



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2014

PREPARED BY: DEPARTMENT OF FINANCE & ACCOUNTING



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

GREETINGS!

The following pages comprise the Incline Village General Improvement District (IVGID) Comprehensive Annual Financial Report (CAFR) for the Fiscal Year ended June 30, 2014. Our financial records support what is further proof of a financially sustainable government model, which IVGID offers the communities of Incline Village and Crystal Bay.

IVGID's financial condition continues to be the envy of public agencies across Nevada with our ever increasing net position, readily available cash, low debt ratio and no unfunded pension and medical liabilities.



Over the past five years:

- Our cash position has remained stable while our net investment in capital assets has increased by over 25% from \$80.2 million to \$101.2 million.
- Our annual expenses have increased cumulatively by less than 5%, or on average, less than one percent per year.
- Our utility revenues have increased by 30% to ensure adequate cash flow to not only fund annual operations but to also fund future capital improvement needs.
- Our user fee revenues have been relatively stable despite recessionary pressures and less than favorable weather conditions during most of the period.
- Our governmental revenues (property tax and combined taxes) are no longer subject to litigation refunds and have shown a steady increase over the entire period.
- Our bonded indebtedness has dropped from \$2,374 to \$1,536 per capita.
- Our recreation fee cost to the property owners has remained flat over the entire period.

Current Conditions:

- Our unrestricted net position of \$20.2 million is nearly 45% greater than our total outstanding indebtedness of \$14.0 million
- Since 2008, our outstanding indebtedness has dropped from \$27.2 million to \$14.0 million.
- Our outstanding indebtedness is only 2% of our statutory debt capacity.
- Our ratio of debt service to total expenditures has dropped to 10%.

Conclusion

Despite this track record of exceptional financial performance, we refuse to rest on our laurels and we will continue to endeavor to provide quality service to all of our customers at the lowest cost possible. In addition, we will continue to excel in financial and capital planning in the most transparent, inclusive manner possible.

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

Steven J. Pinkerton
General Manager

TABLE OF CONTENTS



COMPREHENSIVE FINANCIAL REPORT FISCAL YEAR ENDED JUNE 30, 2014

INTRODUCTORY SECTION

Letter of Transmittal.....	1
List of Elected Officials	6
Organization Chart	6
GFOA Certificate of Achievement FYE June 30, 2013.....	7

FINANCIAL SECTION

Independent Auditors Report	8
Management Discussion and Analysis	11

BASIC FINANCIAL STATEMENTS

Statement of Net Position.....	20
Statement of Activities.....	21
Governmental Funds Balance Sheet	22
Governmental Funds Statement of Revenues & Expenditures by Function and Changes in Fund Balance.....	23
General Fund - Statement of Revenues & Expenditures and Changes in Fund Balance - Budget to Actual.....	24
Proprietary Funds Statement of Net Position	25
Proprietary Funds Statement of Revenues, Expenses and Changes in Net Position.....	26
Proprietary Funds Statement of Cash Flows	27
Footnotes.....	29

SUPPLEMENTARY INFORMATION

Combining Fund Financial Statements and Other Schedules	
Combining Internal Service Fund Statement of Net Position.....	47
Combining Internal Service Fund Statement of Changes in Net Position	48
Combining Internal Service Fund Statement of Cash Flows.....	49
Schedules of Revenues and Expenses/Expenditures - Budgetary Basis	
General Fund.....	50
Utility Fund	51
Community Services Fund	52
Beach Fund	53
Internal Services (Fleet, Engineering and Buildings, and Workers Compensation).....	54
Schedules of Cash Flows-Budgetary Basis	
Utility Fund	51
Community Services Fund	52
Beach Fund	53
Internal Services (Fleet, Engineering and Buildings, and Workers Compensation).....	54

TABLE OF CONTENTS



COMPREHENSIVE FINANCIAL REPORT FISCAL YEAR ENDED JUNE 30, 2014

STATISTICAL SECTION (UNAUDITED)

Net Position (by Activity Type).....	57
Changes in Net Position and Related Items.....	58
Fund Balances of Governmental Funds.....	59
Changes in Fund Balances of Governmental Funds.....	60
Assessed and Estimated Actual Value of Taxable Property.....	61
Direct and Overlapping Tax Districts.....	62
Principal Property Taxpayers.....	63
Tax Levies, Collections and Delinquencies—Washoe County as a whole.....	64
Ratios of Outstanding Debt by Type.....	65
Outstanding Overlapping General Obligation Indebtedness.....	66
Utility Fund Net Pledged Revenues.....	67
Community Services and Beach Fund Net Pledged Revenues.....	68
Ratio of Annual Debt Service Expenditures to Governmental and Business Type Expenditures/Expenses.....	69
Statutory Debt Limitation.....	70
Demographic Statistics.....	71
Principal Employers.....	72
Position and Full Time Equivalent Personnel Summary.....	73
User Statistics.....	74
Facility Fees per parcel.....	75
Water and Sewer Single Family Base Rates.....	76
Water Sold by Customer Type.....	77

COMPLIANCE SECTION

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.....	78
Auditor’s Comments.....	80



INTRODUCTION





November 5, 2014

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

The Incline Village General Improvement District (the District) submits to you our Comprehensive Annual Financial Report (the Report) for the year ended June 30, 2014. The Finance Department publishes the Report to provide financial and general information about the District to members of the Incline Village/Crystal Bay community, customers, investment community, and general public. The data presented is designed to help the readers assess the financial condition of the District and to understand the services that the District provides to the Incline Village/Crystal Bay community. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive framework of internal control. Since the cost of internal control should not exceed the anticipated benefits, the objective is to provide reasonable assurance, rather than absolute assurance, that the financial statements are free of any material misstatements

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

The District's financial statements are audited by Kafoury, Armstrong & Co. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended

June 30, 2014, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluate the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the District's financial statements for the fiscal year ended June 30, 2014, are fairly presented in conformity with GAAP. The unqualified Independent Auditors' Report appears in the Financial Section.

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

Profile of the District

The District was formed in 1961 in accordance with the State of Nevada's Revised Statutes, Chapter 318, pertaining to General Improvement District Law as a body corporate and public and a quasi-municipal corporation in the State of Nevada. The District is located on the northeast corner of Lake Tahoe, in the Sierra Nevada Mountains, and occupies a land area of approximately 15.36 square miles and serves a base population of approximately 9,000 residents. The District provides, in accordance with the enabling legislation, water, waste water, and solid waste services within its boundaries as well as various recreational amenities including downhill skiing, two golf courses, a multi-use recreation center, tennis facilities, meeting facilities, parks, recreation programs, beaches, playgrounds and other recreation-related facilities. The District serves approximately 4,200 water/sewer customers, accommodates over 100,000 skiers, 35,000 golfers, and 150,000 beach users, and oversees a variety of other activities including over 125,000 visits to the Recreation Center annually.

IVGID’s Vision Statement

With passion for quality of life and our environment, we will maintain the reputation of our community as an excellent place to live, work, recreate, visit, and invest.

IVGID’s Mission Statement

Incline Village General Improvement District is a fiscally responsible community partner which provides superior utility services and community oriented recreation programs and facilities with passion for the quality of life and our environment while investing in the Tahoe basin.

IVGID’s Value Statement

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

IVGID’s Mantra Statement

One District • One Team

IVGID’s Long Range Principles

In 2012 the District adopted its Long Range Principles. Under the direction of the Board of Trustees and the leadership of the District General Manager, the Principles focus on a best use of public funds to allocate valuable District resources to all enterprise operations and internal services in the future.

RESOURCES AND ENVIRONMENT - Considering the best use of public funds and community assets, the District will continue to promote and enhance the resources, environment, and quality of life of the communities of Incline Village and Crystal Bay and the Lake Tahoe Basin by:

- Promoting and maintaining water conservation, watershed protection and water rights allocations
- Promoting and maintain awareness and effectiveness of recycling and waste issues
- Protecting and maintaining District lands for the community through programs and projects.

FINANCE – Considering the best use of public funds and the use of community’s assets to continue to ensure the fiscal responsibility and sustainability of the District by maintaining sound effective financial policies for operation budgets, revenue and expenditures, fund balances, capital improvement, investments and risk management by:

- Adhering to Government Generally Accepted Accounting Principles
- Participate in industry/professional organizations
- Be compliant with State and Federal regulations

WORKFORCE – The District will attract, maintain and retain a highly qualified, motivated and productive workforce considering the best use of public funds and the requirements of the community’s assets:

- When position openings occur, Staff will evaluate job descriptions, need to fill, level of and related compensation of the position
- Re-evaluate, annually, during the budget process the optimum level of Staff and related total compensation, necessary to each department as it relates to industry standard and levels of service.

SERVICES – The District will provide high quality service to all its customers considering the bust use of public funds and its assets by:

- Maintaining Customer Service Retention Training for new, returning and existing employees across all venues
- Committing to evaluate Customer Loyalty/Satisfaction

FACILITIES – Maintaining and enhancing the District’s infrastructure/facilities, to provide superior long term utility services and recreation activities in accordance with Government regulations.

COMMUNICATION – Considering the best use of public funds and the requirements of the District assets, the District will engage and educate to promote understanding of the programs, activities, services, business and ongoing affairs.



District Management

A five-person elected Board of Trustees, with 4-year terms, governs the District. Every other year, two or three of the trustee terms expire and are up for election. At the end of December 2014, two of the five trustee terms are up. Upon being elected, the trustees assume office on January 1 or the first board meeting of the new year. The District has benefited from stability of leadership and experience. The Senior Management Team, led by District General Manager Steven J. Pinkerton, who assumed that position in April 2014. The District has made a commitment to quality services, expanding services, and continues to upgrade and maintain the aging infrastructure. The District has made many capital investments out of current resources, along with paying off bonds utilized to finance improvements since 2001. The Facility Fee, which is charged by parcel, is a major source for both capital expenditure and debt service for the Community Services Fund. The Utility Fund has been increasing its rates for several years in anticipation of a major improvement to the effluent export pipeline that is several years away from construction.

The District adheres to the Local Government Budget Act incorporated within Nevada Revised Statutes, which includes the following major procedures to establish the budgetary data reflected in these financial statements. On or before April 15, 2013, the Board of Trustees filed a tentative budget with the Nevada Department of Taxation. Public hearings on the tentative budget were held on the third Thursday in May. On or before June 1, 2013, at a public hearing, the Board adopted a final budget for the year ended June 30, 2014. The budget was filed with the Nevada Department of Taxation.

Budgets are adopted on a basis consistent with GAAP for all funds. Formal budgetary integration in the financial records is employed to enhance management control during the year for all funds requiring budgets. Budgets are adopted for all governmental and proprietary fund types. The governmental fund type budgets are adopted on a modified accrual basis and the proprietary funds type budgets are adopted on an accrual basis. The District can amend or augment the budget after following state statutes and public hearing procedures.

District Financial Initiatives and Accomplishments

The Board of Trustees establishes policy and direction. Within the framework of the Long Range Principles and that direction, management develops initiatives for each budget year. For the year ending June 30, 2014 emphasis was placed on Workforce, Facilities and Communication.

Utility Rates to Support Infrastructure The District has identified approximately 6 miles of effluent pipeline for replacement over a series of years. This replacement will be paid for by rate increases rather than debt. Sewer Rates have been getting increased for several years to accumulate more resources for this project. Water rates have been getting adjusted to move from a base minimum number of gallons to a strictly pay for what you use. Over the last few years that minimum has dropped from 4,000 gallons to the current usage based billing. The rate increase went into effect in July 2013. Results of the Utility operations exceed budget and the amounts intended to be accumulated in this year, for this future project, have been invested.

Hold the combined Recreation and Beach Facility Fee at \$830 The fiscal year 2013-14 marks the fourth year in which the combined fee was held to \$830. The fee revenue was realized as planned.

Minimize the year to year changes in the Facility Fee caused by capital expenditures Fiscal year 2013-14 also marks the fourth year for what has become known as “smoothing”. This is an initiative used during development of the 5 year capital plan, to schedule projects in a way to provide reasonably level amounts for capital expenditure thus leading to not changing the Facility Fees from year to year. The Recreation and Beach Facility Fee is intended to generate resources for operations, debt service and capital expenditures. The debt service and capital expenditure components are budgeted based on specific issues and projects. For several years, including 2013-14 the District included a provision to build reserves for the Community Services Fund, which in turn helps develop working capital to support general operations. The amounts for 2013-14 were budgeted at \$400,575 to bring the total to approximately \$2,600,000. Results of operations for the Community Services Fund were slightly under budget, however the reserve was funded and stands at \$2,679,925 and is a part of investments.

Workforce and Personnel The job description and classification for each position is considered during the budget process. During 2013-14, the District expected to incur additional costs for implementing the Affordable Health Care Act. With the deferral of those requirements, the costs were not incurred. However, the District began a close monitoring of the seasonal positions that could be legible under the 1560 hour rule.

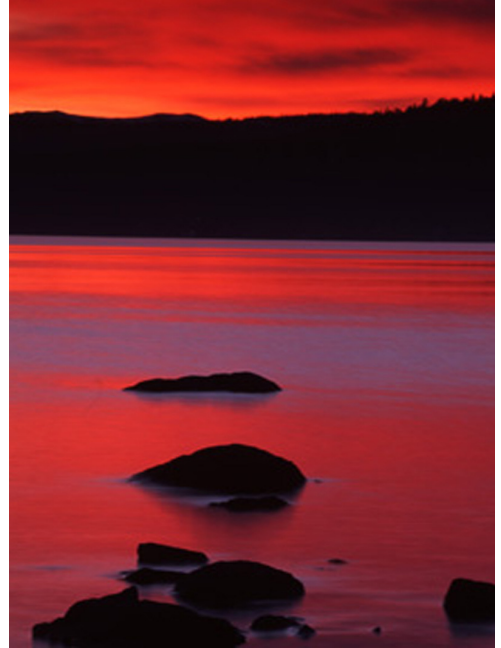
Factors Affecting Financial Condition

Located on the northeast shore of Lake Tahoe, Nevada near the California border in Washoe County, the District's economy is largely dependent on tourism, centered on summer and winter recreational activities. Due to its location, the region's economy is closely tied to the California/San Francisco Bay Area economy. The Reno-Sparks Convention & Visitors Authority report at June 2014 indicates the combined room occupancy rate is 71.8%, down 0.7% from last year, as well as a decrease in the number of available rooms.

