCIAL STATEMENTS

GAAP prescribe three basic financial statements for proprietary funds: statement of net assets (balance sheet); statement of revenues, expenses, and changes in fund net assets/equity; and statement of cash flows.

Proprietary fund statement of net assets

Format

The statement of net assets (balance sheet) is the basic statement of position for the proprietary funds.

A government may present its government-wide statement of position using either a net assets format or a balance sheet format. The same two options also apply to presenting the statement of position for proprietary funds. In the case of the government-wide financial statements, the statement title (statement of net assets) and the terminology used to describe the difference between assets and liabilities (net assets) should be the same, regardless of the formatting option selected. In the case of proprietary funds, however, the basic statement of position may be described as a *balance sheet* if the balance-sheet format is used. Likewise, the difference between proprietary fund assets and liabilities may be described as *equity* rather than as *net assets*.⁷⁷ In either case, the terminology and categories used for *net assets/equity* are the same as those described for the government-wide statement of net assets.

Presentation of assets and liabilities

GAAP require that the proprietary fund statement of position classify assets and liabilities as *current* and *long-term*, while use of the relative order of liquidity approach is encouraged for the government-wide statement of net assets.⁷⁸

⁷⁶ When the budgetary comparison is presented as a basic financial statement, this reconciliation is included as part of the notes to the financial statements. When the budgetary comparison is presented as RSI, the reconciliation is presented either as a separate schedule or as part of the separate notes to RSI. Alternatively, the reconciliation may be presented on the face of the budgetary comparison itself. Chapter 11 includes a detailed discussion of this reconciliation.

⁷⁷ GASB Statement No. 34, paragraph 98.

⁷⁸ GASB Statement No. 34, paragraph 97.

Major fund reporting

GAAP mandate the same major fund reporting for proprietary funds described earlier for governmental funds. However, GAAP also indicate that internal service funds are *never* to be reported as major funds. Accordingly, the 10 percent criterion and the 5 percent criterion should be applied to the total for all enterprise funds and to the total for all governmental plus enterprise funds, respectively.⁷⁹ Each individual major enterprise fund must be reported in a separate column on the face of the proprietary fund statement of position. Nonmajor enterprise funds, if any, should be reported in a separate, aggregated *other enterprise funds* column.

Separate reporting for internal service funds

Data from enterprise funds normally are incorporated as business-type activities in the government-wide statement of net assets, just as data from governmental funds normally are incorporated as governmental activities in that same statement. Internal service funds, however, are in a unique situation. Although internal service funds are proprietary funds (like enterprise funds), they normally are consolidated as part of governmental activities because their primary customers typically are the governmental funds. Therefore, internal service funds should be reported in a separate aggregated column on the proprietary fund statement of position, immediately following the total column for all enterprise funds, so that the amounts reported in this latter column may be traced more easily to the business-type activities column of the government-wide statement of net assets.⁸⁰

Consolidation

There is no GAAP requirement for eliminating interfund balances from the total column for enterprise funds reported on the proprietary fund statement of position, although governments are free to eliminate such internal balances if they wish. Governments choosing to eliminate interfund balances may wish to consider presenting a separate *eliminations* column immediately preceding the enterprise fund total column.

Reconciliation to the government-wide statement of net assets

Because proprietary funds use the same measurement focus and basis of accounting as the government-wide financial statements, there typically will be few (if any) differences between the amounts reported in the total column for enterprise funds and the amounts reported for business-type activities in the government-wide statement of net assets. However, differences may arise, especially in connection with consolidating the activities of internal service funds.⁸¹ In such cases, a reconciliation would be required between the total column for the enterprise funds and the business-type activities column of the government-wide statement of net assets, either on the face of the statement or as an accompanying schedule. Detailed information on the elements of this reconciliation should be provided, if needed, in the notes to the financial statements.⁸²

⁷⁹ GASB Statement No. 34, paragraph 96.

⁸⁰ GASB Statement No. 34, paragraph 96.

⁸¹ Internal service fund consolidation is discussed in chapter 8. A reconciliation also will be necessary if indirect costs of governmental functions are allocated to business-type functions in the government-wide statement of activities. Likewise a reconciliation will be needed if an enterprise fund is classified as a governmental activity for government-wide reporting.

⁸² Detailed information is necessary if aggregated information in the summary reconciliation obscures the nature of the individual elements of a particular reconciling item.

Proprietary fund statement of revenues, expenses, and changes in fund net assets	The proprietary fund statement of revenues, expenses, and changes in fund net assets (equity) is the basic statement of activities for the proprietary funds. Unlike the governmental fund statement of activities, the focus here is on <i>expenses</i> rather than <i>expenditures</i> .
<i>Operating versus nonoperating revenues and expenses</i>	GAAP require that the statement of activities for proprietary funds distinguish operating from nonoperating revenues and expenses. GAAP do not provide an authoritative definition of <i>operating</i> and <i>nonoperating</i> revenues and expenses for this purpose, although GAAP indicate that financial statement preparers may wish to <i>consider</i> the authoritative guidance on identifying <i>cash flows from operating activities</i> in arriving at their own definition. ⁸³
<i>Presentation of revenues</i>	Revenues should be reported by major source. GAAP also require that revenues used as security for revenue bonds be identified separately. ⁸⁴ The presentation of revenues should reflect the effect of discounts and allowances, to be accomplished in one of two ways. One approach is to report revenues on a net basis, with discounts and allowances disclosed separately, either parenthetically or in the notes to the financial statements. The other approach is to report gross revenues followed immediately by deductions for discounts and allowances to arrive at net revenues. ⁸⁵
<i>Order of presentation</i>	The following order should be followed in presenting the statement of revenues, expenses, and changes in fund net assets (equity): <ul style="list-style-type: none"> • operating revenues • operating expenses • operating income (loss) • nonoperating revenues and expenses • income before . . . (as appropriate)⁸⁶ • capital contributions (for instance, from grantors and developers)⁸⁷ • additions to endowments • special items • extraordinary items • transfers • increase (decrease) in net assets (equity) • net assets (equity) – beginning of period • net assets (equity) – end of period
<i>Major fund reporting</i>	Governments should apply major fund reporting to the proprietary fund statement of revenues, expenses, and changes in fund net assets (equity) in the same way described for the proprietary fund statement of net assets (balance sheet).

⁸³ GASB Statement No. 34, paragraph 102. When a proprietary fund's major activity is investing, certain revenues and expenses that normally would be considered *investing* often are treated instead as *operating* items.

⁸⁴ No special indication of pledged revenues is required if essentially all revenues of a given proprietary fund are pledged. Also, if different revenues are pledged to support different debt issues, there is no requirement that the different revenues be reported separately (which is the function of segment disclosure).

⁸⁵ GASB Statement No. 34, footnote 41.

⁸⁶ This line should be labeled based on a government's specific situation. For example, a government with only capital contributions following this line would report *income before capital contributions*, while a government with both capital contributions and extraordinary items would report *income before capital contributions and extraordinary items*.

⁸⁷ GAAP do not define a *capital contribution*. Technically speaking, a capital contribution is a subcategory of nonoperating revenues.

which the article or service was purchased or obtained (e.g., *personal services, contractual services, materials and supplies*).

Obligated in some manner. Term used in connection with special assessment debt and the determination of the financial reporting entity. A government is obligated in some manner for debt if (a) it is legally obligated to assume all or part of the debt in the event of default or (b) the government may take certain actions to assume secondary liability for all or part of the debt—and the government takes, or has given indications that it will take, those actions. Stated differently, the phrase *obligated in some manner* is intended to include all situations *other than* those in which (a) the government is *prohibited* (by constitution, charter, statute, ordinance, or contract) from assuming the debt in the event of default or (b) the government is not legally liable for assuming the debt and makes no statement, or gives no indication, that it will, or may, honor the debt in the event of default. [SGAS 6]

Office of Management and Budget (OMB). An agency of the federal government with regulatory oversight of Single Audits. In fulfillment of this responsibility the OMB has issued Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

On-behalf payments of fringe benefits and salaries. Direct payments made by one entity (the paying entity or paying government) to a third-party recipient for the employees of another, legally separate entity (the employer entity or employer government). They include payments made by governmental entities on behalf of nongovernmental entities and payments made by nongovernmental entities on behalf of governmental entities, and may be made for volunteers as well as for paid employees of the employer entity. [SGAS 24]

Open amortization period. Term used in connection with defined benefit pension plans. An open amortization period (open basis) is one that begins again or is recalculated at each actuarial valuation date. Within a maximum number of years specified by law or policy (for example, 30 years), the period may increase, decrease, or remain stable. [SGAS 25]