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

Located in Incline Village, Sierra Nevada College (SNC) is Nevada's only private residential four-year liberal arts college which serves the community at large and those looking for a unique educational experience. The college has forged a unique partnership with Tahoe Center for Environmental Sciences (TCES). This partnership, between public and private institutions of higher education in two states, includes Sierra Nevada College, the University of California, Davis (UC Davis), the Desert Research Institute (DRI) and the University of Nevada, Reno (UNR).

The 2010 census population of 9,087 reflects an 8% decrease since 2000. Of the District's 7,954 housing units, the Census reports 3,353 for seasonal recreation use. This is 14% more than the number in 2000. There is no indication of a change in these factors as of 2014. The median housing value at June 30, 2014 for single family residence and condo sales for Incline Village and Crystal Bay are \$816,500 and \$425,000, representing a 30.5% decrease on residence and a 2.4% increase on condos over last year. For the entire Washoe County the values were \$255,000 and \$129,000 respectively. Values in Incline Village and Crystal Bay tend to be more than the general County because of a strong demand by California buyers looking for a preferred tax address in the Tahoe Basin.



The Reno-Sparks June 2014 unemployment rate of 7.3% and is lightly under the State at 7.7% and is above the national level at 6.1%.

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

The 2004 Legislature passed Assembly Bill 489 to provide property tax relief which provides a partial abatement of taxes by applying a 3% cap on the tax bill of the owner's primary residence and a higher cap on the tax bill of other properties beginning with the 2005/2006 tax roll in Washoe County.

Beginning in 2010, the District has had a portion of its property tax settlements offset to settle a court ordered tax refund by Washoe County. The General Fund was able to meet this obligation while maintaining service levels. Though budgeted for 2013-14, the refund was completed in the prior year. Over the course of four years the total offset was approximately \$1,200,000.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Incline Village General Improvement District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2013. This was the fourteenth year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.



Acknowledgments

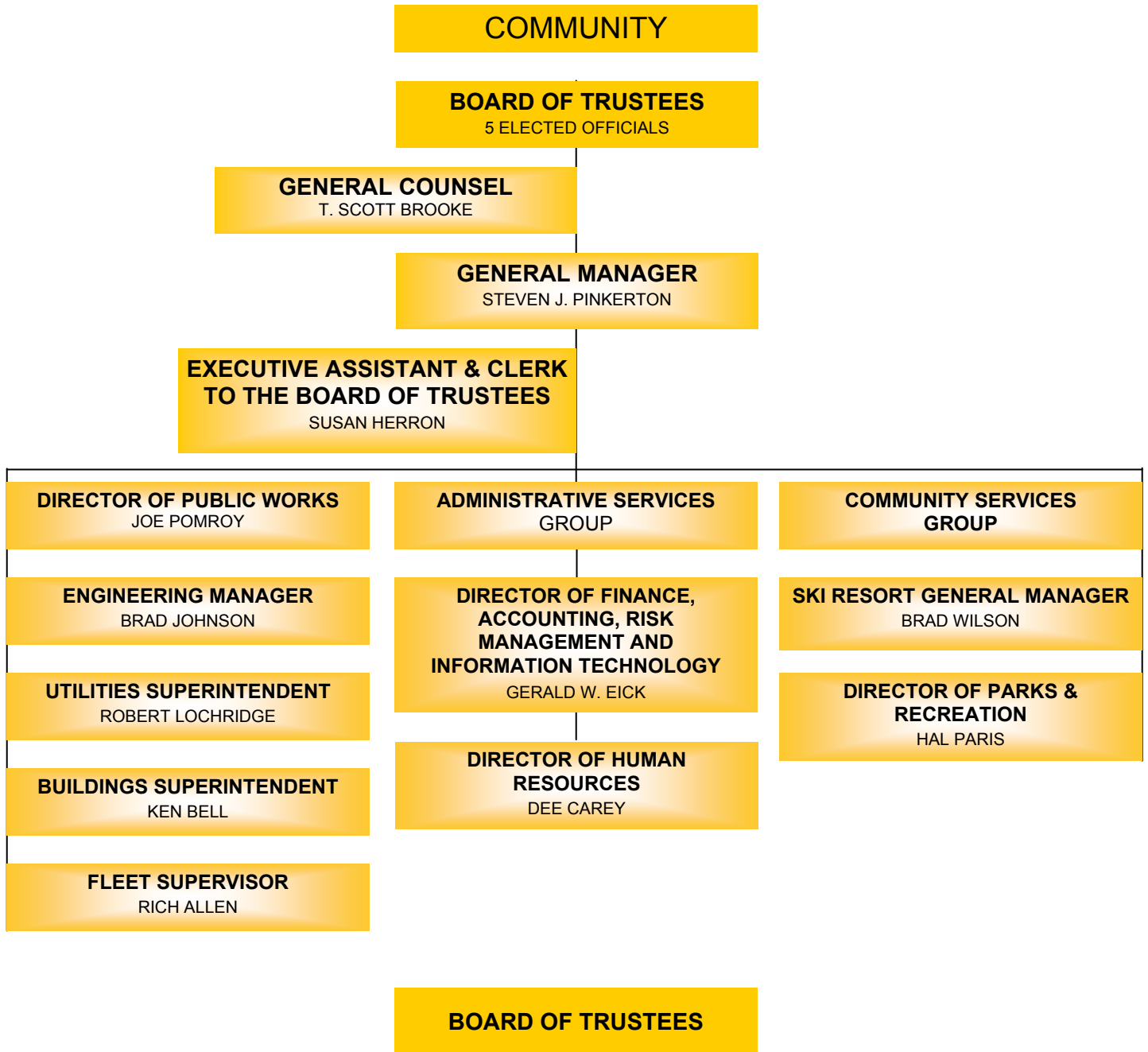
The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the accounting department and the District's venues. We wish to express our appreciation to all staff assisting with the preparation of this report. Credit also must be given to the Board of Trustees for their unfailing support of maintaining the highest standard of professionalism in the management of Incline Village General Improvement District.

Steven J. Pinkerton
General Manager

Gerald W. Eick, CPA CGMA
Director of Finance, Accounting, Risk Management
and Information Technology

ORGANIZATION CHART

JUNE 2014



BRUCE SIMONIAN
TRUSTEE
TERM EXP: 12/2014

JOSEPH WOLFE
TRUSTEE/CHAIRMAN
TERM EXP: 12/2014

BILL DEVINE
TRUSTEE/TREASURER
TERM EXP: 12/2016

JIM SMITH
TRUSTEE/SECRETARY
TERM EXP: 12/2016

JIM HAMMEREL
TRUSTEE/VICE CHAIRMAN
TERM EXP: 12/2016

ACHIEVEMENT



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

**Incline Village
General Improvement District
Nevada**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO

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

IVGID received the Certificate of Achievement of Excellence in Financial Reporting for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2013

**NATIONAL
AWARD**

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



INCLINE VILLAGE
GENERAL IMPROVEMENT DISTRICT

FINANCIALS





Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Incline Village General Improvement District, (the "District") as of and for the year ended June 30, 2014, and the notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Incline Village General Improvement District, as of June 30, 2014, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on page 11 through 20, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The combining and individual nonmajor fund financial statements and other schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and other schedules and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2014 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered the District's internal control over financial reporting and compliance.

Kapoury, Armstrong & Co.

Fallon, Nevada
November 5, 2014

**Incline Village General Improvement District
Management's Discussion and Analysis (unaudited)
For the Fiscal Year ended June 30, 2014**

As management of the Incline Village General Improvement District (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the Incline Village General Improvement District for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, financial statements, and notes to the financial statements to gain a more complete picture of the information presented.

Financial Highlights

Weather continues to play a key role in financial performance of the District. The ski venue survived an irregular winter and managed to have a degree of success. A good spring in 2014 allowed the golf season to finish well for the fiscal year. Overall the District still maintains a healthy financial condition. The District continues to meet its financial obligations and provide services to the community at large. Maintaining infrastructure, at our venues, continues to be a high priority. The Utility Fund continues to build resources for a future Effluent Pipeline Project.

Financial Highlights:

- The assets of the District exceeded its liabilities, at the close of the most recent fiscal year, by \$122 million (net position). Of this amount, \$20 million (unrestricted net position) may be used to meet the District's ongoing obligations.
- The District's net position increased \$4.3 million. A significant portion \$3.8 million from Business-type activities is to provide resources for additional future capital projects and to build working capital.
- The General Fund's ending fund balance increased to \$1,391,021. Factors were a budgeted Washoe County Tax Refund that was not necessary, a much later start for our new General Manager and less legal expenses than planned related to litigation with one citizen.
- The governmental depreciation of \$78,078 is generally for the District Information Technology equipment.
- The District retired over \$2.2 million in bond principal during the year.

Overview of the Financial Statements

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

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

This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements are designed to provide readers with a broad overview of the District finances in a manner similar to a private-sector business.

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

**Incline Village General Improvement District
Management's Discussion and Analysis (unaudited)
For the Fiscal Year ended June 30, 2014
(Continued)**

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

Both of the government-wide financial statements (*Net Position* and *Statement of Activities*) distinguishes functions of the District that are principally supported by taxes and intergovernmental revenue (*governmental activities*) from other functions that are intended to recover all or a significant portion of their cost(s) through user fees and charges (*business-type activities*). The governmental activity of the District includes the General Fund activities. The business-type activities of the District includes utilities and recreational activities that reflect enterprise operations where a fee for service typically funds all or most of the costs of operations including depreciation and debt service, as well as internal services and worker's compensation.

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

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

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

The District adopts an annual budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

Proprietary funds. The District operates two types of proprietary funds. *Enterprise funds* are used to report the same functions presented in business-type activities in the government-wide statements. The District uses enterprise funds to account for its Utility Fund, Community Services and Beach activities. *Internal Service funds* are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses an internal service fund to account for its fleet of vehicles, buildings maintenance, and engineering functions. The District has an internal services fund for the Workers Compensation function. Each department pays for coverage based on its payroll costs. However the Workers Compensation Fund serves the entire District rather than allocation by department. All Internal Service Funds are classified as business-type activities since the proprietary funds are the primary users of the services.

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

Other Information: In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning the District. There are combining statements for the Internal Service Funds. There are individual fund schedules, providing budget to actual comparisons. These schedules indicate compliance with budgetary constraints and management directives to enhance accountability at the fund and function level. The State of Nevada Department of Taxation Local Government Division has a prescribed format for budget data. The supplementary information reports actual results according to that format. Statistical information is provided on a five or ten-year basis, as available, for trend and historical analysis. This information addresses a number of the major revenue sources of the District including the Recreation and Beach Facility Fee.

**Incline Village General Improvement District
Management's Discussion and Analysis (unaudited)
For the Fiscal Year ended June 30, 2014
(Continued)**

Governmental-wide Financial Analysis

Net position is a useful indicator of a government's financial position. The District's assets exceeded liabilities by \$121.9 million at June 30, 2014. The largest portion of net position (83%) reflects net investment in capital assets (e.g., land, buildings, equipment, construction in progress less accumulated depreciation and bonds that are still outstanding). The District uses these capital assets to provide services to citizens; therefore, they are not available for future spending. Although the investment in capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources since capital assets cannot be used to liquidate these liabilities.

Incline Village General Improvement District
Net Position

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Assets						
Current and Other assets	\$ 1,094,846	\$ 1,920,509	\$ 10,837,175	\$ 11,302,047	\$ 11,932,021	\$ 13,222,556
Long Term and Net capital assets	4,071,179	3,071,955	123,991,993	121,702,309	128,063,172	124,774,264
Total Assets	5,166,025	4,992,464	134,829,168	133,004,356	139,995,193	137,996,820
Liabilities						
Current liabilities	630,336	1,033,842	5,555,280	5,150,533	6,185,616	6,184,375
Long-term liabilities	-	-	11,918,884	14,208,720	11,918,884	14,208,720
Total Liabilities	630,336	1,033,842	17,474,164	19,359,253	18,104,500	20,393,095
Net Position						
Investment in capital assets	3,071,179	3,071,955	98,127,357	95,632,904	101,198,536	98,704,859
Restricted	-	-	471,789	495,310	471,789	495,310
Unrestricted	1,391,021	886,667	18,829,347	17,516,889	20,220,368	18,403,556
Total Net Position	\$ 4,462,200	\$ 3,958,622	\$ 117,428,493	\$ 113,645,103	\$ 121,890,693	\$ 117,603,725

Incline Village General Improvement District
Change in Net Position

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues						
Program Revenues:						
Charges for services	\$ -	\$ -	\$ 28,798,035	\$ 28,291,326	\$ 28,798,035	\$ 28,291,326
Operating grants	-	-	109,131	97,123	109,131	97,123
Capital grants and contributions	-	-	461,587	3,151,123	461,587	3,151,123
General Revenues:						
Ad valorem tax	1,293,676	1,307,715	-	-	1,293,676	1,307,715
Consolidated tax	1,277,567	1,205,091	-	-	1,277,567	1,205,091
Unrestricted investment earnings	43,959	30,618	120,154	113,164	164,113	143,782
Other	16,526	62,854	157,290	74,066	173,816	136,920
Total Revenues	2,631,728	2,606,278	29,646,197	31,726,802	32,277,925	34,333,080
Expenses						
General Government	2,128,147	1,985,103	-	-	2,128,147	1,985,103
Utility	-	-	9,222,798	8,580,345	9,222,798	8,580,345
Community Services	-	-	15,264,284	14,899,527	15,264,284	14,899,527
Beach	-	-	1,375,724	1,158,071	1,375,724	1,158,071
Total Expenses	2,128,147	1,985,103	25,862,806	24,637,943	27,990,953	26,623,046
Changes in Net Position	503,581	621,175	3,783,391	7,088,859	4,286,972	7,710,034
Beginning Net Position	3,958,619	3,337,444	113,645,102	106,556,244	117,603,721	109,893,688
Ending Net Position	\$ 4,462,200	\$ 3,958,619	\$ 117,428,493	\$ 113,645,103	\$ 121,890,693	\$ 117,603,722

**Incline Village General Improvement District
Management's Discussion and Analysis (unaudited)
For the Fiscal Year ended June 30, 2014
(Continued)**

Governmental activities increased the Districts' net position by \$503,581. This increase was partially attributed to a \$220,000 budgeted Washoe County Tax Refund expense that was not incurred having been completed in the prior year and over \$100,000 saved by not having our new General Manager start until April 2014. The District had \$35,000 less legal expenses related to litigation with one citizen. However, since 2011, the District has incurred over \$175,000 in costs relative to that citizen's complaints. All functions except Information Service and Capital Outlay experienced saving to budget. The other two exceeded budget as a result of investments in equipment to upgrade service capacities over what was planned.