Open-end mutual funds. An open-end mutual fund is one that continuously offers its shares for sale to the public, compared with a closed-end company, which may issue only a limited number of shares. Mutual funds generally do not issue share certificates; instead, they send out periodic statements showing deposits, withdrawals, and dividends credited to the investor's account. [SGAS 3]

Operating activities. Term used in connection with cash flows reporting. Operating activities generally result from providing services and producing and delivering goods, and include all transactions and other events that are not defined as capital and related financing, noncapital financing, or investing activities. [SGAS 9]

Operating revenues and expenses. Term used in connection with the proprietary fund statement of revenues, expenses, and changes in net assets. The term is not defined as such in the authoritative accounting and financial reporting standards, although financial statement preparers are

advised to consider the definition of *operating activities* for cash flows reporting in establishing their own definition. [SGAS 34]

Operational accountability. Governments' responsibility to report the extent to which they have met their operating objectives efficiently and effectively, using all resources available for that purpose, and whether they can continue to meet their objectives for the foreseeable future. [SGAS 34]

Option-adjusted spread models. A method of estimating the fair value of an option when it is thinly traded or when quoted market prices are not available. Such models measure the spread provided from a security that is an option or includes an option. Using a benchmarked yield curve, separate cash flows are discounted according to their maturity. The result is a spread when compared to yields for risk-free investments. [SGAS 31, Q&A]

Option contract. A contract giving the buyer (owner) the right, but not the obligation, to purchase from (call option) or sell to (put option) the seller (writer) of the contract a fixed number of items (such as shares of equity securities) at a fixed or determinable "strike" price on a given date or at any time on or before a given date. [SGAS 31]

Option-pricing models. A method of estimating the fair value of an option when it is thinly traded or when quoted market prices are not available. Under one such model (i.e., the Black-Scholes model) consideration is given to a security's return, the risk-free interest rate, the time remaining until the option expires, and the relationship of the underlying security's price to the strike price of the option. [SGAS 31, Q&A]

Original budget. The first complete appropriated budget. The original budget may be adjusted by reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes before the beginning of the fiscal year. The original budget should also include actual appropriation amounts automatically carried over from prior years by law. For example, a legal provision may require the automatic rolling forward of appropriations to cover prior-year encumbrances. [SGAS 34]

Other financing source. An increase in current financial resources that is reported separately from revenues to avoid distorting revenue trends. The use of the *other financing sources* category is limited to items so classified by GAAP.

Other financing use. A decrease in current financial resources that is reported separately from expenditures to avoid distorting expenditure trends. The use of the *other financing uses* category is limited to items so classified by GAAP.

Other postemployment benefits (OPEB). Postemployment benefits provided by an employer to plan participants, beneficiaries, and covered dependents through a plan or other arrangement that is separate from a plan to provide retirement income. OPEB also include postemployment health care benefits provided through a public employee retirement system or pension plan. In addition to postemployment health care benefits (such as illness, dental, vision, and hearing), OPEB may include, for example, life

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EXHIBIT 9

2020

GOVERNMENTAL GAAP GUIDE

for State and Local Governments

Eric S. Berman

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the historical cost of a capital asset. For construction-in-progress, interest cost incurred after the beginning of the first reporting period for which GASB-89 will now apply should not be capitalized. For regulated operations that require capitalization of interest, no change would occur upon implementation of GASB-89.

PRACTICE ALERT: The Tax Cuts and Jobs Act of 2017 includes provisions to eliminate tax credit bonds (as well as advance refunding bonds). Tax credit bonds were prohibited from being issued after December 31, 2017. Owners of the bonds are no longer receiving tax credits with respect to those bonds. It is unclear if GASB will rescind the related provisions in GAAP at the time of publication.

OBSERVATION: Many governments sell debt in a consolidated fashion - meaning that more than one authorization is funded from a bond issuance. If consolidated sales are made, care must be taken in allocating proceeds between governmental and business-type activities for the purposes of allocating interest costs for capitalization. Amounts that are allocated to business-type activities may not be in a range of maturities and may be scattered based on bond authorization language. If possible, it is practical to have a second series of bonds for business-type activities as they may be secured by fees and charges, rather than general tax revenues. By having a second series, interest capitalization is much easier to calculate.

Infrastructure assets. GASB Cod. Sec. 1400.703-5 discusses how the modified approach may be applied to eligible infrastructure assets accounted for as either governmental activities or business-type activities. For example, an enterprise fund that owns a toll road (which is an infrastructure asset) could use the modified approach. If the enterprise fund uses the modified approach, it should be used in the preparation of both the government-wide and proprietary fund financial statements. See Chapter 10, "Capital Assets," for further discussion of infrastructure assets and the modified approach.

Customer deposits for utility services. Governmental entities that provide utility services, such as electric, water, sewer, and gas, may require deposits from customers, or a governmental entity may charge developers and/or customers system development fees (tap fees). A customer deposit is generally required to be paid before a service is turned on, and when the service is terminated, the deposit is returned to the customer. Utility services are generally accounted for as enterprise funds, and the AICPA's Audit and Accounting Guide *State and Local Governments* points out that receipts of customer deposits should be recorded as a liability and continue to be reported as such until they are "applied against unpaid billings or refunded to customers." Generally, these customer deposits are reported as restricted assets and offset with a corresponding liability payable from restricted assets [GASB Cod. Sec. P80.806].

should be recorded as a liability and recognized as revenue using the general guidance related to either an exchange transaction or a nonexchange transaction. In an exchange transaction the governmental entity and the other party to the transaction exchange cash, goods, or services that are essentially of the same value.

A nonexchange transaction arises when the transfer of goods or services between two parties is not of equal value. See Chapter 17, "Revenues: Nonexchange and Exchange Transactions," for a discussion of nonexchange revenues.

Liabilities

Unlike governmental funds, a proprietary fund reports both current and noncurrent liabilities expected to be paid from the fund. A proprietary fund may receive the proceeds from the issuance of either general obligation bonds or revenue bonds, but in either circumstance the receipt of the proceeds coupled with the requirement to repay such debt results in a proprietary fund liability.

Accounting and Reporting Issues

Debt. A governmental entity may issue debt whereby the proceeds are used to construct capital assets reported in a proprietary fund. If the debt is directly related to and expected to be paid from the proprietary fund, both the capital asset and the debt are reported in the proprietary fund financial statements and the business-type activities column of the government-wide statement of net position.

Debt may be in the form of *revenue bonds*. With revenue bonds, principal and interest is paid exclusively from the earnings of a proprietary fund. If the debt is also secured by specific fixed assets of the proprietary fund, they are referred to as mortgage revenue bonds. Revenue bonds, both current and long-term portion, are recorded as a liability of the Enterprise Fund.

A proprietary fund's long-term liabilities may include obligations other than those that arise from the issuance of a security debt instrument. These other obligations may be created from leases, claims and judgments, landfill closure and postclosure care, pollution remediation, employee termination benefits, pensions, and postemployment benefits other than pensions (OPEB).

Statement of Revenues, Expenses, and Changes in Fund Net Position

The operating statement of a proprietary fund is the statement of revenues, expenses, and changes in fund net position. In preparing this statement:

- Revenues should be reported by major source; and
- Revenues that are restricted for the payment of revenue bonds should be identified.

The following categories (as applicable to the fund's operations) are presented in the statement:

- Operating revenues (detailed);

- Total operating expenses;
- Operating income (loss);
- Nonoperating revenues and expenses (detailed);
- Subtotal (optional);
- Income before other revenues, expenses, gains, losses, and transfers;
- Capital contributions (grant, developer, and other), additions to permanent and term endowments, special and extraordinary items (detailed), and transfers;
- Increase (decrease) in net position;
- Net position—beginning of period; and
- Net position—end of period.

Revenues are required to be reported net of discounts and allowances, with the discount disclosed in a parenthesis on the face of the statement of revenues, expenses, and changes in net position or in a note to the basic financial statements. Many governments report gross revenues with the related discount and/or allowances reported directly beneath the gross revenue amount [GASB Cod. Secs. P80.113–.114, fn. 6].

Operating Revenues and Expenses

Operating revenues and expenses differ from government to government. Many governments attempt to align the definition of operating revenues and expenses in a similar fashion to peer non-governmental organizations. GASB Cod. Sec. P80.115 requires a policy defining operating revenues and expenses that is “appropriate to the nature of the activity being reported.” This policy needs to be consistently applied.

PRACTICE ALERT: The GASB’s *Financial Reporting Model Improvements Preliminary Views* presents a proposed revision to a government’s flexibility in determining operating revenues and expenses. The Board’s preliminary view is that operating revenues and expenses should be defined as revenues and expenses *other than nonoperating revenues and expenses*. Nonoperating revenues and expenses are proposed to include:

- Subsidies received and provided;
- Revenues and expenses related to financing;
- Resources from the disposal of capital assets and inventory; and
- Investment income and expenses.