Total governmental activity revenue overall increased year-on-year. Sales and consolidated taxes, mostly comprised of business and vehicle tax, increased year-on-year. These combined taxes come through an allocation of state-wide collections. Ad valorem taxes saw a decrease. During 2005, the Nevada Legislature passed a law to provide property tax relief (Assembly Bill 489) which provided a partial abatement of taxes by applying a 3% cap on the tax bill of the owner's primary residence and a higher cap on other properties beginning with the 2005/2006 tax roll in Washoe County. In prior years the assessed values have been capped. Effective 2009 the County reduced all valuations County-wide by 15% to reflect a change in market conditions. Investment earnings increased as a result in better short term rates of return.

Incline Village General Improvement District Governmental Activities Revenues

	2014		2013	
Property taxes	\$1,293,676	49%	\$1,307,715	50%
Combined taxes	1,277,567	49%	1,205,091	46%
Unrestricted investment earnings	43,959	2%	30,618	1%
Miscellaneous revenues	16,526	1%	62,854	2%
Total general revenues	\$2,631,728	100%	\$2,606,278	100%

Total governmental activities include the General Fund. Expenditures in the General Fund increased year on year. Actual costs for the General Manager were actually down, because we had only an interim General Manager for 4 months. The greatest increase was in the function for Information Technology that was driven by capital and small equipment purchases. The governmental activities expenses by functional area include the Central Services Cost Allocation. The General Fund sole function is to provide administrative support to the District's proprietary funds.

Incline Village General Improvement District Functional Expenditures

	2014	2013
Manager	\$ 335,091	\$ 370,808
Trustees	176,027	130,499
Accounting	852,341	807,550
Information Services	755,732	615,142
Risk Management	34,014	42,305
Human Resources	458,034	429,813
Health & Wellness	30,716	31,938
Community & Employee Relations	44,315	36,279
Administration	425,248	442,727
Capital Outlay	84,849	78,239
Central Services Cost Allocation	(1,068,996)	(1,000,200)
Total Expenses	2,127,371	1,985,100

**Incline Village General Improvement District
Management’s Discussion and Analysis (unaudited)
For the Fiscal Year ended June 30, 2014
(Continued)**

Business-type activities: Business-type activities increased their net position by \$3,783,391. This is substantially less than the prior year that included over \$3,100,000 in capital grants. The increase breaks out as follows: Utility fund increased \$1,729,609, Community Services increased \$1,574,641, the Beach Fund decreased \$441,705 and Internal Services increased by \$37,436. These are significant factors contributing to this net change:

- Utility Fund increase in net position is attributable to revenue increases to accumulate resources for a future capital project. The target increase for this fiscal year is \$2,000,000.
- Community Services collecting Recreation Fee revenues to facilitate capital expenditures and debt reduction. Capital expenditures approximated depreciation expense. While principal reduction on bonds was \$1,460,782.
- The Beaches continue to collect more guest fees than budget.
- Internal services are expected to break even from charges versus cost, most of the increase came from investment of Worker’s Compensation investments.

The facility fee, assessed on parcel owners, is the most stable of the revenue streams for the District. The facility fee is assessed by the District for beach and recreational privileges and is collected by Washoe County Assessor’s office through the real property quarterly billing process. For 2013-14, the District assessed \$6,741,550 in facility fees.

IVGID Facility Fees				
Fiscal Year	Beach Only	Community Services	Total Assessed Recreation Fee	
2013-14	\$ 100	\$ 730	\$ 6,741,550	
2012-13	100	730	6,802,140	
2011-12	115	715	6,795,470	
2010-11	100	730	6,802,740	
2009-10	113	623	6,007,105	

Financial Analysis of the Funds

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

Governmental Funds: The focus of the District’s governmental funds is to provide information on current inflows, outflows, and balances of resources. Such information is useful in assessing the District’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year. At the end of the fiscal year, the District’s General Fund balance increased to \$1,391,021, with \$400,000 committed to Community Services.

General Fund Budgetary Highlight

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

General Fund functional expenditures performed better to budget by \$437,929. Savings occurred mainly in the General Manager wage and benefits, professional fees and the Washoe County Refund repayment.

General Fund actual expense has increased by \$143,047 over the prior year, primarily in Information Technology. Much of this related to an added programmer and equipment purchases.

**Incline Village General Improvement District
Management's Discussion and Analysis (unaudited)
For the Fiscal Year ended June 30, 2014
(Continued)**

Proprietary funds: The District's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail by fund. The District's proprietary funds consist of Utilities, Community Services, Beach and Internal Services. Overall, business-type activities net assets increased \$3,783,391 for the year.

Utilities increased rates about 6% to facilitate building resources for the effluent pipeline. Community Services saw a decrease in revenue as a result of poor winter conditions that resulted in ski revenue about 1 million under budget. The Beach continued to see strong visitor utilization fees. Internal Services saw a better balance of charges and costs following the prior year transition from self-insured Worker's Compensation that caused a recovery of actuarial reserves. There was two smaller utility projects that were grant eligible versus the prior year that included major creek restoration.

Expenses for these funds increased about \$1.6 million. About \$330,000 was for wages and benefits including health insurance increases. The year also had about \$300,000 increase in services and supplies mainly for maintenance and equipment. \$370,000 was increases in insurance for purchase coverage versus prior self-insured claims as a part of benefits. The last major component is an increase in utility costs of 197,000.

IVGID Proprietary Funds Revenue, Expense and Net Change

	2014	2013
<u>Proprietary Fund Revenues</u>		
Utilities	\$ 10,434,118	\$ 9,767,475
Community Services	16,658,736	16,862,682
Beach	1,813,337	1,755,342
Internal Services	2,280,296	2,045,412
Total	<u>31,186,487</u>	<u>30,430,911</u>
<u>Proprietary Fund Expenses</u>		
Utilities	9,029,675	8,480,954
Community Services	15,036,116	14,704,572
Beach	1,363,778	1,144,073
Internal Services	2,267,111	1,792,260
Total	<u>27,696,680</u>	<u>26,121,859</u>
Net non-operating items	(168,003)	(371,316)
Capital Grants	461,587	3,151,123
Net Change	<u>\$ 3,783,391</u>	<u>\$ 7,088,859</u>

**Incline Village General Improvement District
Management's Discussion and Analysis (unaudited)
For the Fiscal Year ended June 30, 2014
(Continued)**

Capital Asset and Debt Administration

Capital Assets: The Incline Village General Improvement District's investment in capital assets for its governmental and business-type activities, as of June 30, 2014 amounts to \$115,357,696 (net of accumulated depreciation). Net investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, and recreation facilities. Readers desiring more information, with respect to capital asset activity, should see footnote 4 to the financial statements.

Incline Village General Improvement District Capital Assets
(net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 2,658,030	\$ 2,658,030	\$ 19,932,544	\$ 19,778,855	\$ 22,590,574	\$ 22,436,885
Construction in Progress	27,548	28,655	2,618,274	6,448,071	2,645,822	6,476,726
Buildings and Improvements	826,677	826,677	-	-	826,677	826,677
Equipment and Vehicles	1,314,500	1,279,823	-	-	1,314,500	1,279,823
Internal services equipment furniture and fixtures	-	-	260,109	272,599	260,109	272,599
Utility service infrastructure	-	-	99,443,969	92,512,511	99,443,969	92,512,511
Utility buildings and improvements	-	-	10,869,234	10,869,235	10,869,234	10,869,235
Utility equipment, furniture and fixtures	-	-	3,161,023	3,089,051	3,161,023	3,089,051
Community services buildings and improvements	-	-	55,135,597	54,640,919	55,135,597	54,640,919
Community services equipment, furniture and fixtures	-	-	8,640,702	7,900,799	8,640,702	7,900,799
Beach buildings and improvements	-	-	4,104,087	4,033,817	4,104,087	4,033,817
Beach equipment, furniture and fixtures	-	-	235,921	251,586	235,921	251,586
Total Cost	4,826,755	4,793,185	204,401,460	199,797,443	209,228,215	204,590,628
Accumulated Depreciation	(1,755,576)	(1,721,230)	(92,114,943)	(87,787,984)	(93,870,519)	(89,509,214)
Capital Assets, Net	\$ 3,071,179	\$ 3,071,955	\$ 112,286,517	\$ 112,009,459	\$ 115,357,696	\$ 115,081,414

The major capital asset event during the fiscal year was the Burnt Cedar Water Disinfection Plant Upgrade and completion of another phase of the creek restoration project.

Long-term debt: At the end of the current fiscal year, the District had total bonded debt outstanding of \$14,047,943. Of that amount, \$11,953,395 comprises debt backed by the full faith and credit of the District. The actual source for repayment is service revenues. The remainder of the District debt, \$2,094,548 represents bonds secured solely by specified utility revenue sources.

Long-term liability activity for the year ended June 30, 2014 was as follows:

	Beginning Balance	New Issues	Principal Paid	Ending Balance
Business Type Activities:				
Bonds Payable;				
Recreation Revenue Supported	\$ 8,750,000	\$ -	\$ 1,724,000	\$ 7,026,000
Utility Revenue Supported	7,465,776	-	443,833	7,021,943
Total	\$ 16,215,776	\$ -	\$ 2,167,833	\$ 14,047,943

Readers desiring more information, with respect to the District's debt, should see footnote 6 to the financial statements.

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

The District holds a Moody's rating which was last determined to be Aa1 on our limited tax general obligation bonds.

**Incline Village General Improvement District
Management's Discussion and Analysis (unaudited)
For the Fiscal Year ended June 30, 2014
(Continued)**

Economic Factors and Next Year's Budgets and Rates

- This District's primary revenue sources are from service charges from the business-type activities. Weather impacts demand for golf and ski and, to a much smaller extent, water and sewer charges. The general economy and discretionary spending has been considered during the budget process. Anticipated user levels are revisited each year to assess anticipated service demands.
- Beginning with the 2009-10 fiscal year, the Utility Rate structure was evaluated by the Board one year at a time. For 2009-10 the Board decided on no increase in rates. This was applied to both the operating and capital component of rates. Rate increases were implemented for the 2010-14 fiscal years. These increases were for additional costs and to provide resources for the construction of the now completed Burnt Cedar Water Disinfection Plant Upgrade and the planned additional project of the effluent pipeline.
- Parcel Owner specific Recreational rates are based on market data and needs of the community during budget preparation cycles.
- Personnel cost comprised 45% of current year expenses. The 2013-14 budgeted for base wages and salaries included a 2% increase, and provisions for new positions and a transition in General Manager. Health benefits had a 10% cost increase in January 2014.
- In these economic times employee retention is a key to the success of the District. The District continues to seek a balance with this need and the economic realities.

Request of Information

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

INCLINE VILLAGE
GENERAL IMPROVEMENT DISTRICT

BASIC FINANCIALS

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2014

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 5,868,270	\$ 689,950	\$ 6,558,220
Investments	-	1,650,000	1,650,000
Receivables:			
Accounts receivable, net	3,590	1,476,913	1,480,503
Interest on investments	6,453	47,950	54,403
Grant receivable	-	402,050	402,050
Due from other governments	271,833	232,684	504,517
Inventories and supplies	-	606,224	606,224
Prepaid items	237,021	439,083	676,104
Due from (to) other funds	(5,365,810)	5,365,810	-
Long term investments	1,000,000	11,233,687	12,233,687
Restricted assets:			
Temporarily restricted investments	-	471,789	471,789
Capital assets:			
Land	2,658,030	19,932,544	22,590,574
Construction in progress	27,548	2,618,274	2,645,822
Buildings, Structures, Improvements, Infrastructure, Equipment and Vehicles, net of accumulated depreciation	385,601	89,735,699	90,121,300
Total assets	5,092,536	134,902,657	139,995,193
LIABILITIES			
Accounts payable	129,195	989,555	1,118,750
Accrued personnel costs	501,124	867,381	1,368,505
Accrued interest payable	-	139,227	139,227
Unearned revenue	17	1,260,653	1,260,670
Refundable deposits	-	58,188	58,188
Noncurrent liabilities:			
Due within one year	-	2,240,276	2,240,276
Due in more than one year	-	11,918,884	11,918,884
Total liabilities	630,336	17,474,164	18,104,500
NET POSITION			
Net investment in capital assets	3,071,179	98,127,357	101,198,536
Restricted by Third Party Agreement	-	471,789	471,789
Unrestricted	1,391,021	18,829,347	20,220,368
Total net position	\$ 4,462,200	\$ 117,428,493	\$ 121,890,693

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	Program Revenues			Net (Expense) Revenue and Changes in Net Position				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Business-type Activities	Total
					Governmental Activities	Business-type Activities		
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>-</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>-</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>-</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					3,958,619	113,873,188		117,831,807
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
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2014**

	GENERAL FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS	<u> </u>	<u> </u>
Cash and cash equivalents	\$ 5,868,270	\$ 5,868,270
Investments	1,000,000	1,000,000
Accounts receivable	3,590	3,590
Interest receivable on investments	6,453	6,453
Due from other governments	271,833	271,833
Prepaid items	<u>237,021</u>	<u>237,021</u>
Total assets	<u><u>\$ 7,387,167</u></u>	<u><u>\$ 7,387,167</u></u>
 LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	\$ 129,195	\$ 129,195
Accrued personnel costs	501,124	501,124
Due to other funds	5,365,810	5,365,810
Unearned revenue	<u>17</u>	<u>17</u>
Total liabilities	<u>5,996,146</u>	<u>5,996,146</u>
Fund balance		
Non-spendable	237,021	237,021
Committed	400,000	400,000
Unassigned	<u>754,000</u>	<u>754,000</u>
Total fund balance	<u>1,391,021</u>	<u>1,391,021</u>
Total liabilities and fund balance	<u><u>\$ 7,387,167</u></u>	
 Amounts reported for Governmental Activities in the Statement of Net Position are different because: Capital assets used in Governmental Activities are not financial resources and, therefore, are not reported in the funds.		
		<u>3,071,179</u>
Net position of Governmental Activities		<u><u>\$ 4,462,200</u></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, 2014**