In an updated statement of revenues, expenses and changes in fund net position, a subtotal for operating income (loss) and noncapital subsidies should be presented before reporting other nonoperating revenues and expenses. The Board has proposed a definition of “subsidies” as resources provided by another party or fund to keep rates lower than otherwise would be necessary to support the level of goods or services provided. At the time of publication, it is unclear if

Chapter 20, “Financial Reporting,” illustrates a statement of revenues, expenses, and changes in net position for proprietary funds.

A proprietary fund should recognize revenue on an accrual basis, meaning that revenue is considered realized when (1) the earning process is complete or virtually complete and (2) an exchange has taken place.

Proprietary funds, such as water and sewer enterprise funds, have unbilled revenue at the end of an accounting period. Whether revenue is billed or unbilled is not the critical issue in the recognition of revenue in a proprietary fund. When a service has been provided (e.g., the consumption of a service by a customer), the related revenue should be recognized.

Accounting and Reporting Issues

Uncollectible accounts related to revenue. GASB Cod. Sec. P80.fn6 requires that revenues be reported net of related discounts or allowances. The amount of the discounts or allowances must be presented on the operating statement (either parenthetically or as a subtraction from gross revenues) or in a note to the financial statements. GAAP does not require that estimates of bad debt expenses be reported as an offset to revenues, but GASB Cod. Sec. 2200.751-2 states that estimates of uncollectible accounts should be presented in a manner like discounts and allowances. That is, revenues should be reported net of the increase or decrease of the estimate of uncollectible accounts.

Capital contributions from governmental funds. A proprietary fund must take into consideration the nature of a capital contribution received from another fund. For example, GASB Cod. Sec. 2200.739-1 discusses the reassignment of a capital asset between an enterprise fund and governmental activities. If the assets reassigned from governmental activities to an enterprise fund are capital assets, the transaction is not “interfund” because it involves only one fund; consequently, the enterprise fund would report the receipt of the capital assets as a capital contribution from governmental activities (in the last section of the statement of revenues, expenses, and changes in fund net position).

In the reverse situation, in which a capital asset is reassigned from an enterprise fund to governmental activities, the disposal of the capital asset would be reported by the enterprise fund as a nonoperating expense. In either case, governmental funds would not report the event because there has been no flow of current financial resources. In the statement of activities, the reassignment of the capital asset between governmental activities and business-type activities would be reported as a transfer, requiring a reconciling item in the governmental funds’ reconciliation because a difference is created between the change in fund balances and the change in total net position.

In both cases, since the transfer consists of nonfinancial resources (a capital asset), *the governmental fund will not record the transfer* (because only financial resources are accounted for in a governmental fund); *however, the proprietary fund will record the transaction not as a transfer but as capital contribution revenue in the lower portion of its operating statement.* Even though the transfer is not presented in

MEMORANDUM

TO: Board of Trustees

FROM: Ray Tulloch
Audit Committee Chair

SUBJECT: Review, discuss, and possibly take action on the written annual Audit Committee Report to the District's Board of Trustees (Exhibit One) in conjunction with the presentation of the annual audit in accordance with Policy 15.1.0 (subparagraph 2.4.6).

DATE: March 9, 2022

I. Background

Under Board Policy 15.1.0, section 2.4, the Audit Committee is required to:

- 2.4 Facilitate the external audit process.
 - 2.4.1 Review and approve formal reports or letters to be submitted to the external auditor.
 - 2.4.2 Provide an independent forum for (external and/or internal resources) auditors to report findings or difficulties encountered during the audit.
 - 2.4.3 Review the auditors' report of findings and recommendations with management and the auditor.
 - 2.4.4 Review the CAFR in its entirety, including unaudited sections and letters.
 - 2.4.5 Follow -up on any corrective action identified.
 - 2.4.6 Submit a written annual Audit Committee Report to the District's Board of Trustees in conjunction with the presentation of the annual audit.
 - 2.4.7 Assess the performance of the independent auditors.

At the Audit Committee meetings of November 17 and December 8 respectively the Audit Committee completed actions 2.4.3 and 2.4.4

At the Audit Committee meeting of December 16 the Committee reviewed and agreed changes to the draft report prepared by Audit Committee chair Tulloch.

The Audit Committee has previously provided the General Manager and Finance Director with a draft copy of this report to provide them with an opportunity to respond to the issues identified and described herein by the Audit Committee. The response was discussed at the February 22 Audit Committee meeting and any agreed changes made.

II Action

This report and summary of recommendations is presented by the Audit Committee for the Board to review, discuss, and possibly take action on the written annual Audit Committee Report to the District's Board of Trustees (Exhibit One) in conjunction with the presentation of the annual audit in accordance with Policy 15.1.0 (subparagraph 2.4.6).

The Audit Committee has previously provided the General Manager and Finance Director with a draft copy of this report to provide them with an opportunity to respond to the issues identified and described herein by the Audit Committee. The response was discussed at the February 22 Audit Committee meeting and any agreed changes made.

The Committee also notes that, since the preparation of this Report, the Board has implemented changes in the Capitalization policy. The Committee expresses deep concern that, as a result of these changes, there are likely to be material issues and lack of consistency in future reporting of Capital assets which will make it difficult to have confidence in, or ability to compare, Capital Assets in subsequent ACFRs.

III Recommendations

Summary of Audit Committee Decision Points and Recommendations for the Board of Trustees

1. The Audit Committee notes actions are being taken by management to address the identified issues in the Auditors Compliance Report related to Internal Controls and Construction Projects.

The Audit Committee recommends that the 21-22 audit be expanded in scope to include enhanced review of internal controls.

2. Management corrected prior years of capitalization for items considered to be maintenance and repairs. However, the FY 2019-2020 and 2020-21 ACFRs are inconsistent.
 - a. For the Utility Fund, this is estimated to be \$181,882 (see Comments and Concerns #2 and Section 3.1)
 - b. For Community Services the amount is estimated to be \$1,171,606 (see Concern 11, Section 3.3, and Appendix D). These were for preliminary stage activities which include conceptual formulation and evaluation of alternatives, determination of future needs, feasibility studies and development of financing alternatives, temporary repairs for the Burnt Cedar pool and temporary repairs at the Mountain Clubhouse.

- c. Similar costs were expensed for 2019-2020 (as a prior period adjustment - Note 22 of CAFR) for the Parks Master Plan (\$212,044) and the Incline Village Ballfield (\$77,216). In 2021 similar costs of \$3,100,110 for the Effluent Pipeline were charged off as a prior period adjustment. This highlights the inconsistency of the financial statements.

The Audit Committee recommends a prior period adjustment to expense items 2a & 2b for consistency and accuracy of our financial statements.

3. Contained in the initial draft of the ACFR, the Auditor had identified an additional \$866,503.70 of charge off to expenses items for items capitalized in past CAFRs. After review by Management, some items were removed including levee and roadway repairs at the wetlands, spot paving at various recreational venues, sewer line repairs and roof repairs which, as noted in #2 above, had been determined to be expense items rather than capital. **These items in aggregate amounted to a depreciated book value of \$500,016.63 and an original cost of \$2,067,116.34**
4. Additionally, equipment items were grouped together to meet the capitalization threshold while Board Practice 2.9 states “**In no case will the District establish a capitalization threshold of less than \$5,000 for any individual item.**”. The Audit Committee Chair reviewed this with the Auditor, after the financial report was complete, and she concurred that the Board Practice is clear and not open to interpretation. In addition, an Audit Committee member reviewed with Melissa Crosthwaite, District Legal Counsel, who also concurred the statement is clear. (see Concern 8 and Section 3.2). **In total the original cost and depreciated book value of these less than \$5000 assets is \$329,558.08 and \$177,413.89.**

The Audit Committee recommends a prior year adjustment to expense these items for compliance with Board Practice and consistency and accuracy of our financial statements.

5. Beginning in 2019 investment income was credited to the General Fund instead of the funds which had cash deposits at LGIP. This caused the General Fund’s opening balance in the 2020-21 ACFR to be overstated by approximately \$492K (over a 10% overstatement). This has not been corrected.

The new process management has chosen to implement is allocating investment income not by the fund with cash invested at LGIP, but based on total cash equivalents by fund.

The Audit Committee recommends a prior period adjustment removing investment income credited to the General Fund and included in the fund

balances for the fund(s) which had cash invested at LGIP, as it had historically been done, prior to 2019.

Additionally, the committee recommends the approach for distribution of investment income be based solely on cash invested by fund or to have separate LGIP accounts by fund, like the Utility Fund, to avoid any confusion.

6. For ease of transparency, and to align with best practices, **the Audit Committee recommends the Capital Improvement budget contain only project costs that are to be capitalized. The Audit Committee recommends that projects or project elements related to repair and maintenance items are separated and included in operating expenses. A separate line item in the Statement of Income, Revenue and Expenses and Change in Net Position for repair and maintenance is recommended for all funds.** This will allow for cross referencing the expense items budgeted within Services and Supplies.

The Audit Committee recommends the additional prior period adjustments should be made to the 2020-2021 ACFR.

Thank you for considering actioning these recommendations from the Audit Committee.

Exhibit One

January 26, 2022, Annual Audit Committee Report to the IVGID Board of Trustees

1 Background

The IVGID Audit Committee ("AC") is required under Board Policy 15.1.0, subparagraph 2.4.6 to "Submit a written annual Audit Committee Report to the District's Board of Trustees in conjunction with the presentation of the annual audit. This report is provided to comply with the Policy and provide the Board with our questions, concerns, comments and recommendations.

At the public meeting held on December 8th 2021, the Audit Committee received and reviewed the final IVGID Annual Comprehensive Financial Report (ACFR) for the fiscal year ending June 30, 2020 and other related materials. The Management Representation Letter was not included in the package presented to the Audit Committee but was subsequently emailed to AC members when it was requested. As a result the AC was not able to review the management representation letter during the public meeting. The Audit Committee had previously reviewed an initial draft of the ACFR at the November 17 Audit Committee meeting.

The ACFR and accompanying documents were presented by Director of Finance Paul Navazio and Controller Martin Williams. Davis Farr Audit Engagement Partner Jennifer Farr was in attendance to answer questions and provide an overview with specific comments on the contents of the documents and the opinion issued by Davis Farr as required under their audit engagement letter with IVGID.

In light of the AC receiving the final 2020 ACFR and related documents for the first time on December 8, 2021, it was not possible for the Audit Committee to both remain compliant with Open Meeting Laws and to prepare, review and finalize the required report to the Board of Trustees (BoT) prior to the scheduled meeting of the BoT on December 14, 2021 where the ACFR was scheduled to be reviewed and possibly accepted by the BoT. The Audit Committee subsequently held a meeting on December 16 to review and agree changes to the draft report prepared by Audit Committee chair Tulloch. This is presented here in final form.

2 Comments by and Concerns identified by the Audit Committee

- 1) The AC notes that IVGID management issued and signed the Management Representation letter to Davis Farr prior to review by the AC, contrary to Board Policy 15.1, 2.4.1. The Management Representation Letter was also not included in the documents provided to the Audit Committee for the December 8 meeting. As such the Audit Committee has still to perform a final review of the Management Representation Letter.

- 2) The Audit Committee notes that the previously ongoing disagreements and concerns over the \$3.179m for assessments, studies and preliminary designs for the Effluent Pipeline that the AC considered to be incorrectly capitalized in FY 19-20 have now been addressed through a Prior Year Adjustment and the \$3.179m, less accumulated depreciation, has now been expensed in the utility fund. (Further discussed below). It should be noted that expenditures of \$181,822 have been charged to the Effluent Pipeline capital project accounts for fiscal year 2020 and 2021 which are substantially the same type of costs charged off in 2021 and which the Audit Committee considers should also have been expensed.

- 3) The AC notes that the final version of the Transmittal letter to the Nevada Department of Taxation now includes disclosure of, and reference to the two Material Weaknesses and one significant Deficiency identified by the Audit. This is in concurrence with our request made at the November 17 meeting.

- 4) The Committee received clarification and confirmation from Davis Farr that the audit engagement was not structured as a comprehensive forensic audit. The Audit opinion provided ¹

“In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Incline Village General Improvement District, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows and the statement of revenues for the year then ended in accordance with accounting principles generally accepted in the United States of America.”

was based upon the information and statements provided by management and audit tests and review. This complies with statutory requirements.

- 5) The Audit identified two material weaknesses (MW) and one Significant Deficiency along with other deficiencies which required to be addressed. The Audit Committee notes that this is the second consecutive year where Material Weaknesses have been identified and has concerns at this trend. Management have proposed actions to address these Material Weaknesses which the Audit Committee will review and monitor progress for correction.

- 6) Several of the concerns and deficiencies identified by the Auditor appear to be a direct result of lack of, and failure to comply with, internal controls. The Committee is deeply concerned about the lack of an opinion from the Auditor regarding internal controls. The Audit Committee also notes that it has previously been urging staff to complete the updates of Internal Controls.

- 7) The Audit Committee notes that there have now been Prior Year Adjustments in 4 out of the 5 previous years which could indicate an ongoing issue with timely and

¹ Independent Auditors Report @P2

accurate financial reporting. This makes it difficult to be able to have confidence in reported financial performance in the funds and business activities. With that in mind the Statistical Section of the ACFR which is not audited and has not been discussed or reviewed by the Audit Committee may have distortions as a result of these prior period adjustments .

- 8) The Audit Committee has serious concerns that several of the revisions to the proposed Capital Asset write-offs reviewed and identified by the Auditor were subsequently rejected and reversed by management in apparent violation of Board Policy 9.1.0 and Board Practice 2.9.0 (Discussed further below in 3.2 and details also in Appendix D) Management provided no documented explanation for how the policy was unclear and open to interpretation. The AC views the actions taken related to depreciation as a violation of Board Policy and Practice.
- 9) The Auditor highlighted concerns (concerns previously expressed by the Audit Committee) that expense items included in Capital Projects were only subject to review and possible transfer to be expensed when a project was closed rather than being expensed at the time of expenditure. There appears to be no clear procedure for ensuring that this review actually takes place and as a result there may be overstatement of capital assets and understatement of expenses. Members of the Committee have also raised concerns that the inclusion of expense items in capital projects funds is not in compliance with NRS, (NRS 354.4995) and GAAP/GASB (GASB #54 paragraph #33. The Audit Committee has requested capital items for expense not be included in the Capital Improvement Budget, but instead in operational expenses.
- 10) The recording and allocation of investment income to the separate funds does not appear to accurately reflect the relative balances within the funds and appears to be excessively skewed towards the General Fund which has the lowest fund balance. This was previously brought up and discussed with the Finance Director but no action appears to have been taken or supporting justification provided to validate the current allocation. Therefore, the AC views the financial report to incorrectly reflect interest income and therefore fund balance within each of the major funds.
- 11) It appears that in FY 20-21 several design studies and assessments have again been incorrectly capitalized rather than expensed as previously advised by Moss Adams. This is inconsistent with the actions taken in FY 19-20 where capitalized assessment studies were reversed to expense. (see further detail in Appendix D) Therefore, the AC views the financial reports to be inaccurate related to operational expenses and depreciation.
- 12) Facility fees (RFF/BFF) are again reported as general revenue rather than program revenues in the Statement of Activities . It is the view of the Audit Committee that this is NOT in compliance with GAAP and should be corrected. The final Moss

Adams report provides clarification on why the Facility Fees should be reported as program revenues.

3 Additional Discussion on Principal Concerns of the Audit Committee.

3.1 Expensing Previously Capitalized costs of the Effluent Pipeline (Comment 2)

Concerns about expensing Effluent Pipeline Phase II costs which were previously reported as Capital Assets and /or Construction in Progress in the 18-19 and 19-20 ACFRs have continued to be a subject of discussion by the Audit Committee during FY 20-21. The recent Moss Adams reports provided applicable capital expenditure and best practice guidance based on Governmental Accounting Standards Board (GASB) Concepts Statement No 4. The accepted practice includes recognition of the different stages of a project which include preliminary studies,, construction and post-construction. The preliminary stage activities that include conceptual formulation and evaluation of alternatives, determination of future needs, feasibility studies and development of financing alternatives should be expensed as they are not directly connected with creating service capacity.

This highlighted that approximately \$3,179,000 in expenses of \$5,146,100 in costs incurred through June 30, 2019 for the Effluent Pipeline Phase II Project had been recorded in the Utility Fund as a capital asset and/or construction in progress. AC Member Clifford F. Dobler has previously provided a comprehensive and extensive overview of the entire costs incurred through fiscal year 2019 on the Effluent Pipeline Phase II Project. It is apparent that a major portion of these costs were necessary to satisfy conditions of an Administrative Order on Consent with the Nevada Department of Environmental Protection issued in April, 2014 and not resolved until May, 2019. This was discussed at length during the FY 19-20 ACFR review. The then Auditor and Management disagreed with the Committee view and left the at issue amount of \$3,179,000 as a Capital asset in the FY 19-20 financial statements.