	GENERAL FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES		
Ad valorem taxes	\$ 1,293,676	\$ 1,293,676
Intergovernmental:		
Consolidated and sales tax	1,261,798	1,261,798
Other taxes	15,769	15,769
Investment income	43,959	43,959
Miscellaneous	2,990	2,990
Total revenues	2,618,192	2,618,192
EXPENDITURES		
GENERAL GOVERNMENT		
Current:		
Manager	335,091	335,091
Trustees	176,027	176,027
Accounting	852,341	852,341
Information Services	755,732	755,732
Risk Management	34,014	34,014
Human Resources	458,034	458,034
Health & Wellness	30,716	30,716
Community & Employee Relations	44,315	44,315
Administration	425,248	425,248
Washoe County Tax Refund	-	-
Central Services Cost Allocation Income	(1,068,996)	(1,068,996)
Capital Outlay	84,849	84,849
Total expenditures	2,127,371	2,127,371
Excess of revenues over expenditures	490,821	490,821
OTHER FINANCING SOURCES:		
Sale of capital assets	13,536	13,536
Net change in fund balance	504,357	504,357
Fund balance, July 1	886,664	
Fund balance, June 30	\$ 1,391,021	

Amounts reported for Governmental activities in the Statement of Activities are different because:

Cost of sales of capital assets	(7,547)
Depreciation on governmental capital assets	(78,078)
Governmental capital outlay capitalized	84,849
Changes in net position of Governmental Activities	\$ 503,581

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014**

	Original & Final Budget	Actual	Variance
REVENUES			
Ad valorem taxes	\$ 1,297,540	\$ 1,293,676	\$ (3,864)
Intergovernmental:			
Consolidated and sales tax	1,195,000	1,261,798	66,798
Other taxes	-	15,769	15,769
Investment earnings	18,000	43,959	25,959
Miscellaneous	1,600	2,990	1,390
Total revenues	2,512,140	2,618,192	106,052
EXPENDITURES			
CURRENT:			
GENERAL GOVERNMENT			
Manager	486,340	335,091	151,249
Trustees	214,956	176,027	38,929
Accounting	864,311	852,341	11,970
Information Services	726,477	755,732	(29,255)
Risk Management	65,511	34,014	31,497
Human Resources	463,825	458,034	5,791
Health and Wellness	36,166	30,716	5,450
Community & Employee Relations	64,107	44,315	19,792
Administration	468,607	425,248	43,359
Washoe County Tax Refund	220,000	-	220,000
Central Services Cost Allocation Income	(1,069,000)	(1,068,996)	(4)
Capital Outlay	24,000	84,849	(60,849)
Total expenditures	2,565,300	2,127,371	437,929
Excess (deficiency) of revenues over expenditures	(53,160)	490,821	543,981
OTHER FINANCING SOURCES			
Sale of capital assets	-	13,536	13,536
Total other financing sources	-	13,536	13,536
Net changes in fund balance	(53,160)	504,357	557,517
Fund balance, July 1	909,994	886,664	(23,330)
Fund balance, June 30	\$ 856,834	\$ 1,391,021	\$ 534,187

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2014**

	Business - type Activities - Enterprise Funds				Business-type Activities Internal Service Funds
	Utility Fund	Community Services Fund	Beach Fund	Total	
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 426,914	\$ 138,433	\$ 88,391	\$ 653,738	\$ 36,212
Investments	950,000	525,000	175,000	1,650,000	-
Accounts receivable	1,350,187	122,551	4,175	1,476,913	-
Interest receivable	21,965	16,750	251	38,966	8,984
Grants receivable	400,050	2,000	-	402,050	-
Due from other governments	-	205,691	26,993	232,684	-
Inventories	171,887	379,977	-	551,864	54,360
Prepaid expenses	132,408	278,076	19,328	429,812	9,271
Due from other funds	972,752	3,006,433	1,012,952	4,992,137	373,673
Total current assets	<u>4,426,163</u>	<u>4,674,911</u>	<u>1,327,090</u>	<u>10,428,164</u>	<u>482,500</u>
Noncurrent assets:					
Long-term investments	7,065,250	2,583,437	500,000	10,148,687	1,085,000
Restricted for debt service reserve	214,153	-	-	214,153	-
TRPA Deposits	11,032	80,257	-	91,289	-
State of Nevada Work Comp Deposit	-	-	-	-	160,272
State of Nevada Sales Tax	-	6,075	-	6,075	-
	<u>7,290,435</u>	<u>2,669,769</u>	<u>500,000</u>	<u>10,460,204</u>	<u>1,245,272</u>
Capital Assets					
Land	6,520,358	11,107,336	2,304,850	19,932,544	-
Construction in progress	1,509,823	1,016,123	92,328	2,618,274	-
Buildings and structures	10,869,234	28,153,069	2,111,014	41,133,317	-
Improvements and Infrastructure	99,443,969	26,982,528	1,993,073	128,419,570	-
Equipment and vehicles	3,161,023	8,640,702	235,921	12,037,646	260,109
Total capital assets	121,504,407	75,899,758	6,737,186	204,141,351	260,109
Less: accumulated depreciation	(57,606,502)	(31,713,218)	(2,621,064)	(91,940,784)	(174,159)
Total capital assets (net)	<u>63,897,905</u>	<u>44,186,540</u>	<u>4,116,122</u>	<u>112,200,567</u>	<u>85,950</u>
Total noncurrent assets	<u>71,188,340</u>	<u>46,856,309</u>	<u>4,616,122</u>	<u>122,660,771</u>	<u>1,331,222</u>
Total assets	<u>75,614,503</u>	<u>51,531,220</u>	<u>5,943,212</u>	<u>133,088,935</u>	<u>1,813,722</u>
LIABILITIES					
Current liabilities:					
Accounts payable	478,513	279,834	112,368	870,715	118,840
Accrued personnel costs	291,632	211,983	20,787	524,402	342,979
Accrued interest payable	95,006	41,682	2,539	139,227	-
Unearned revenue	511,415	730,047	19,191	1,260,653	-
Refundable deposits	1,000	57,188	-	58,188	-
Current maturities of long-term debt	456,276	1,513,398	270,602	2,240,276	-
Total current liabilities	<u>1,833,842</u>	<u>2,834,132</u>	<u>425,487</u>	<u>5,093,461</u>	<u>461,819</u>
Non-current liabilities:					
Bond Discounts, net	-	(13,430)	(219)	(13,649)	-
Bond Premium, net	-	124,866	-	124,866	-
Non-current long term debt	6,565,667	5,196,163	45,837	11,807,667	-
Total non-current liabilities	<u>6,565,667</u>	<u>5,307,599</u>	<u>45,618</u>	<u>11,918,884</u>	<u>-</u>
Total liabilities	<u>8,399,509</u>	<u>8,141,731</u>	<u>471,105</u>	<u>17,012,345</u>	<u>461,819</u>
NET POSITION					
Net investment in capital assets	56,875,962	37,365,543	3,799,902	98,041,407	85,950
Restricted by Third Party Agreement	225,185	86,332	-	311,517	160,272
Unrestricted	10,113,847	5,937,614	1,672,205	17,723,666	1,105,681
Total net position	<u>\$ 67,214,994</u>	<u>\$ 43,389,489</u>	<u>\$ 5,472,107</u>	<u>116,076,590</u>	<u>\$ 1,351,903</u>
Adjustment to reflect the consolidation of internal service funds' activities related to Enterprise Funds.				<u>1,351,903</u>	
Net position of Business-Type Activities				<u>\$ 117,428,493</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
	Utility	Community	Beach	Enterprise	Activities
	Fund	Services	Enterprise	Enterprise	Internal
		Fund	Fund	Funds	Service 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	37,436
				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**

	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)	\$ 1,404,443	\$ 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

NOTES TO FINANCIAL STATEMENTS – INDEX

Note 1	Summary of Significant Accounting Policies
A	Reporting Entity
B	Basic Financial Statements Government-wide Statements Fund Financial Statements
C	Measurement Focus/Basis of Accounting
D	Budgets and Budgetary Accounting
E	Cash, Cash Equivalents and Investments
F	Receivables and Payables
G	Inventory and Prepaid Items
H	Restricted Assets
I	Capital Assets
J	Amortization of Bond Discounts and Premiums
K	Compensated Absences and Accrued Personnel Costs
L	Deferred Outflows/Inflows of Resources
M	Unearned Revenue and Refundable Deposits
N	Long-Term Debt
O	Fund Equity
P	Net Position
Q	Estimates
R	Central Services Cost Allocation
S	Parcel Owner Discounts

Assets:

Note 2	Cash, Cash Equivalents and Investments
Note 3	Restricted Assets
Note 4	Capital Assets

Liabilities and Fund Equity:

Note 5	Accrued Personnel Costs
Note 6	Unearned Revenue

Other:

Note 7	Long-Term Debt
Note 8	Capital Grants
Note 9	Deferred Compensation Plan
Note 10	District Pension Plans
Note 11	Schedule of Insurance Coverage and Risk Management
Note 12	Contingencies
Note 13	Committed Fund Balance
Note 14	Lease Obligations
Note 15	Government-wide and General Fund Due to Other Governments
Note 16	Differences Between Government-wide and Proprietary Fund Financial Statements
Note 17	Commitments
Note 18	Restated Net Position for Application of GASB 65
Note 19	Extraordinary Expense for Utility Fund

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

B. Basic Financial Statements - Government-wide and Fund financial statements

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

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

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

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

C. Measurement Focus/Basis of Accounting

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

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

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

The District's internal services are presented in the proprietary fund's financial statements. The principal users of Internal Services (Fleet, Engineering and Buildings) are the District's enterprise fund activities. Another internal service provides Workmen's Compensation benefits. The entire District utilizes a self-insured reserve and it is not allocated specifically to each activity. Each activity pays premiums based on its payroll to provide resources for the reserve. All Internal Services are considered a business - type activity for the Government-wide financial statements. The utilization of internal services by the General Fund is incidental. The effect of inter-fund activity has not been eliminated from the Government-wide financial statements.

The District uses the following funds:

Governmental Funds -

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Major Governmental Funds **General Fund**

Proprietary Funds -

Enterprise Funds - The Enterprise Funds are used to account for operations of the District's Beach, Community Services and Utility Departments. The District's Board has adopted Policies and Practice which identify those operations that will receive a Facility Fees by the District's tax or fee authority. Operations are financed and operated in a manner where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public, on a continuing basis, be financed or recovered primarily through user charges. Operations receiving a Facility Fee include where the governing body has decided that periodic determination of revenues earned, expenses incurred, require additional revenues for appropriate capital maintenance, public policy, management control, accountability or other purposes.

Major Proprietary Funds **Utility Fund** – providing water, sewer, trash and recycling services.
Community Services Fund – providing golf, facilities and catering, downhill skiing, recreation and fitness programs, parks and tennis.
Beach Fund – providing beach, picnic areas, boat launching and swimming pool programs.

Internal Service Funds – The Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the District. The District provides Fleet, Engineering, and Buildings Services which includes repair and maintenance of the District's vehicles and equipment, engineering services, and buildings maintenance. The District has established a Worker's Compensation Fund that provides a combination of reserves and purchased coverage for benefits.

Internal Service Funds **Fleet Engineering and Buildings Maintenance Fund** – provides planning, construction and maintenance for the District's structures and equipment.
Worker's Compensation Fund – provides District-wide worker's compensation coverage of benefits through a third party and holds a reserve for claims incurred prior to July 1, 2013.

D. Budgets and Budgetary Accounting

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

1. On or before April 15, 2013, the Board of Trustees filed a tentative budget with the Nevada Department of Taxation. Public hearings on the tentative budget were held on the third Thursday in May 2013. On May 16, 2013, at a public hearing, the Board adopted a final budget. On or before June 1, 2013 the final budget was filed with the Nevada Department of Taxation.
2. Budgets are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP) for all funds. Formal budgetary integration in the financial records is employed to enhance management control during the year for all funds requiring budgets. Budgets are adopted for all governmental and proprietary fund types. The governmental fund type budgets are adopted on a modified accrual basis and the proprietary funds types budgets are adopted on an accrual basis. The District can amend or augment the budget after following State Statutes and public hearing procedures. The District did not augment, but did amend its budget for the 2013-14 fiscal year.
3. The legal level of budgetary control is at the function level for the General Fund. Appropriations are adopted at the function level. Management has no amendment authority without the District's Board approval. Generally the expenses in the proprietary funds also may not exceed appropriations. Management is free to change the operating budgets of the proprietary funds but in practice rarely does so. Statutes do not require that capital outlay, debt service payments and other cash transactions, normally reflected in the balance sheet of the proprietary funds, be limited by the budget.
4. The District also presents select cash flow information in order to reflect all resources being used to provide for capital outlay, debt service payments and other transactions particularly in proprietary funds. This allows the District to identify the extent of current year items that are being paid from previously funded resources. The presentation includes items according to character and object. It also provides the Nevada Department of Taxation with requested information.

E. Cash, Cash Equivalents and Investments

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

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

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

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

Investments are stated at fair value as of the reporting date.

F. Receivables and Payables

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

Accounts receivable reflects service charges to customers and resident fees that are earned but not collected. An allowance for doubtful accounts has been considered and at present is zero. The District may file a tax lien for uncollected utility service fees.

The District has been granted resources to finance the construction of various utility infrastructures and restoration of a creek zone. These funds are earned when requisite construction costs are incurred. The District has recognized funds earned but not collected by a grant receivable. The District also has an operating grant from Washoe County which is received quarterly in arrears. The uncollected balance of this grant is carried in due from other governments.

The District receives certain tax revenues in the General Fund which are collected the by the State of Nevada. These settlements arrive within 60 days of the month close when they are generated. The amounts are listed as Due From Other Governments.