For the FY20-21 ACFR, the initial proposal from Davis Farr and Management was that they still considered this to be a correct capitalization . Following extensive discussion of the initial draft ACFR during the November 17 2021 Audit Committee meeting, plus recognition that initial planning for replacement of (and financing options for) the effluent pipeline are now underway, it was agreed by Management that it would now be appropriate to close this outstanding issue by charging off the identified \$3.179m in Capital Assets to expense. Due to the magnitude of this write-off it was necessary to account for this as a Prior Period Adjustment and revise the financial statements to reflect this.

The Audit Committee recognizes the extensive effort expended by Mr. Dobler over previous years in accurately identifying the amounts to be expensed. The Audit Committee also recognizes the final agreement and initiative by General Manager Winquest and Finance Director Navazio to implement this change. Accordingly the Audit Committee thanks AC

member Dobler, GM Winqest and DoF Navazio for their efforts to bring this long running issue to closure.

3.2 Review of Capitalized Assets

During initial discussions on audit procedures between Davis Farr and the Audit Committee, the Audit Committee had highlighted their concerns around prior capitalization of items that appeared, under relevant GAAP, GASB and GFOA standards, as well as Board Capital Asset Policy 9.1.0 and Board Capitalization Practice 2.9.0, to be expense items rather than Capital Assets.

Accordingly, as part of their audit, Davis Farr performed a high level review of capital assets over the prior 15 year period to identify any apparent incorrect capitalization. Based on this the initial draft report provided to the Audit Committee by management on November 17, 2021, identified \$3,592,863.85 (original cost) of items that appeared to have been incorrectly capitalized. Net of accumulated depreciation of \$2,726,360.15 this was reflected as a write down of Capital Assets of \$866,503.70 in the draft report. A summary of these proposed Fixed Asset Audit Adjustments is attached as Appendix A. The Audit Committee, at that time, agreed in principle with this as a reasonable starting point in correcting previous suspect categorization of assets and accepted the proposed adjustments.

However, as part of the agreement to revise the financial statements to include the Prior Period Adjustment discussed under item 3.1 above, IVGID Management also performed an additional review of the Fixed Asset Adjustments identified by Davis Farr. The intent of this review was to more accurately assess on an individual item basis whether the adjustment was supported by the underlying data. This was done by reviewing additional detail about the asset rather than just looking at the header level detail as had been done by Davis Farr in their assessment. In principle the Audit Committee concurs with the validity of this approach.

When the final version of the ACFR was provided to the Audit Committee on December 8, 2021, it reflected a revised net write-off of capital assets (excluding the Effluent Export Pipeline) of only \$167,751, resulting from a total of \$1.2 million at original cost, net of \$1.03 million in accumulated depreciation. This was a significant delta from the November 17 proposals which were for a \$866,503.70 net write-off. On review of the detail of the changes made in this adjustment the Audit Committee identified a number of apparent variances from Policy. This included for example items such as:

- (a) paving repairs and maintenance, which appeared on the surface to be expense items
and
- (b) A number of discrete assets with an original cost below the \$5,000 individual item minimum threshold specified in Board Policy 9.1.0, paras 2.0 and 3.0 (attached as Appendix B), and Board Practice 2.9.0, paras 1.1 and 1.2, (attached as Appendix

C). In aggregate these items amounted to an original cost of \$329,558 and a current book value of \$177,414.

With regard to items in (a) above, the Audit Committee does not have the level of detail necessary to validate or refute Management’s categorization and accepts, subject to reservations, Management’s categorization of these assets. A further review by an Audit Committee Member provides more detail on the expensed components which were reversed by Management (Appendix F).

However with regard to items in category (b) above, the considered and unanimous view of the Audit committee is that this categorization appears to be a clear deviation from, and violation of, Board Policy 9.1.0 and Board Practice 2.9.0. Specifically as follows:

Board Policy 9.1.0

- 2.0 Capitalization thresholds are best applied to individual items rather than to groups of similar items (e.g., desks and tables), unless the effect of doing so would be to eliminate a significant portion of total capital assets.
- 3.0 ***In no case*** will the District establish a capitalization threshold of less than \$5,000 for any individual item. (emphasis added)

and

Board Practice 2.9.0

1.1 The capitalization threshold ***per item shall be:***

ASSET CLASS	MINIMUM COST
Equipment	\$ 5,000.00
Structures and Land Improvements	\$10,000.00

1.2 In addition to cost, all of the following criteria ***shall*** also be used:

- 1.2.1 The normal useful life of the item is three or more years.
- 1.2.2 The item has an acquisition cost (including freight and installation) of at least the amounts listed above in each asset class.

In discussions, Management advised the Audit Committee that, in terms of complying with the relevant Board Policies and Practices, it is their view that they have the ability to apply their judgement and to be flexible in how they these Policies are to be applied, and also that they are free to aggregate similar individual assets to meet the minimum threshold. They also considered that in terms of materiality this concern is irrelevant as the net delta in write-offs if these items were to be expensed is limited to \$152,144. However no supporting documentation, justification or references have been provided to the Committee to support this claim.

Upon perusal of the relevant board Policies and Practices, as well as consultation with legal counsel and Davis Farr, the Audit Committee has been unable to identify any provisions in the Policy that provide for flexibility, judgement or materiality to justify this approach. To the contrary the Policy and Practice appears to be unequivocal, for example:

*The capitalization threshold per item shall be:
In no case will the District establish a capitalization threshold of less than \$5,000 for any individual item.*

It is the considered and unanimous view of the Committee that compliance with these relevant Board Policies and Practices must be viewed as a binary choice i.e. either compliant or non-compliant. We can find no applicable middle ground or materiality threshold apparent in the text. Therefore the Audit Committee must advise the Board of Trustees that there appears to be a clear violation of Board Policies and Practices in this instance. While in terms of overall materiality of the financial statements the Committee agrees that the total impact is limited, the inference in this instance is that Management regard compliance with Board Policy and Practice as optional.

The Committee cannot in good faith concur with or support this approach.

For example, the language in the contract for the General Manager, (the only employee directly engaged by the Board) the language is very specific on this²:

1.1 IVGID hereby employs General Manager full-time to uphold and abide the laws of the State of Nevada, District Ordinances, written Policies, Practices, and Resolutions enacted by IVGID Board of Trustees ("Board of Trustees"),.....

So it can reasonably be expected that this requirement to comply with Board Policies, Practices and Resolutions also extends to all other employees of the District.

The Committee raises this apparent violation of Board Policy and Practice for consideration of action and reinforcement by the Board of Trustees as it is the Committee's view that there is a clear and overriding fiduciary requirement for Management to lead by example in compliance with agreed Board Policy. Absent such compliance it brings into question whether Board Policies in general should simply be considered as optional rather than mandatory.

3.3 Inconsistency

Management does not appear to have been consistent in the application of charging off capital expenditures which were expenses according to best practices. In fiscal year ending June 30, 2020, a total of \$803,514 of prior year capital expenditures for paving, painting, pre development expenses and abandoned projects were charged off as prior period adjustments. On May 31, 2021, Mr. Dobler provided a memorandum to the Audit

² Extract from of IVGID General Manager Employment Agreement

Committee which outlined additional capital costs which should have been expensed applying the same standards of charge offs made on June 30, 2020. Excluding the Effluent Pipeline, a total of \$1,171,606 does not appear to have been addressed and either remains in the capital assets or construction in progress accounts of the District. (Appendix E).

Further supporting detail is provided in Appendix D

4 Additional Recommendations

1. The Committee recognizes that in their first year audit Davis Farr has identified several issues that would support more in depth review in future audits to ensure IVGID financial statements provide an accurate representation of the District's finances and assets. It is the Committee's strong and unanimous recommendation that in the 21-22 audit, the Board should expand the scope of the audit, in particular to include more detailed examination of fixed assets and review of compliance with internal controls.
2. The audit has identified a number of apparent issues of failure of internal controls and processes. At the October 26 Audit Committee meeting, the Committee discussed with management their concerns with the apparent lack of progress on developing internal controls and strongly encouraged management to consider bringing on additional resources to ensure that this work was prioritized to ensure effective internal controls could be implemented expeditiously. The Audit Committee strongly recommends that the Board should direct this to be a critical priority for Management action and to be completed by 30 April 2022 at the latest.
3. In the current ongoing review of Board Policies and Practices the Committee recommend that the Board should provide explicit guidance to Management and staff of the absolute requirement to comply with Board Policies and Practices. If compliance is to be regarded as optional it must be questioned whether there is any value in the District applying resources and expenditures to revise these Policies. If staff identify legitimate issues with complying with Policies it is the responsibility of staff to bring these issues to the Board for resolution.
4. With regard to the actions proposed by Management in response to Material Weaknesses and Deficiencies identified by the Audit, it is the intention of the Audit Committee to add review of progress on these actions as a standing item on the AC agenda. The Committee recommends the Board should also highlight this as a priority action for Management with the objective of achieving a FY 21/22 audit that identifies no Material Weaknesses or Significant Deficiencies.
5. It is recommended that the current practice of placing maintenance expenses in Capital Improvement projects be discontinued forthwith and for all such expenditures to be properly budgeted within operating expenses. The process for review of such expenditures for allocation in accordance with Board Policies and Practices should be reviewed, updated as necessary and documented in order to provide an effective audit trail.