Activity between funds occurs in the regular activities of the District. The General Fund issues accounts payable and payroll and related benefits for all funds. To the extent payment has not occurred, but the cost was realized by the benefitted fund, internal balances for Due From and to Other Funds are established. These balances are monitored to assure no fund makes temporary loans to another, within the context of Nevada Revised Statute 354.6118.

G. Inventory and Prepaid Items

There are no inventories in the Governmental Funds. Inventories for Proprietary Funds are stated at the lower of cost (first-in, first-out) or market.

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

H. Restricted Assets

The District has restricted several deposits for the benefit of other agencies in connection with performance under a retail operation, construction, debt service and providing workers compensation benefits.

I. Capital Assets

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

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

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

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

<u>Asset Category</u>	<u>Depreciable Life</u>	<u>Capitalization Threshold</u>
Buildings and Structures	30 - 40 years	\$10,000
Improvements and Infrastructure	20-50 years	\$10,000
Equipment and Vehicles	3-20 years	\$ 5,000

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

J. Amortization of Bond Discounts and Premiums

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

K. Compensated Absences and Accrued Personnel Costs

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

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

The District had adopted a Risk Management Program prior to July 1, 2013 that included a self-insured workman’s compensation benefits. The District remains liable under Statute for those claims. After June 30, 2013 these benefits are covered by membership in an insurance pool.

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

L. Deferred Outflows/Inflows of Resources

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

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

Following GASB Statements No. 65, the June 30, 2014 basic financial statements have been adjusted with a prior year restatement of the beginning net position to fully expense unamortized debt issuance costs. These costs were previously classified as noncurrent assets, and expensed through amortization as a non-operating expense.

M. Unearned Revenue and Refundable Deposits

The District’s Utility Fund bills services on 3 cycles over the course of a month. A portion of each billing is in advance for services rendered. Billings in advance are held in until recognition the next cycle when they are also reconciled with actual usage.

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

N. Long-Term Debt

In the government-wide financial statement, and proprietary fund financial statements, long term debts are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund statements net of related discounts or charges. Bond discounts are amortized using the straight-line method. Bond premiums are being amortized using the effective interest method. All are amortized over the term of the related debt.

O. Fund Equity

In the fund financial statements, fund balance for governmental fund are reported in classifications that comprise a hierarchy based primarily on how amounts can be spent. These include “non-spendable” which are not expected to be converted to cash, such as inventory or prepaid items, “restricted” by conditions of law, regulation grants or contract with external parties, “committed” which arise from acts of the District’s Board, “assigned” which reflect an intent by management of the District or “unassigned” which is the residual amount.

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District’s highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the District, which can by their resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the Board of Trustees remains in place until a similar resolution is taken to remove or revise the limitation.

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

The District’s Board of Trustees has adopted a policy and practice statement on the Appropriate Level of Fund Balance at 15% of revenues, covering all classifications.

The District first utilizes restricted resources to finance qualifying activities then unrestricted resources, as they are needed when amounts are available for the same use.

The District first utilizes committed resources, then assigned and then unassigned when amounts are available for the same use.

P. Net Position

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

Q. Estimates

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

R. Central Services Cost Allocation

The District allocates the shared costs of Accounting and Human Resources based under a plan which considers wages, benefits, full time equivalents and services and supplies as a basis for determining charges. The charges are based on budgeted expenses. The revenue generated by the allocation is recorded as a separate line item with the expense category to reflect District-wide expenses at net.

S. Parcel Owner Discount

Under District Ordinance 7 parcel owners may use a portion of the value of the recreation passes to buy down the difference between a regular rate and the resident rate for certain types of recreational fees. These discounts are presented as contra revenue in the Proprietary Fund statements. Discounts are allocated 88% to Community Services and 12% to the Beach Fund based on their relationship to total facility fees.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS

At year end the carrying amount of the District’s checking deposits was \$5,850,012, while the bank balance was \$6,329,794. Of the bank balance, \$250,000 was covered by Federal Depository Insurance Coverage and the balance was covered by pledged collateral under an arrangement with the State of Nevada on behalf of all local units of government.

Cash and Cash Equivalents at June 30, 2014 consist of:

Operating Checking Accounts	\$5,850,012
Petty cash and change funds	52,835
LGIP Money Market	397,490
US Government Money Market	<u>257,883</u>
Total	<u>\$6,558,220</u>

A portion of the District’s investments are placed with Wells Fargo Bank as custodian, where fair value is determined by multiplying the number of trading units held, by the quoted market value on that date. Another portion of investments are maintained in an external investment pool administered by the State of Nevada. The Local Government Income Pool (LGIP) is governed by the State Board of Finance and is administered by the State Treasurer. Fair value for investments maintained by this pool are also calculated by the number of trading units quoted market value at June 30, 2014. The fair value of the District’s position in the investment pool is the same as the value of the pool shares.

Investments at June 30, 2014	Maturities	Fair Value
Jumbo CD’s (each \$75,000 - \$250,000)	9 years or less	\$5,430,000
Federal Farm Credit Bank	09/26/2016	750,000
Federal Home Loan Bank	12/20/2016	500,000
Federal Farm Credit Bank	05/15/2017	1,000,000
Fannie Mae	06/01/2017	486,145
Federal Home Loan Bank	08/18/2017	1,000,000
Federal Home Loan Bank	03/26/2018	500,000
Freddie Mac	04/25/2018	502,500
Tennessee Valley Authority	07/15/2018	465,250
Freddie Mac	07/17/2018	1,000,000
Fannie Mae	08/07/2018	499,792
Fannie Mae	04/25/2019	1,000,000
Fannie Mae	09/26/2019	250,000
Federal Farm Credit Bank	10/01/2020	<u>500,000</u>
Total Wells Fargo custodial account		<u>\$13,883,687</u>

Nevada Treasurer’s Local Government Investment Pool (Not Rated)		
EPA SRF Reserve Deposit	80 days	\$ 214,153
TRPA Project Deposits	80 days	91,289
Workers Comp Security Deposit	80 days	<u>160,272</u>
Total Local Government Investment Pool		<u>\$ 465,714</u>

Total All Classifications \$ 14,349,401

The following classifications are based on maturities of individual instruments:

	Short Term	Long Term
CD's	\$1,650,000	\$ 3,780,000
Government Agencies	-	<u>8,453,687</u>
Total	<u>\$1,650,000</u>	<u>\$12,233,687</u>

The District's Board of Trustees has identified a portion of the Facility Fee revenues as reserves. These are identified in 6 budgets since fiscal 2005-06. An accumulated amount of \$2,679,925 in Government Agency investments is considered as the operating reserve for the Community Services Fund.

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

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

Custodial Credit Risk - The District's cash accounts on deposit with financial institutions were covered by federal depository insurance and are collateralized by the Office of the State Treasurer/Nevada Collateral Pool.

Concentration Credit Risk – The District invests in Federal government-sponsored enterprises (GSE) for safety and to meet statutory requirements. All of these agencies have been rated Aaa by Moody's. The District holds notes from Federal Home Loan Bank, which is about 14% of total investments. The holdings in Fannie Mae are 16% and Freddie Mac is about 11% to total investments. Federal Farm Credit is 16% and Tennessee Valley Authority is 3%. CD's are held with a number of banks at or under the FDIC insured limited calculated by those institutions.

LGIP is an unrated external investment pool administered by the State Treasurer, with oversight by the State of Nevada Board of Finance. Investment in LGIP is carried at fair value, which is the same as the value of the pool shares.

3. RESTRICTED ASSETS

The assets of the EPA State Revolving Fund (SRF) Reserve account may be used only to service the Nevada SRF Sewer Bond of 2002. These restricted assets are pledged to provide a measure of security for the Nevada State Water Pollution Control Revolving Fund. The pledge is for \$213,000, interest earned is not pledged, and is invested in the LGIP totaling \$214,153. The assets in the TRPA (Tahoe Regional Planning Authority) Reserve may be used only to satisfy performance obligation on projects authorized by the TRPA. These usually cover several years for construction and inspection phases. The total required deposits are \$88,855, interest earned is not pledged and remains in the account. It is invested in the LGIP totaling \$91,289. The amounts identified for the Workers Comp Reserve is established according to Nevada Revised Statutes for an amount designated by the Insurance Commissioner. The amount is set aside in the event the State has to meet claims in excess of available reserves. The amount is re-evaluated each year. The amount of the pledge is \$159,000 and interest earned is allowed to stay in the account at the District's discretion. It is invested in the LGIP totaling \$160,272.

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

Cash deposit with State of Nevada	\$ 6,075
LGIP Restricted Deposits (SRF, TRPA & Work Comp)	<u>465,714</u>
Total Temporarily Restricted Deposits	<u>\$ 471,789</u>

4. CAPITAL ASSETS

Capital Asset activity for the year ended June 30, 2014:

	Beginning Balance	Additions	Transfers and Reductions	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 2,658,030	\$ -	\$ -	\$ 2,658,030
Construction in Progress	28,655	84,849	(85,956)	27,548
Total	2,686,685	84,849	(85,956)	2,685,578
Other capital assets:				
Buildings and Structures	826,677	-	-	826,677
Equipment and Vehicles	1,279,823	85,956	(51,279)	1,314,500
Total other capital assets at historical cost	2,106,500	85,956	(51,279)	2,141,177
Less accumulated depreciation	(1,721,232)	(78,078)	43,732	(1,755,576)
Other capital assets, net	385,270	7,878	(7,547)	385,601
Governmental Activities Capital Assets, net	\$ 3,071,955	\$ 92,727	\$ (93,503)	\$ 3,071,179
Business Type Activities				
Capital assets not being depreciated				
Land - Utility	\$ 6,520,358	\$ -	\$ -	\$ 6,520,358
Land - Community Services	10,953,647	153,689	-	11,107,336
Land - Beach	2,304,850	-	-	2,304,850
Construction in Progress				
Utility Fund	5,690,501	3,059,461	(7,240,139)	1,509,823
Community Services Fund	696,651	2,266,640	(1,947,168)	1,016,123
Beach Enterprise Fund	60,919	167,375	(135,966)	92,328
Total	26,226,926	5,647,165	(9,323,273)	22,550,819
Other capital assets:				
Utility buildings and structures	10,869,234	-	-	10,869,234
Utility service infrastructure	92,512,511	6,931,458	-	99,443,969
Utility equipment and vehicles	3,089,052	308,680	(236,709)	3,161,023
Community Services buildings and structures	27,622,185	544,074	(13,190)	28,153,069
Community Services venue improvements	27,018,733	86,401	(122,606)	26,982,528
Community Services equipment and vehicles	7,900,800	1,163,004	(423,102)	8,640,702
Beach buildings and structures	2,090,784	20,230	-	2,111,014
Beach venue improvements	1,943,033	106,946	(56,906)	1,993,073
Beach equipment and vehicles	251,586	8,790	(24,455)	235,921
Internal Services equipment and vehicles	272,599	-	(12,490)	260,109
Total other capital assets at historical cost	173,570,517	9,169,583	(889,457)	181,850,642
Less accumulated depreciation for:				
Utility	(55,071,455)	(2,771,756)	236,709	(57,606,502)
Community Services	(29,974,899)	(2,293,786)	555,466	(31,713,219)
Beach	(2,564,932)	(137,493)	81,361	(2,621,064)
Internal Services	(176,699)	(9,950)	12,490	(174,159)
Total accumulated depreciation	(87,787,985)	(5,212,985)	886,026	(92,114,944)
Other capital assets, net	85,782,530	3,956,598	(3,431)	89,735,696
Business Type Activities Capital Assets, net	\$ 112,009,459	\$ 9,603,763	\$ (9,326,705)	\$ 112,286,517

Depreciation expenses for the year ended June 30, 2014 were charged to functions as follows:

Governmental Activities:	
General Government	<u>\$ 78,078</u>
Business-Type Activities:	
Utility Fund Water and Sewer	\$ 2,771,756
Community Services	2,293,786
Beach	<u>137,493</u>
Subtotal – Enterprise Funds	5,203,035
Fleet, Engineering and Buildings	<u>9,950</u>
Total	<u>\$5,212,985</u>

In April 2014, the District acquired 4 parcels from Washoe County, which they held in trust following acquisition at a tax forfeiture sale. All parcels are located within the boundaries of the District. The parcels were acquired at no cost, for public purposes and were zoned as unbuildable. These 4 parcels are held by the Community Services Fund. They could be sold at some future point because they carry the ability to have recreation privileges while remaining unbuildable.

5. ACCRUED PERSONNEL COSTS

The General Fund processes and pays all payroll and most related personnel and benefit costs for all funds of the District. At the time the expenses are incurred, each fund records its appropriate costs. As payments are made the individual funds record a due to the General Fund. This process provides the General Fund with the necessary available financial resources to meet these obligations. Generally no payroll or personnel accruals are recorded to the individual funds. Accruals for HRA, Sick Leave Retirement, Workers Compensation and Vacation can appear in individual funds, because they are recognized well in advance of the payment process. The General Fund also maintains any bank accounts specific for payment of benefits except for those accumulated for Workers Compensation, which has a separate Internal Service Fund.

As a regular course of operations the payroll from June 30 was paid July 12th. The employee benefits earned through June 30 are also funded in the following month. At any given point the District has an obligation to its employees for the value of vacation time earned and not taken. The obligation is measured by the value due as if the employee terminated. The District allows retiring employees with in excess of 20 years of service, and that have accrued sick leave, to have it converted to Medical Retiree Benefit for reimbursing post employment health related costs. The District has no post employment benefit obligations for health insurance or retirement benefits.

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

The District's Workers Compensation claims are processed by a Third Party Administrator. Claims are paid through a District zero balance account. Checks issued are payables until presented to the bank for payment.