Conclusions

The AC believes this report satisfies our required responsibilities under Audit Committee

Board Policy 15.1.0 and trust that the Board of Trustees will consider our questions, concerns, comments and recommendations.

The AC wishes to thank Davis Farr and IVGID Management for the effort applied to the Audit and preparation of the ACFR. The outcomes clearly demonstrate the value of regular rotation of Auditors to bring fresh perspective on IVGID financial reporting.

Respectfully,

IVGID Audit Committee

Ray Tulloch, At large Audit Committee Member and Audit Committee Chair

Mathew Dent, IVGID Board Trustee and Vice Chair

Sara Schmitz, IVGID Board Trustee and Secretary

Clifford F. Dobler, At large Audit Committee Member

Appendix A

SUMMARY OF FIXED ASSET AUDIT ADJUSTMENTS

Fund	Description	Value of Assets Reviewed		Audit Adjustments			% of Value at Cost	% of Value at Book Value
		Total Value (at Cost)	Total Book Value	Original Cost	Accumulated Depreciation	Book Value (6/30/21)		
100	General Fund	5,251,618.00	3,046,089.00	39,556.33	\$ 28,690.52	\$ 10,865.81	0.75%	0.36%
200	Utility Fund	141,958,054.00	65,339,896.00	1,417,460.79	1,028,380.94	389,079.85	1.00%	0.60%
320	Golf Fund	20,204,054.00	9,870,681.00	1,343,643.67	1,111,875.58	231,768.09	6.65%	2.35%
330	Facilities	4,512,052.00	2,501,277.00	52,225.77	41,330.63	10,895.14	1.16%	0.44%
340	Ski	36,912,505.00	19,459,640.00	382,929.90	272,776.68	110,153.22	1.04%	0.57%
350	Rec Center	8,736,381.00	2,361,328.00	165,604.42	111,424.94	54,179.48	1.90%	2.29%
360	Rec Admin	1,618,495.00	1,106,932.00	23,618.42	20,338.17	3,280.25	1.46%	0.30%
370	Parks	17,152,467.00	12,815,403.00	33,410.27	27,609.99	5,800.28	0.19%	0.05%
380	Tennis	2,681,501.00	1,249,895.00	8,033.00	4,394.25	3,638.75	0.30%	0.29%
390	Beach	7,440,534.00	3,985,297.00	113,108.49	66,265.66	46,842.83	1.52%	1.18%
410	Fleet	169,903.00	45,163.00	9,477.92	9,477.92	0.00	5.58%	0.00%
430	Buildings	70,694.00	6,623.00	3,794.87	3,794.87	0.00	5.37%	0.00%
Totals		\$ 246,708,258.00	\$ 121,788,224.00	\$ 3,592,863.85	\$ 2,726,360.15	\$ 866,503.70	1.46%	0.71%

Appendix B



Accounting, Auditing and Financial Reporting Capitalization of Fixed Assets Practice 2.9.0

RELEVANT POLICIES: 8.1.0 Establishing the Estimated Useful Lives of Capital Assets and 9.1.0 Establishing Appropriate Capitalization Threshold for Capital Assets

1.0 ACCOUNTING CONTROL

The capitalization threshold for all asset classes shall be identified during the budget process each fiscal year by the Finance and Accounting staff and approved by the Board of Trustees as part of the adoption of the annual Debt Management Policy, including the Five Year Capital Improvement Plan and its statement on Minimum level of expenditure.

- 1.1 The capitalization threshold per item shall be:

<u>ASSET CLASS</u>	<u>MINIMUM COST</u>
Equipment	\$ 5,000.00
Structures and Land Improvements ...	\$10,000.00

- 1.2 In addition to cost, all of the following criteria shall also be used:

- 1.2.1 The normal useful life of the item is three or more years.
- 1.2.2 The item has an acquisition cost (including freight and installation) of at least the amounts listed above in each asset class.
- 1.2.3 The item will not be substantially reduced in value by immediate use.
- 1.2.4 In case of repair or refurbishment that will be capitalized, the outlay will substantially prolong the life on an existing fixed asset or increase its productivity significantly, rather than merely returning the asset to a functioning unit or making repairs of a routine nature.

Effective July 1, 2016

1



**Accounting, Auditing and Financial Reporting
Capitalization of Fixed Assets
Practice 2.9.0**

1.2.5 The capitalization threshold is applied to individual items rather than to groups of similar items (e.g. desks and tables).

1.2.6 The utilization of componentization of assets under the project, to provide a more appropriate management of an assets care, condition and associate maintenance or replacement, takes precedent over the stated thresholds under section 1.1.

2.0 PHYSICAL CONTROL

All fixed assets acquired either as operating or capital expenditures will be identified as IVGID property and recorded. Such items represent a value to the operations that have an ongoing usefulness to justify safeguarding them from loss or abuse. The items should be expected to be in service at least two years and can be readily assigned to a function or activity as responsible for its care and condition.

Appendix C



Accounting, Auditing and Financial Reporting Establishing Appropriate Capitalization Threshold for Capital Assets Policy 9.1.0

POLICY. The District will consider the following guidelines in establishing capitalization thresholds:

- 1.0** Potentially capitalizable items should only be capitalized if they have an estimated useful life of greater than two years following the date of acquisition or placed into service.
- 2.0** Capitalization thresholds are best applied to individual items rather than to groups of similar items (e.g., desks and tables), unless the effect of doing so would be to eliminate a significant portion of total capital assets.
- 3.0** In no case will the District establish a capitalization threshold of less than \$5,000 for any individual item.
- 4.0** In establishing capitalization thresholds, when the District is a recipient of federal awards, then federal requirements that prevent the use of capitalization thresholds in excess of certain specified maximum amounts for purposes of federal reimbursement will prevail.
- 5.0** Capitalization of buildings and infrastructure should consider the use of componentization as a way to reflect the varying life cycle considerations of mechanical, structural elements, and wear items that may require different cycles of maintenance and replacement from the main asset being capitalized. The significance of such componentization takes precedent over the \$5,000 threshold, and thus smaller amounts may be listed to facilitate proper asset management.

Appendix D

Background

2020 CAFR - Prior Period Adjustments for Capital Assets and Construction in Progress ONLY

- Community Services and Beaches - \$803,514 consisting of:
 - Carpeting and Painting - 8 "projects" - \$78,582
 - Paving - 38 "projects" - \$435,672
 - Pre development - High School Ball field - \$77,216
 - Pre development - Community Services Master Plan - \$212,044

2021 Concepts and Assessments (Pre development) and abandonments which were **NOT** considered for charge off to expense. Amounts should have been expensed based on Moss Adams report 1/14/2021 and accepted by Board of Trustees on 2/10/2021 - Cliff Dobler memo dated 5-31-2021. More detail on Appendix E

- Burnt Cedar Pool - \$219,802 (includes \$119,498 of repairs completed in 2019 and abandoned in June 2021)
- Incline Beach Bldg - \$216,131
- Mountain Golf Course Club House - \$328,954 (includes \$150,751 for repair costs to open prior to major rehab)
- Tennis Center - \$68,621
- Incline Baseball Field - \$120,268
- Diamond Peak Master Plan - \$217,830
- **Total - \$1,171,606**

2021 CAFR - Initial Charge off (per Davis Farr) of \$866,504 in second draft and amounts removed in third draft (throw back)

	<u>Initial</u>	<u>Throw Back</u>	
• General Fund -	\$28,691	\$ 8,800	
• Utility Fund -	389,080	316,885	Wetland repairs \$1743K
• Community Services -	369,194	314,106	Parking and Cart Path repairs \$211K
• Beaches -	66,266	37,640	100% Parking and Boat Ramp repairs
• Internal Services -	13,273	ZERO	
total	\$866,504	\$677,431	
	DIFFERENCE	\$189,073	
	MEMO	\$167,751	WHY?

2021 CAFR - Additional Charge Off for Pipeline - \$3,179,000 DID NOT INCLUDE 2020 AND 2021 EXPENSES OF \$182,023. Costs included the Granite assessment report ,the Jacobs report on the Pond,. and an unknown amount of Staff time.

Other Charge offs not considered - ACQUIRED UNDER NEW BOARD POLICY AND PRACTICE

- Staff Uniforms at DP 2016-2017 \$115,739
- Rental Skis at DP 2016-2017 \$466,104
- Undepreciated amount - To be determined

Appendix E

Incline Village General Improvement District Capitalized concept and assessments for potential charge offs

Burnt Cedar Pool

Repairs to circulation system -in 2019	119,498
Conceptual Design - TSK 2020	32,200
Schematic Design - TSK 2020	68,104
	219,802

Incline Beach Building

concept design and cost estimates - Bull Stockwell - 2016	216,131
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Total Beaches	\$ 435,933
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Mountain Golf Course

Global Golf and BRG Architecture - New Clubhouse 2012/2014	132,203
Temporary Repair Costs for 2019 season before new rehab	150,751
Schematic Design Cart Paths - Lumos and Staff Time - 2020	46,000

Tennis Center

Lloyd Design - evaluation 2015/2016	42,120
Concept Design - BJG Architecture 2018	26,501

Incline Ball Fields

LPA - Concept Design - 2017	41,000
Schematic Design - Lloyd Consulting Group - 2017	73,930
Other unknow costs for concepts put in unbudgeted project	5,338

Diamond Peak

Concept Master Plan SEC Group 2014	156,030
Permit Submittals to Forest Service SEC Group 2015	29,000
Biological surveys - Hauge Brueck Associates 2019	32,800

Total Community Services	\$ 735,673
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GRAND TOTAL

\$ 1,171,606

Appendix F

Audit Committee Report to the Board of Trustees.

Analysis of capital items originally considered a charge off and reversed by IVGID management

Supplement to item 3.2

At the request of IVID management, Davis Farr provided a high level review of cost items classified as capital assets which should have been expensed based on Board Policies and Practices, the Moss Adams recommendations and GFOA sections on capitalization. The report was provided to the Audit Committee on November 17, 2021. The review indicated that \$866,503.70, consisting of \$3,592,863.85 in costs and \$2,726,350.15 in accumulated depreciation, would be charged off and reported as a prior period adjustment. Subsequently, undocumented discussions ensued between Davis Farr and IVGID management wherein it was determined that 169 items with a book value of \$677,540.52 consisting of \$2,396,674 in costs and accumulated depreciation of \$1,179,244 would not be expensed and remain as capital assets. As a result only \$189,072 (\$866,504 less \$677,540) was charged off as expenses and reported as a prior period adjustment. The Audit Committee is unsure why the December 8th memo from Paul Navazio listed \$167,751 as the charged off costs. (page 5 of AC Packet)

Based on a Committee Member extended review of the CAPITAL ASSETS reversed the following are conclusions based on historical facts and recommendations.

There were 169 items listed

- 33 items had no book value and were not necessary to be included
- 26 items were not depreciated and had total costs of \$50,015. It is unknown what these costs were, however they averaged only \$1,924. We have reservations about the whether these costs should remain as capital assets even though Board Policies and Practices did not establish capitalization thresholds for costs which would not be depreciated.
- 64 items with a combined book value of \$127,553 should not have been reversed since the original purchase costs for each item did not meet the cost threshold for capitalization as defined in Board Policies and Practices.
- There were two items in the Utility Fund labeled "Maintenance Facility Garage" each costing \$42,350 and purchased on the same date of 12/31/2017. The remaining book value of these two items was \$34,130. This may be a duplicate.
- There were 10 items in the Utility Fund for repairs of roadways and levees at the 600 acre Wetland site which captures all waste water from the Waste Water Treatment Plant in Incline Village. Total book value was \$174,333. Applying the criteria of the Moss Adams Report and the GFOA section - "Governmental Accounting ,Auditing and Financial Reporting" (GAAFR 23-10) these items should not have been capitalized as continuous repairs are being conducted annually at the Wetlands site. As stated in the Moss Adams Report:

"Governments often expend resources on existing capital assets. Most often, these expenditures simply preserve the asset's utility are expensed as routine repairs and maintenance. Any outlay that does no more than return a capital asset to its original condition, regardless of the amount expended, should be classified as maintenance and repairs. Since maintenance and repairs provide no additional value , their costs should be recognized as expense when incurred."

- There were seven items listed as parking lot and golf course cart path paving repairs. The net book value was \$248,000. Applying Moss Adams and GFOA recommendations (above) these costs should have been expensed. Ironically, in fiscal year 2019/2020, IVGID staff reported a prior period adjustment to expense 38 paving projects with a net book value of \$435, 672 which had previously been capitalized.

Also during 2020/2021, 13 parking lot and golf cart paths paving repairs costing \$253,736 were expensed. As such, IVGID management is not being consistent in capitalization of expenses regarding paving maintenance and repairs.

Accounting principles - The consistency principle states that, once you adopt an accounting principle or method, continue to follow it consistently in future accounting periods. Only change in accounting principle or method if the new version in some way improves reporting financial results - May 15, 2017

- There were 4 remaining items with a combined net book value of \$42,348 which consisted of a sewer line repair (\$18,582), a roof repair at the Diamond Peak Snowflake lodge (\$14,266), a snowmaking master plan (\$8,845) and a small amount of software (\$655) all of which appear to be expenses.

Conclusion

The audit committee generally concurred with the original analysis by Davis Farr wherein most of the \$866,504 of net book value of assets should have been expensed and recorded as a prior period adjustment.

- We find that IVGID management did not follow board Policies and Practices, nor the recommendations of Moss Adams, nor the guidance by the GOFA but rather used their own "judgment" as to costs which should be capitalized as opposed to expensed.
- It is unclear to the AC the extent of the Davis Farr review. Davis Farr provided no opinion on their review.

Recommendation:

- A deeper review of the Capital Assets should be conducted after an agreement is reached by the Board of Trustees on a definitive description of what costs should be capitalized or expensed.

MEMORANDUM

TO: Board of Trustees

THROUGH: Paul Navazio
Director of Finance

FROM: Indra Winqest
District General Manager

SUBJECT: Management Comments Related to Audit Committee Annual Report (dated March 9, 2022)

DATE: April 13, 2022

I. RECOMMENDATION

Staff recommends that the Board of Trustees consider management's response(s) to the recommendations included in the Annual Report of the Audit Committee, presented to the Board of Trustees on March 9, 2022, prior to consideration of formal Board action related to the Audit Committee's recommendations.

II. BACKGROUND

The purpose of this memorandum serves to provide management's response to the recommendations presented to the Board of Trustees via the Audit Committee's annual report on the FY2020/21 audit, which was transmitted to the Board on March 9, 2022.

Upon receipt of the Audit Committee's Annual Report, the Board of Trustees deferred action on the specific recommendations being advanced by the Audit Committee, pending review and comment from management (and, where appropriate, the District's external auditor).

This agenda item has been prepared in response to the request from the Board of Trustees.

The Audit Committee's Annual Report, presented to the Board of Trustees at their meeting of March 9, 2022 contained a series of specific recommendations within five general topics, for consideration by the Board.

Staff concurs with recommendations of the Audit Committee related to:

Recommendation #1 - Expanding the scope of audit work for FY21/22 to include enhanced review of internal controls.

Staff has largely implement the recommendation of the Audit Committee related to items to be included in the District's Capital Budget:

Recommendation #5 - the Audit Committee recommends the Capital Improvement budget contain only project costs that are to be capitalized. The Audit Committee recommends that projects or project elements related to preliminary stage activities, repair and maintenance items are separated and included in operating expenses.

In addition, related to Recommendation #4, staff concurs with updating the historical methodology for allocating interest earnings; however, staff wishes to clarify that a change in methodology for allocating investment earnings was implemented for FY2021/22. This revised approach is consistent with best management practices. Staff feels that the Audit Committee's recommendation, as presented in their Annual Report, is based on a misunderstanding of the how investment earnings were allocated in the past, as well as the change in methodology that has been implemented in the current fiscal year.

Staff does not concur with the Audit Committee's recommendations related to the need for additional prior period adjustments. Each of these items were reviewed by the District's external auditors (past and/or present), and the most recent audit of the District's financial statements were determined by the independent auditor to be "fairly represented in all material respects." Therefore, a review and revision of items already audited and deemed appropriate by both management and the District's independent auditor is unwarranted and unnecessary. These Audit Committee recommendations include:

Recommendation #2 - The Audit Committee recommends a prior period adjustment to expense items 2a & 2b for consistency and accuracy of our financial statements. (Related to maintenance and repair activities).

Recommendation #3 - The Audit Committee recommends a prior year adjustment to expense these items for compliance with Board Practice and consistency and accuracy of our financial statements. (Application of capitalization threshold criteria).