As of June 30, 2014 the Accrued Personnel Costs were comprised of:

	Governmental	Business-type	Total
Current Payroll Liabilities:			
Accrued Payroll	\$288,018	\$ -	\$ 288,018
Taxes Withheld	23,917	-	23,917
Accrued Benefits	27,630	941	28,571
Deferred Comp	4,192	-	4,192
Pension	22,441	-	22,441
Ongoing Benefit Liabilities:			
Health Reimbursement Accounts	32,742	73,489	106,231
Sick Leave Retirement Benefit	12,642	202,154	214,796
Workers Comp unpaid losses and expenses	-	255,656	255,656
Accrued Vacation	<u>89,542</u>	<u>335,141</u>	<u>424,683</u>
Total Government-wide	<u>\$501,124</u>	<u>\$ 867,381</u>	<u>\$1,368,505</u>

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

	Balance	Provisions		Balance
Ongoing Benefit Liabilities	<u>June 30, 2013</u>	<u>Additions</u>	<u>Payments</u>	<u>June 30, 2014</u>
Health Reimbursement	\$ 101,337	\$ 45,750	\$ 40,856	\$ 106,231
Sick Leave Retirement	172,423	42,934	561	214,796
Work Comp unpaid losses	323,000	(36,623)	30,721	255,656
Accrued Vacation	410,366	492,983	478,666	424,683

6. UNEARNED REVENUE

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

	Utility	Community Services	Beach	Total
Billed in advance of service date	\$511,415	\$ 349,482	\$ 19,191	\$880,088
Unexpired season passes	-	224,606	-	224,606
External Gift Cards	-	153,876	-	153,876
Internal Gift Cards	<u>-</u>	<u>2,083</u>	<u>-</u>	<u>2,083</u>
Total	<u>\$511,415</u>	<u>\$730,047</u>	<u>\$ 19,191</u>	<u>\$1,260,653</u>

7. LONG-TERM DEBT

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

Business Type Activities:

Outstanding Long-Term Debt as of June 30, 2014

Issue	Issue Date	Maturity Date	Interest Rate	Amount Issued	Principal Outstanding	Due 2014-15
Medium-Term General Obligation Bonds Recreation						
Recreation Impr. (Ski) 2008	06/18/08	06/01/18	3.5-7%	\$7,000,000	\$3,125,000	\$730,000
General Obligation Revenue Bonds Recreation						
Recreation Facilities and Recreation						
Refunding 2012	07/18/12	03/01/23	2.25%	3,475,000	3,166,000	319,000
Recreation Refunding 2004	02/01/04	10/01/14	2-3.25%	4,445,000	735,000	735,000
Total Recreation Revenue Supported Debt					<u>\$7,026,000</u>	<u>\$1,784,000</u>
Utility						
State of Nevada						
Sewer C32-0204	10/28/02	01/01/23	3.14%	\$1,687,402	\$1,001,110	\$ 97,869
Water IVGID-1	09/01/04	07/01/25	3.082%	1,702,380	1,093,438	80,564
Sewer CS32-0404	08/01/06	09/01/26	2.73%	3,000,000	2,112,093	151,004
Water DW-1201	03/16/12	01/01/32	2.39%	3,000,000	2,815,302	126,839
Total Utility Revenue Supported Debt					<u>\$7,021,943</u>	<u>\$ 456,276</u>
Total Business Type Activities Debt					<u>\$14,047,943</u>	<u>\$2,240,276</u>

Long-Term bonded debt activity for the year ended June 30, 2014

	Beginning Balance	New Issues	Principal Reductions	Ending Balance	Due Within One Year
Business Type Activities:					
General Obligation Revenue	\$13,948,228	\$ -	\$1,994,833	\$11,953,395	\$2,061,843
Total	<u>16,215,776</u>	<u>-</u>	<u>2,167,833</u>	<u>14,047,943</u>	<u>\$2,240,276</u>
Bond discounts	(15,315)	-	(1,667)	(13,648)	
Bond Premiums	<u>176,092</u>	<u>-</u>	<u>51,226</u>	<u>124,866</u>	
Long-term Debt, net	<u>\$16,376,553</u>	<u>\$ -</u>	<u>\$2,217,392</u>	<u>\$ 14,159,161</u>	

Future Debt Service Requirements as of June 30, 2014

Fiscal Year Ending June 30	Debt Supported by Utility Fund Revenue		Debt Supported by Recreation Fund Revenue	
	Principal	Interest	Principal	Interest
2015	456,276	186,858	1,784,000	253,641
2016	469,072	174,062	1,084,000	205,263
2017	482,230	160,903	1,123,000	167,471
2018	495,762	147,372	1,187,000	104,577
2019	509,678	133,457	350,000	37,642
2020 to 2024	2,641,770	445,323	1,498,000	68,534
2025 to 2029	1,410,553	141,852	-	-
2030 to 2032	<u>556,602</u>	<u>23,511</u>	<u>-</u>	<u>-</u>
Total	<u>\$7,021,943</u>	<u>\$1,413,338</u>	<u>\$ 7,026,000</u>	<u>\$ 837,128</u>

At June 30, 2013, principal and interest to maturity in 2032, to be paid from pledged future revenues, totaled \$16,298,413. For the year ended June 30, 2014 the net pledged revenue was \$3,429,622.

8. CAPITAL GRANTS

The District received \$461,994 of capital grants for the water and sewer infrastructure, in the Utility Fund. The Community Services Fund recognized grantor chargebacks related to prior year Capital Grants of \$407.

9. DEFERRED COMPENSATION PLAN

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

10. DISTRICT PENSION PLANS

The District has two pension plans covering substantially all of its full-time year round employees. Those not covered under the Pension Trust Fund for Operating Engineers are covered by the District's Deposit Administration Fund.

The Pension Trust Fund for Operating Engineers is a cost sharing, multiple employer, defined benefit plan contract between the District's employees and the Operating Engineers Union and is administered by Associated Third Party Administrators (ATPA). The District is not a party to this defined benefit plan. The District's liability under the union contract is limited to making monthly contributions based on union employees' hours worked. Consequently, the District is not liable for any funding shortage of the defined benefit plan. Each year the District makes contributions to the plan equal to 100% of the District's liability under the plan agreement. The Pension Trust Fund for Operating Engineers issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Pension Trust Fund for Operating Engineers, 1640 South Loop Road, Alameda, California 94502 or by calling 800/251-5014.

The District's Deposit Administration Fund is a defined contribution plan. The plan is administered by Diversified Investment Advisors, and was established under the authority of the Board of Trustees within the District's personnel policies. The Board may amend the plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate after six months of service. The District's policy is to contribute 12.3% of the employee's salary each month. The District's contributions for each employee are fully vested after four years of service. District contributions for, and interest forfeited by employees who leave employment before fully vesting, are used to reduce the District's current-period contribution requirement. Employees are not allowed to contribute directly into this plan.

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

<u>FYE June 30</u>	<u>Contribution to:</u>			
	<u>Employee Section 457</u>	<u>Employer Section 457</u>	<u>Defined Contribution</u>	<u>Operating Engineers</u>
2014	\$271,398	\$168,321	\$752, 073	\$42,656
2013	273,585	196,624	729,936	46,407
2012	301,014	185,400	744,129	48,648

11. SCHEDULE OF INSURANCE COVERAGE AND RISK MANAGEMENT

Insurance Coverage on June 30, 2014 consists of the following:

Type	Carrier/Provider	Amount
Property Liability on buildings & contents	NV Public Agency Pool	\$300,000,000
Auto Liability	NV Public Agency Pool	10,000,000
Ski Resort Gen. Liability	Granite State Insurance	1,000,000
Ski Resort Excess Liability	New Hampshire Insurance	6,000,000
Boiler & Machinery	NV Public Agency Pool	60,000,000
Errors and Omissions	NV Public Agency Pool	5,000,000
Directors and Officers Liability	RSUI Indemnity Company	1,000,000
General Liability	NV Public Agency Pool	10,000,000
Workers Compensation	NV Public Agency Comp. Trust	2,000,000

The District has elected to participate in the Nevada Public Agency Insurance Pool. The Pool secures insurance coverage for all its members. The Pool does not offer coverage for the Diamond Peak Ski Resort.

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

The Pool pays all losses from the Loss Fund per occurrence, less the member's maintenance deductible. The District has a \$5,000 deductible. Excess insurance above the Pool's self-funded amount, is provided by secondary markets based on arrangements made with the Pool, including a Pool owned captive. The District has elected to self insure for all property damages to the ski lifts and some auto fleet.

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

Ski Liability Insurance is not covered by the Nevada Public Agency Insurance Pool. Coverage is provided by a separate insurance program, less the District's deductible.

Prior to July 1, 2013 the District was self-insured for Worker's Compensation coverage through an internal service fund. This fund remains liable for claim costs incurred during that time. As of July 1, 2013 the District utilizes the Nevada Public Agency Compensation Trust to provide work comp coverage for all employees.

Risk Management

The District has established a Risk Management Program as a function in the General Fund. The Workers Compensation Fund (an internal service fund) accounts for and finances its self insured risks of loss for Workers Compensation benefits incurred prior to July 1, 2013. Under that program, the District provided coverage for up to \$1,250,000 for each worker's compensation claim. The internal service has continued to collect charges based on compensation and pay member assessments to the Nevada Public Agency Compensation Trust. All funds of the District participate in the program and made payments to the Workers Compensation Fund based on actuarial estimates of the amounts needed to pay claims.

For fiscal year ended June 30, 2014, the Risk Management Program billed other District funds a total of \$326,555 and made member assessment payments for coverage of \$376,209. There were no new claim costs for the period prior to July 1, 2013. The claim reserves and future administration costs have been re-evaluated and resulted in a reduction in the general provision by \$36,623 and \$188,000. The District's Third Party Administrator monitors open claims. As of June 30, 2014 approximately \$255,000 in open claim reserves existed as the total Claims Liability.

Since the District has changed its source of coverage as of July 1, 2013, the only liability is based on reported open claims as determined by the District' third party administrator plus a provision for costs to administer those claims. The general provision of \$(188,000) reduces the liability since the risk of incurred but not reported claims is essentially eliminated.

Following is a reconciliation of Workers Comp total claims liability as of June 30, for claims made prior to July 1, 2013.

	<u>Beginning Claims Liability</u>	<u>Claims Made</u>	<u>Claims Payments</u>	<u>General Provision</u>	<u>Ending Claims Liability</u>
June 30, 2014	\$323,000	\$ -	\$ 31,377	\$ (36,623)	\$255,000
June 30, 2013	511,000	56,203	56,203	(188,000)	323,000
June 30, 2012	511,000	159,098	159,098	-	511,000

12. CONTINGENCIES

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

The District has been named in lawsuits in the normal course of business. The District has initiated a claim for recovery of costs relative to water damage at the Diamond Peak Ski Resort. The claim involves issues of workmanship and installation that is covered by insurance for the contractor(s). The District has filed litigation with the contractor(s), their insurance company and others if necessary, to recover the costs. Management does not expect the outcome of these suits to have a material adverse effect on the District's financial position or results of future operations.

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

13. COMMITTED FUND BALANCE

On August 29, 2012 the Board of Trustees established \$400,000 Committed balance in the General Fund. Upon determination that the General Fund has been able to meet its obligations, the District will then release the commitment, by an action of the Board of Trustees, and make a transfer to the Community Services Fund. The focus of delaying a transfer under this commitment was to meet the obligation under the Washoe County Tax Refund first. Full determination of that obligation could not occur until during the year ending June 30, 2014. The District has budgeted to make the transfer in fiscal year ending June 30, 2015, but no formal action has taken place to authorize the transfer or modify the commitment.

14. LEASE OBLIGATIONS

Current Expenses:

The District has two significant lease obligations. During the year ended June 30, 2014, \$38,176 was paid for Golf Carts used at the Mountain Golf Course and \$55,886 was paid for Golf Carts at the Championship Golf Course. These payments are included under Services and Supplies in the Community Services Fund.

Future Minimum Lease Obligations:

The Board of Trustees awards golf cart leases to provide a fleet to each golf course operation. The following is a recap of Future Minimum Payments for each lease and its terms:

	<u>Community Services Fund</u>	
	<u>Lease for Use 58 Gas Carts</u>	<u>Lease for Use 75 Electric Carts</u>
June 30, 2015	\$ 38,176	\$ 55,886
June 30, 2016	38,176	55,886
June 30, 2017	38,176	109,092
June 30, 2018	<u>74,893</u>	<u>-</u>
Total	<u>\$ 189,421</u>	<u>\$ 220,864</u>

15. GOVERNMENT-WIDE AND GENERAL FUND DUE TO OTHER GOVERNMENTS

The District is affected by an initiative by taxpayers against Washoe County, Nevada. The District is located within the County, but is not a direct party to the court action. The contention focused on the assessed valuation used to collect Ad Valorem Tax by Washoe County, for all units of government, since 2002. On October 6, 2009 a Washoe County District Court ordered that a refund is due these taxpayers. On July 7, 2011 the Nevada Supreme Court denied Washoe County's Appeal and ordered a tax refund. On August 23, 2011 the Washoe County Board voted to reduce future tax settlements to governments that received property taxes during the periods covered by the Court Ordered Refunds, to recover their proportionate share. The Court ordered a statutory based interest be added to the tax. The County charged back for the interest on affected governments. The County estimated tax and interest liability for the District as of June 30, 2011 was \$1,000,000. The District did not record the total liability to an individual fund because there was no requirement that the District would be paying the refund from resources in hand. The District adopted a General Fund budget for the fiscal year 2009-2010 that included a provision of \$269,351 to meet this liability. An additional \$730,649 was recognized as a Government-wide obligation for fiscal year 2010-2011. On June 12, 2012 the County indicated the District's estimated total liability had increased to \$1,300,000 due to the increased time it was taking to pay out the refunds. A Government-wide provision of \$300,000 was made to reflect the current estimated total liability. During the fiscal year ended June 30, 2012 the refund offsets were applied to the accumulated provision and approximately \$140,000 was charged to that year but not offset until later in 2012 by Washoe County. The remaining \$750,189 liability was recorded as a government-wide obligation of the General Fund because it is not expected to be paid from current resources. The District's fiscal 2012-13 budget included \$475,000 for payments on this liability. A District Court later ordered the refunds must be completed by August 2013. The County accelerated their efforts and completed all refunds by June 30, 2013. Even though the complete process of offsetting against tax settlements was not completed, the District is able to measure its liability. The offset actually realized for the fiscal year ending June 30, 2013 is \$694,817, which is substantially over the budget of \$475,000. The District had already budgeted for \$280,000 for offsets for the fiscal year ending June 30, 2014. The final offset occurred September 2013 and completed the payment of the recorded obligation. The Government-Wide obligation has been reduced by \$55,372 to reflect only amounts withheld but not settled until September 2013. The remaining balance of \$28,268 appears as Due to Other Governments on the Statement of Net Position.

History of the liability: FYE	Opening Balance	Provisions	County Offset	Closing Balance
June 30, 2010	\$ -	\$269,351	\$ -	\$ 269,351
June 30, 2011	269,351	730,649	-	1,000,000
June 30, 2012	1,000,000	300,000	409,811	890,189
June 30, 2013	890,189	(55,372)	806,549	28,268
June 30, 2014	28,268	-	28,268	-

16. DIFFERENCES BETWEEN GOVERNMENT-WIDE AND PROPRIETARY FUND FINANCIAL STATEMENTS

The net results of operations for Internal Service Funds have been allocated to the Enterprise Activities in the Government-Wide Financial Statements. Sales of plans of \$975 have been added to Utilities charges for services. Investment earnings of \$24,251 were added to Community Services. Net results of \$7,210 from other than sales and investment income reduced Community Services expenses. The Internal Services funds are considered to primarily serve the Enterprise Funds.

	Individual Fund	Difference	District-Wide
Utilities Charges for Services	\$10,431,225	\$975	\$10,432,200
Community Services Expenses & Interest	\$15,276,494	\$(12,210)	\$15,264,284
Enterprise Fund Investment Earnings	\$95,903	\$24,251	\$120,154
Net Change in Position – Internal Services		\$37,436	

17. COMMITMENTS

General Fund:

The District entered into an unemployment insurance contract with First Nonprofit Companies for \$263,000 for calendar year 2014 services. As of June 30, 2014 \$131,500 in quarterly deposits is remaining.

18. RESTATED NET POSITON FOR APPLICATION OF GASB 65

The opening Net Position has been restated for the application of GASB 65 relating to a change in an accounting principle. For the District this affects the accounting for bond issuance costs. The amount of unamortized bond issuance costs of \$228,086 are in effect expensed as of June 30, 2013 by this restatement. These costs had been capitalized at the time of issuance of the related bond and amortized over the life of the bond. Under GASB 65 such costs should be expensed as paid. The restatement is for the cumulative unamortized cost as of June 30, 2013.

	Enterprise Funds			Proprietary Funds
	Utility	Community Services	Beach	Business-Type Activities
Net Position as previously reported	\$65,566,886	\$41,953,367	\$5,038,468	\$113,873,189
Application of GASB 65 Expense unamortized Bond Issuance costs	<u>(81,501)</u>	<u>(138,519)</u>	<u>(8,066)</u>	<u>(228,086)</u>
Net Position as of June 30, 2013	<u>\$65,485,385</u>	<u>\$41,814,848</u>	<u>\$5,030,402</u>	<u>\$113,645,103</u>

19. EXTRAORDINARY EXPENSE FOR UTILITY FUND

In April 2014, a leak occurred in the District's effluent pipeline that results in damage to an area highway. Leaks of this magnitude and consequence are not expected in the normal course of operations and thus the repairs costs of \$30,587 have been reported as an extraordinary expense.



INCLINE VILLAGE
GENERAL IMPROVEMENT DISTRICT

**SUPPLEMENTARY
INFORMATION**

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2014**

	<u>Fleet Engineering Buildings</u>	<u>Workers Compensation</u>	<u>Total Internal Service Funds</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ -	\$ 36,212	\$ 36,212
Investments	-	-	-
Interest receivable	-	8,984	8,984
Inventories	54,360	-	54,360
Prepaid expenses	9,271	-	9,271
Due from other funds	200,432	173,241	373,673
	<u>264,063</u>	<u>218,437</u>	<u>482,500</u>
Total current assets			
Noncurrent assets:			
Long-term investments	-	1,085,000	1,085,000
Restricted deposits	-	160,272	160,272
Total noncurrent assets	<u>-</u>	<u>1,245,272</u>	<u>1,245,272</u>
Capital Assets			
Equipment, furniture and fixtures	260,109	-	260,109
Total capital assets	260,109	-	260,109
Less: accumulated depreciation	<u>(174,159)</u>	<u>-</u>	<u>(174,159)</u>
Total capital assets (net)	<u>85,950</u>	<u>-</u>	<u>85,950</u>
Total noncurrent assets	<u>85,950</u>	<u>1,245,272</u>	<u>1,331,222</u>
	<u>350,013</u>	<u>1,463,709</u>	<u>1,813,722</u>
Total assets			
LIABILITIES			
Current liabilities:			
Accounts payable	15,728	103,112	118,840
Accrued personnel costs	87,323	255,656	342,979
	<u>103,051</u>	<u>358,768</u>	<u>461,819</u>
Total current liabilities			
NET POSITION			
Net investment in capital assets	85,950	-	85,950
Restricted by Third Party Agreement	-	160,272	160,272
Unrestricted	161,012	944,669	1,105,681
Total net position	<u>\$ 246,962</u>	<u>\$ 1,104,941</u>	<u>\$ 1,351,903</u>

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

	Fleet Engineering Buildings	Workers Compensation	Total Internal Service Fund
OPERATING REVENUES			
Sales and fees	\$ 975	\$ -	\$ 975
Interfund services	1,952,766	326,555	2,279,321
Total operating revenues	<u>1,953,741</u>	<u>326,555</u>	<u>2,280,296</u>
OPERATING EXPENSES			
Wages and benefits	1,351,205	-	1,351,205
Services and supplies	564,008	(49,191)	514,817
Insurance	2,965	376,209	379,174
Utilities	7,298	-	7,298
Legal and audit	4,667	-	4,667
Depreciation	9,950	-	9,950
Total operating expenses	<u>1,940,093</u>	<u>327,018</u>	<u>2,267,111</u>
Operating income (loss)	<u>13,648</u>	<u>(463)</u>	<u>13,185</u>
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	-	24,251	24,251
Total nonoperating revenue (expense)	<u>-</u>	<u>24,251</u>	<u>24,251</u>
Changes in net position	13,648	23,788	37,436
Total net position, July 1	<u>233,314</u>	<u>1,081,153</u>	<u>1,314,467</u>
Total net position, June 30	<u>\$ 246,962</u>	<u>\$ 1,104,941</u>	<u>\$ 1,351,903</u>

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

	<u>Fleet Engineering Buildings</u>	<u>Workers Compensation</u>	<u>Total Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 975	\$ -	\$ 975
Receipts from interfund services provided	1,952,766	326,555	2,279,321
Payments to suppliers	(582,879)	(223,978)	(806,857)
Payments to employees	<u>(1,340,080)</u>	<u>(67,413)</u>	<u>(1,407,493)</u>
Net cash provided (used) by operating activities	<u>30,782</u>	<u>35,164</u>	<u>65,946</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Due to (from) other funds	<u>(30,782)</u>	<u>(58,163)</u>	<u>(88,945)</u>
Net cash provided (used) by non-capital financing activities	<u>(30,782)</u>	<u>(58,163)</u>	<u>(88,945)</u>
CASH FLOWS FROM CAPITAL RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Other deposits	-	22,825	22,825
Long-term investments purchased	-	-	-
Long-term investments sold	-	-	-
Investment earnings	<u>-</u>	<u>24,251</u>	<u>24,251</u>
Net cash (used) by investing activities	<u>-</u>	<u>47,076</u>	<u>47,076</u>
Net change in cash and cash equivalents	-	24,077	24,077
Cash and cash equivalents, July 1	<u>-</u>	<u>12,135</u>	<u>12,135</u>
Cash and cash equivalents, June 30	<u>\$ -</u>	<u>\$ 36,212</u>	<u>\$ 36,212</u>

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014**

	Original & Final Budget	Actual	Variance
REVENUES			
Ad valorem taxes	\$ 1,297,540	\$ 1,293,676	\$ (3,864)
Intergovernmental:			
Consolidated & other tax	1,195,000	1,277,567	82,567
Miscellaneous	19,600	46,949	27,349
Total revenues	<u>2,512,140</u>	<u>2,618,192</u>	<u>106,052</u>
EXPENDITURES			
Current:			
General Government			
Wages	1,745,655	1,619,675	125,980
Benefits	800,195	757,044	43,151
Services, Supplies & Other	844,450	734,799	109,651
Capital Outlay	24,000	84,849	(60,849)
Other (Washoe County Refund)	220,000	-	220,000
Total expenditures/expenses	<u>3,634,300</u>	<u>3,196,367</u>	<u>437,933</u>
Excess (deficiency) of revenues over expenditures	<u>(1,122,160)</u>	<u>(578,175)</u>	<u>543,985</u>
Other Financing Sources			
Central Services	1,069,000	1,068,996	(4)
Sale of capital assets	-	13,536	13,536
Net changes in fund balance	<u>(53,160)</u>	<u>504,357</u>	<u>557,517</u>
Fund balance, July 1	<u>909,994</u>	<u>886,664</u>	<u>(23,330)</u>
Fund balance, June 30	<u>\$ 856,834</u>	<u>\$ 1,391,021</u>	<u>\$ 534,187</u>

As filed with the State of Nevada Forms 9 & 11

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
UTILITY FUND - BUDGETARY BASIS
WATER, SEWER AND TRASH ACTIVITIES
SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION -BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014**

	Original & Final Budget	Actual	Variance
REVENUES			
Sales and service fees	\$ 10,275,800	\$ 10,434,118	\$ 158,318
Investment earnings	25,200	61,007	35,807
Total revenues	<u>10,301,000</u>	<u>10,495,125</u>	<u>194,125</u>
EXPENSES			
Wages	2,166,702	2,121,968	44,734
Benefits	1,085,225	1,023,764	61,461
Services and Supplies	1,651,400	1,583,212	68,188
Defensible Space	100,000	100,000	-
Central Services Cost	291,000	291,000	-
Utilities	1,094,400	1,042,146	52,254
Depreciation	2,879,000	2,771,756	107,244
Legal and audit	97,000	95,829	1,171
Debt service interest	193,123	193,123	-
Amortization of issuance costs	300	-	300
Total expenses	<u>9,558,150</u>	<u>9,222,798</u>	<u>335,352</u>
Gain on sale of assets	-	25,875	25,875
Extraordinary expense	-	(30,587)	(30,587)
Changes in Net Position (GAAP basis and per budget form 19 filed with State of NV)	<u>\$ 742,850</u>	<u>\$ 1,267,615</u>	<u>\$ 524,765</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
(Budget Form 20 filed with State of NV)			
Capital Contributions (Grants)	<u>\$ 146,000</u>	<u>\$ 461,994</u>	<u>\$ 315,994</u>
Acquisition of Capital Assets	<u>\$ (3,943,620)</u>	<u>\$ (3,059,460)</u>	<u>\$ 884,160</u>
Proceeds from Capital Debt	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Payments of Capital Debt	<u>\$ (443,833)</u>	<u>\$ (443,833)</u>	<u>\$ -</u>

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
COMMUNITY SERVICES FUND - BUDGETARY BASIS
ALL RECREATION ACTIVITIES
SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Sales and service fees	\$ 12,229,200	\$ 10,991,126	(1,238,074)
Facility fee	5,967,750	6,024,564	56,814
Property Owner Discounts on Entry Fees	(699,960)	(529,896)	170,064
Intergovernmental -Grant	94,000	106,238	12,238
Interfund Services	59,000	66,704	7,704
Investment earnings	11,000	31,908	20,908
Total revenues	<u>17,660,990</u>	<u>16,690,644</u>	<u>(970,346)</u>
EXPENSES			
Current:			
Wages	4,815,720	4,730,680	85,040
Benefits	1,615,685	1,390,542	225,143
Cost of goods sold	918,350	945,313	(26,963)
Services and Supplies	3,984,980	3,719,197	265,783
Central Services Cost	706,000	705,996	4
Defensible space	100,000	100,000	-
Utilities	1,111,800	1,109,464	2,336
Depreciation	2,317,308	2,293,786	23,522
Legal and audit	50,400	41,138	9,262
Debt service interest	285,824	289,773	(3,949)
Amortization of bond accounts	(48,592)	(49,395)	803
Total expenditures/expenses	<u>15,857,475</u>	<u>15,276,494</u>	<u>580,981</u>
Gain (loss) on sale of assets	-	52,573	52,573
Tower Revenue	67,600	108,325	40,725
Changes in Net Position (GAAP basis and per budget forms 19 filed with State of NV)	<u>1,871,115</u>	<u>1,575,048</u>	<u>(296,067)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES (Budget Form 20 filed with State of NV)			
Acquisition of Capital Assets	<u>\$ (2,691,214)</u>	<u>\$ (2,266,640)</u>	<u>\$ 424,574</u>
Proceeds from Capital Debt	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Payments of Capital Debt	<u>\$ (1,458,814)</u>	<u>\$ (1,460,782)</u>	<u>\$ (1,968)</u>
Capital Contributions (Grants)	<u>\$ 300,000</u>	<u>\$ (407)</u>	<u>\$ (300,407)</u>

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
 BEACH ENTERPRISE FUND - BUDGETARY BASIS
 SCHEDULE OF REVENUES, EXPENSES
 AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Sales and service fees	\$ 739,750	\$ 1,104,246	364,496
Facility fee	773,800	780,716	6,916
Property Owner Discounts on Entry Fees	(68,520)	(71,625)	(3,105)
Investment earnings	3,600	2,988	(612)
Total revenues	<u>1,448,630</u>	<u>1,816,325</u>	<u>367,695</u>
EXPENSES			
Current:			
Wages	539,045	545,994	(6,949)
Benefits	154,016	144,600	9,416
Services and Supplies	372,220	374,682	(2,462)
Central Services Cost	72,000	72,000	-
Utilities	79,500	85,763	(6,263)
Depreciation	143,100	137,493	5,607
Legal and audit	15,000	3,246	11,754
Debt service interest	12,290	11,811	479
Amortization of issuance costs	113	135	(22)
Total expenses	<u>1,387,284</u>	<u>1,375,724</u>	<u>11,560</u>
Gain (loss) on sale of assets	<u>-</u>	<u>1,104</u>	<u>1,104</u>
Changes in Net Position (GAAP basis and per budget form 19 filed with State of NV)	<u>\$ 61,346</u>	<u>\$ 441,705</u>	<u>\$ 380,359</u>