Recommendation #4 - The Audit Committee recommends a prior period adjustment removing investment income credited to the General Fund and included in the fund balances for the fund(s) which had cash invested at LGIP, as it had historically been done, prior to FY 2018-2019.

III. DISCUSSION

This discussion sections provides more specific responses to each of the recommendations included in the Audit Committee's Annual Report to the Board of Trustees, dated March 9, 2022. The Audit Committee's recommendations are presented herein, verbatim, and *management's responses are presented in italics.*

1. The Audit Committee notes actions are being taken by management to address the identified issues in the Auditors Compliance Report related to Internal Controls and Construction Projects.

The Audit Committee recommends that the FY 21-22 audit be expanded in scope to include enhanced review of internal controls.

Management Response:

Management concurs that the scope of the independent audit engagement did not constitute a "comprehensive forensic audit," nor is this typically the scope of an annual audit of financial statements.

Should the Board choose to undertake an audit that goes beyond the standard audit procedures for review of financial statements for compliance with GAAP/GAASB and Generally-Accepted Audit Standards, this should be discussed with the external auditor. Additional audit scope would likely require a separate engagement (and cost) from the specific scope of the annual financial statement audit, for which the District has entered into a multi-year, fixed-price contract.

2. Management corrected prior years of capitalization for items considered to be maintenance and repairs. However, the FY 2019-2020 and 2020-21 ACFRs are inconsistent.
 - a. For the Utility Fund, this is estimated to be \$181,882 (see Comments and Concerns #2 and Section 3.1)
 - b. For Community Services the amount is estimated to be \$1,171,606 (see Concern 11, Section 3.3, and Appendix D). These were for preliminary stage activities which include conceptual formulation and evaluation of alternatives, determination of future needs, feasibility studies and development of financing alternatives, temporary repairs for the Burnt Cedar pool and temporary repairs at the Mountain Golf Course Clubhouse.
 - c. Similar costs were expensed for 2019-2020 (as a prior period adjustment - Note 22 of CAFR) for the Parks Master Plan (\$212,044) and the Incline Village Ballfield (\$77,216). In FY 2020-2021 similar costs of \$3,100,110 for the Effluent Pipeline were charged off as a prior period adjustment. This highlights the inconsistency of the financial statements.

The Audit Committee recommends a prior period adjustment to expense items 2a & 2b for consistency and accuracy of our financial statements.

Management Response:

All FY2020/21 capital and construction-in-process items were reviewed by management and the auditor and concluded that capitalization was appropriate.

3. Contained in the initial draft of the ACFR, the Auditor had identified an additional \$866,503.70 of charge off to expenses items for items capitalized in past CAFRs. After review by Management, some items were removed including levee and roadway repairs at the wetlands, spot paving at various recreational venues, sewer line repairs and roof repairs which, as noted in #2 above, had been determined to be expense items rather than capital.

Additionally, equipment items were grouped together to meet the capitalization threshold while Board Practice 2.9 states “**In no case will the District establish a capitalization threshold of less than \$5,000 for any individual item.**”. The Audit Committee Chair reviewed this with the Auditor, after the financial report was complete, and she concurred that the Board Practice is clear and not open to interpretation. In addition, an Audit Committee member reviewed with Melissa Crosthwaite, District Legal Counsel, who also concurred the statement is clear. (see Concern 8 and Section 3.2)

The Audit Committee recommends a prior year adjustment to expense these items for compliance with Board Practice and consistency and accuracy of our financial statements.

Management Response:

As discussed with the Audit Committee, and supported by the Auditor, at issue are items that the Auditor had identified as potential write-offs, based on their review of Board Policy and GAAP/GASB guidelines. The reversals of items initially written-off were all reviewed with the Auditor and were only reversed upon concurrence of the Auditor.

Moreover, management believes that the review of capital assets and subsequent write-offs to be consistent with Board Policy 9.1 and Board Practice 9.2. At the same time, given the identified need to clarify aspects of the capitalization policy, these have been largely addressed in the updated capitalization policy approved by the Board in January.

Staff notes that in following up with both the external auditor and the District’s legal counsel, the comments attributed to both in this Audit Committee recommendation

are taken out of context and should not be viewed as concurrence with the Audit Committee's position.

4. Beginning in FY 2018-2019 investment income was credited to the General Fund instead of other funds which had cash deposits at LGIP. This caused the General Fund's opening balance in the FY 2020-21 ACFR to be overstated by approximately \$492K (over a 10% overstatement). This has not been corrected.

The new process management has chosen to implement is allocating investment income not by the fund with cash invested at LGIP, but based on total cash equivalents by fund.

The Audit Committee recommends a prior period adjustment removing investment income credited to the General Fund and included in the fund balances for the fund(s) which had cash invested at LGIP, as it had historically been done, prior to FY 2018-2019.

Additionally, the committee recommends the approach for distribution of investment income be based solely on cash invested by fund or to have separate LGIP accounts by fund, like the Utility Fund, to avoid any confusion.

Management Response:

The accounting for investment income has been modified beginning with the 2021/22 (current) fiscal year. This change in methodology is consistent with best management practices and, staff believes, is more closely aligned with the implied goal of the Audit Committee's recommendation.

Staff does not concur with the Audit Committee's recommendation to record prior period adjustments related to past practice of allocating investment earnings.

Simply stated, the District's past practice was to record and track investments in LGIP and the District's investment portfolio "by fund." Accordingly, individual funds were credited with investment earnings based on the interest received by investments held by each individual fund. Under this approach, the General Fund was historically credited with interest earnings from pooled cash within the District's governmental funds.

Beginning July 1, 2021, management modified the methodology for allocating investment earnings. Consistent with best management practices, all available cash on hand is pooled for investment purposes. Individual investments are not recorded, or tracked, by fund, but rather investments are managed under a pooled portfolio, with interest earnings allocated to each of the District's individual funds based on each fund's proportional share of cash balances available for investment.

5. For ease of transparency, and to align with best practices, **the Audit Committee recommends the Capital Improvement budget contain only project costs that are to be capitalized. The Audit Committee recommends that projects or project elements related to preliminary stage activities, repair and maintenance items are separated and included in operating expenses. A separate line item in the Statement of Income, Revenue and Expenses and Change in Net Position for preliminary stage activities, repairs and maintenance is recommended for all funds.** This will allow for cross referencing the expense items budgeted within Services and Supplies.

Management Response:

Management does not concur with the full extent of this recommendation, and this issue warrants Board discussion.

Management concurs, and has implemented, budgeting and accounting practice of reflecting all capital maintenance expenses as operating costs within the District's budget and financial statements. Specifically, items to be capitalized are budgeted as capital outlay within the District's budget, and items that are deemed capital maintenance and repairs (or otherwise do not meet the District's capitalization criteria) are budgeted and accounted for within each fund's operating budget.

However, the presentation of these items within the District's overall multi-year capital plan is not only consistent with current Board Policy 13.1/ Practice 13.2, but also assists in identifying individual projects, with varying levels of funding requirements, all related to the maintenance and replacement of the districts, facilities, infrastructure, and assets.

Notwithstanding, management is developing improved presentation and reporting of the different elements contained in the capital plan for improved transparency and ease of understanding.

Lastly, management does not concur with the recommendation to reflect all of the maintenance and repair items in a separate line item within the District's financial statements (specifically, Statement of Income, Expense and Change in Net Position). While these items are presently reflected in a single account object code (7505) within the budget and general ledgers, these items are more appropriately reflected in the account codes appropriate for the "type" of expenditure (example: computer equipment, professional services, etc.). Moreover, establishing a separate line item within the District's formal financial statements, as recommended by the Audit Committee, is contrary to GAAP/GASP requirements for these type of expenditures.

(Note: In the context of this discussion, it is important to clarify that, with the transition to Enterprise Fund accounting for the District's Community Services and Beach funds, there is no longer any formal distinction between utility and venue "operating budgets" and "capital budgets." All of the revenues and expenditures for each fund are reflected in a single fund (or sub-fund) budget that includes operating, capital and debt line items).

III. ALTERNATIVES

This report recommends that the Board of Trustees consider management's response to each of the Audit Committee's Annual Report recommendations prior to considering formal Board action.

As an alternative to considering each recommendation individually prior to any Board action, the Board could consider:

- 1) Accepting all of the recommendations in the Audit Committee's Annual Report, as recommended by the Audit Committee, or
- 2) Take no action on the recommendations contained within the report, and consider receiving the report and directing the Audit Committee to return to the Board of Trustees with a specific recommendation related to scope and cost of additional audit work to expand the external auditor's review of the District's internal controls.