**CASH FLOWS FROM CAPITAL AND RELATED
 FINANCING ACTIVITIES
 (Budget Form 20 filed with State of NV)**

Acquisition of Capital Assets	<u>\$ (366,520)</u>	<u>\$ (127,176)</u>	<u>\$ (239,344)</u>
Proceeds from Capital Debt	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Payments of Capital Debt	<u>\$ (263,186)</u>	<u>\$ (263,218)</u>	<u>\$ 32</u>

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
INTERNAL SERVICES FUND - BUDGETARY BASIS
(FLEET , ENGINEERING AND BUILDINGS MAINTENANCE
AND WORKERS COMPENSATION ACTIVITIES)
SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014**

	Original and Final Budget	Actual	Variance
REVENUES			
Services provided by:			
Fleet	\$ 822,500	\$ 828,555	\$ 6,055
Engineering	459,000	441,102	(17,898)
Buildings Maintenance	626,300	683,109	56,809
Workers Compensation	285,100	326,555	41,455
Interfund Services	2,192,900	2,279,321	86,421
Miscellaneous	3,000	975	(2,025)
Operating Revenue per Form 19	2,195,900	2,280,296	84,396
Investment earnings	22,900	24,251	1,351
 Total Revenues	 <u>2,218,800</u>	 <u>2,304,547</u>	 <u>85,747</u>
EXPENSES			
Wages	917,709	904,232	13,477
Benefits	451,425	446,973	4,452
Services and Supplies	755,800	893,991	(138,191)
Utilities	6,100	7,298	(1,198)
Legal & Audit	42,100	4,667	37,433
Depreciation	7,600	9,950	(2,350)
 Total expenses	 <u>2,180,734</u>	 <u>2,267,111</u>	 <u>(86,377)</u>
 Changes in Net Position (GAAP basis and per budget form 19 filed with State of NV)	 <u>\$ 38,066</u>	 <u>\$ 37,436</u>	 <u>\$ (630)</u>
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES (Budget Form 20 filed with State of NV)			
Acquisition of Capital Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Proceeds from Capital Debt	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Payments of Capital Debt	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

INCLINE VILLAGE
GENERAL IMPROVEMENT DISTRICT

STATISTICAL SECTION
(UNAUDITED)

STATISTICAL SECTION (UNAUDITED)

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

CONTENTS

Net Position.....	57
Changes in Net Position & Related Items.....	58
Fund Balances of Governmental Funds.....	59
Changes in Fund Balances of Governmental Funds.....	60
Assessed and Estimated Actual Value of Taxable Property.....	61
Direct and Overlapping Tax Districts.....	62
Principal Property Taxpayers.....	63
Tax Levies, Collections and Delinquencies - Washoe County.....	64
Ratios of Outstanding Debt by Type.....	65
Outstanding Overlapping General Obligation Indebtedness.....	66
Utility Fund Net Pledged Revenues.....	67
Community Services and Beach Fund Net Pledged Revenues.....	68
Ratio of Annual Debt Service Expenditures to Governmental and Business Type Expenditures.....	69
Statutory Debt Limitation.....	70
Demographic Statistics.....	71
Principal Employers.....	72
Position and FTE Summary.....	73
User Statistics.....	74
Facility Fees per parcel.....	75
Water and Sewer Single Family Base Rates.....	76
Water Sold by Customer Type.....	77

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

Source: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Net Position

Last Five Fiscal Years - (unaudited)

	Fiscal Years				
	2014	2013	2012	2011	2010
Governmental Activities					
Net invested in capital assets	\$ 3,071,179	\$ 3,071,955	\$ 3,103,742	\$ 3,185,297	\$ 3,266,815
Restricted	-	-	52,000	-	109,350
Unrestricted	1,391,021	886,664	181,702	(114,875)	422,420
Total governmental activities net position	\$ 4,462,200	\$ 3,958,619	\$ 3,337,444	\$ 3,070,422	\$ 3,798,585
Business-type activities					
Net invested in capital assets	\$ 98,127,357	\$ 95,632,904	\$ 93,808,608	\$ 88,169,974	\$ 76,979,760
Restricted	471,789	495,310	1,130,192	1,100,527	790,997
Unrestricted	18,829,347	17,516,888	11,845,530	13,100,416	19,414,629
Total business-type activities net position	\$ 117,428,493	\$ 113,645,102	\$ 106,784,330	\$ 102,370,917	\$ 97,185,386
Primary government					
Net invested in capital assets	\$ 101,198,536	\$ 98,704,859	\$ 96,912,350	\$ 91,355,271	\$ 80,246,575
Restricted	471,789	495,310	1,182,192	1,100,527	900,347
Unrestricted	20,220,368	18,403,552	12,027,232	12,985,541	19,837,049
Total primary government net position	\$ 121,890,693	\$ 117,603,721	\$ 110,121,774	\$ 105,441,339	\$ 100,983,971

5 years data is presented as opposed to 10 Years due to a lack of sufficient and consistent classifications.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

**Changes in Net Position and Related Items
Last Five Fiscal Years - (unaudited)**

	2014	2013	2012	2011	2010
Expenses					
Governmental activities:					
General government	\$ 2,076,147	\$ 1,985,100	\$ 1,891,830	\$ 3,882,904	\$ 3,002,695
Internal services	-	-	-	-	1,766,735
Total governmental activities expenses	2,076,147	1,985,100	1,891,830	3,882,904	4,769,430
Business-type activities:					
Utilities	9,235,798	8,580,345	8,604,093	8,317,461	8,415,952
Community Services	15,300,284	14,899,527	15,421,206	15,599,730	15,220,838
Beach	1,378,724	1,158,071	1,177,800	1,263,121	1,228,268
Total business-type activities expenses	25,914,806	24,637,943	25,203,100	25,180,312	24,865,058
Total primary government expenses	27,990,953	26,623,043	27,094,930	29,063,216	29,634,488
Program Revenues					
Governmental activities:					
Internal Services	-	-	-	-	1,814,349
Business-type activities:					
Charges for services:					
Utilities	10,432,200	9,770,425	9,130,805	8,485,161	8,051,694
Community Services	16,552,498	16,765,559	16,350,936	17,612,042	16,191,656
Beach	1,813,337	1,755,342	1,467,842	1,228,336	1,465,820
Operating Grants and Contributions	106,238	97,123	77,700	84,000	1,563,174
Net (Expense)/Revenue					
Governmental activities	(2,076,147)	(1,985,100)	(1,891,830)	(3,882,904)	(2,955,081)
Business-type activities	2,989,467	3,750,506	1,824,183	2,229,227	2,407,286
General Revenues and Other Changes in Net Position					
Governmental activities					
Taxes					
Property taxes	1,293,676	1,307,715	1,325,436	1,094,166	796,482
Combined taxes	1,277,567	1,205,091	1,106,183	1,101,055	1,136,483
Investment earnings	43,959	30,618	25,555	24,175	54,041
Miscellaneous	16,526	7,482	1,678	11,191	9,960
Tax Refund Provision	-	55,372	(300,000)	-	-
Transfers	-	-	-	924,154	1,267,842
Business-type activities					
Investment earnings	120,154	113,164	254,017	229,855	347,841
Capital Grants and contributions	464,480	3,151,123	2,282,869	3,347,686	1,747,770
Miscellaneous	157,290	74,066	52,344	302,917	432,139
Transfers	-	-	-	(924,154)	(1,267,842)
Change in Net Position					
Governmental activities	555,581	621,178	267,022	(728,163)	309,727
Business-type activities	3,731,391	7,088,859	4,413,413	5,185,531	3,667,194
Total primary government	\$ 4,286,972	\$ 7,710,037	\$ 4,680,435	\$ 4,457,368	\$ 3,976,921

5 years data is presented as opposed to 10 Years due to a lack of sufficient and consistent classifications.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

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

	Fiscal Year ended June 30									
	2014	2013	2012	2010	2009	2008	2007	2006	2005	2004
General Fund										
Unspendable	\$ 237,021	\$ 191,780	\$ 174,157	\$ 154,087	\$ 143,088	\$ 322,349	\$ 63,987	\$ 17,481	\$ 405,700	\$ 18,057
Restricted	-	-	52,000	129,000	-	-	-	-	-	-
Committed	400,000	400,000	400,000	-	-	-	-	-	-	-
Unassigned	806,000	294,887	357,734	332,687	472,686	293,425	551,787	398,293	10,074	397,717
Total General Fund	\$1,443,021	\$ 886,667	\$ 983,891	\$ 615,774	\$ 615,774	\$ 615,774	\$ 615,774	\$ 415,774	\$ 415,774	\$ 415,774
All other Governmental Funds										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service	-	-	-	-	-	-	-	-	10,451	36,449
Unrestricted	-	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,451	\$ 36,449

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

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

	Fiscal Year ended June 30									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Revenues										
Taxes	\$ 2,571,243	\$ 2,512,806	\$2,431,619	\$2,195,221	\$2,203,067	\$2,204,188	\$ 2,434,583	\$2,589,552	\$ 2,653,577	\$ 2,567,067
Special Assessments	-	-	-	-	-	-	-	-	154	21,849
Central Services Cost Allocation Income	1,068,996	1,000,200	1,074,000	-	-	-	-	-	-	-
Investment Earnings	43,959	30,618	25,555	24,175	25,245	18,213	41,108	23,902	15,516	14,917
Miscellaneous	2,990	3,713	1,771	2,071	2,930	4,771	18,189	5,806	25,198	11,255
Total Revenues	3,687,188	3,547,337	3,532,945	2,221,467	2,231,242	2,227,172	2,493,880	2,619,260	2,694,445	2,615,088
Expenditures										
General Government	3,059,518	2,907,061	2,874,413	2,943,084	2,778,075	2,853,629	2,830,126	2,697,415	2,446,559	2,418,064
Capital Outlay	84,849	46,452	9,953	211,657	450,907	237,075	126,706	111,167	118,934	174,261
Total Expenditures	3,144,367	2,953,513	2,884,366	3,154,741	3,228,982	3,090,704	2,956,832	2,808,582	2,565,493	2,592,325
Other Financing Sources										
Sale of assets	13,536	3,769	-	9,120	-	-	-	-	-	-
Transfer In	-	-	-	924,154	1,267,842	863,532	462,952	389,322	13,523	-
Transfer Out	-	-	-	-	-	-	-	-	(128,798)	(560)
Washoe Co Tax Refund	-	(694,817)	(280,460)	-	(270,102)	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	(24,218)	(48,111)
Total Other Sources (Uses)	13,536	(691,048)	(280,460)	933,274	997,740	863,532	462,952	389,322	(139,493)	(48,671)
Net Changes in Fund Balance	\$ 556,357	\$ (97,224)	\$ 368,119	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ (10,541)	\$ (25,908)

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Assessed and Estimated Actual Value of Taxable Real Property Last Ten Fiscal Years (unaudited)

Fiscal Year Ended	Taxable Real Property Assessed Value	Direct Tax Rate	Estimated Actual Value	Ratio Of Total Assessed Value To Total Estimated Actual Value
2014	\$ 1,392,531,036	0.1105	\$ 3,978,660,103	35%
2013	1,374,297,099	0.1153	3,926,563,140	35%
2012	1,368,961,464	0.1129	3,911,318,469	35%
2011	1,448,979,941	0.0806	4,139,942,689	35%
2010	1,580,606,324	0.0755	4,516,018,069	35%
2009	1,877,488,689	0.0711	5,364,253,397	35%
2008	1,547,081,848	0.0687	4,420,233,851	35%
2007	1,559,038,953	0.0702	4,454,397,009	35%
2006	1,445,782,050	0.0730	4,130,805,857	35%
2005	1,399,645,447	0.0741	3,998,986,991	35%

SOURCE: State of Nevada Department of Taxation

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

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Direct and Overlapping Tax Districts Last Ten Fiscal Years (unaudited)

Rate Per \$100 assessed valuation	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Fiscal Year Ended June 30,										
Incline Village GID-Direct	\$ 0.1105	\$ 0.1153	\$ 0.1129	\$ 0.0806	\$ 0.0755	\$ 0.0711	\$ 0.0687	\$ 0.0702	\$ 0.0730	\$ 0.0741
Overlapping-										
Washoe County	1.3917	1.3917	1.3917	1.3917	1.3917	1.3917	1.3917	1.3917	1.3917	1.3817
Washoe County School District	1.1385	1.1385	1.1385	1.1385	1.1385	1.1385	1.1385	1.1385	1.1385	1.1385
North Lake Tahoe Fire District	0.6291	0.6414	0.5525	0.5389	0.5275	0.5142	0.5070	0.5118	0.5196	0.5227
State of Nevada	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700
Total	\$ 3.4398	\$ 3.4569	\$ 3.3656	\$ 3.3197	\$ 3.3032	\$ 3.2855	\$ 3.2759	\$ 3.2822	\$ 3.2928	\$ 3.2870

SOURCE: Nevada Dept of Taxation - Total Property Tax Rates by Taxing Unit

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Principal Property Taxpayers

Current Fiscal Year and Nine Years Ago (unaudited)

Taxpayer	Type of Entity	2014			2005		
		Taxable		% of Total	Taxable		% of Total
		Assessed Value	Assessed Value	Assessed Value	Assessed Value	Assessed Value	Rank
Hyatt Equities LLC	Hotel/Casino	\$ 24,227,507		1.74%	\$ 19,391,983		1
Nevada Pacific Devel Corp	Development	18,183,959		1.31%	16,346,600		2
Ponderosa Ranch Stables, LLC	Residential Property	10,771,894		0.77%			
Tahoe Estate LLC	Residential Property	10,319,086		0.74%			
David A Duffield Trust	Residential Property	8,188,045		0.59%	6,764,896		6
SF Pacific LLC	Residential Property	7,981,269		0.57%			
1145 Lakeshore Boulevard	Residential Property	7,788,119		0.56%			
Lakeshore Trust	Residential Property	7,707,749		0.55%			
O'Neal Family Trust	Residential Property	5,746,342		0.41%			
KWS Nevada Residential LLC	Residential Property	5,556,941		0.40%	6,048,843		9
Richard V. Sandler	Residential Property				9,626,763		3
HTS Ground Lake Tahoe INC	Residential Property				7,323,652		4
Robert Wong	Residential Property				6,974,736		5
Pen o Bottom	Residential Property				6,510,347		7
Sierra Nevada College	College				6,403,824		8
Albert W. Duffield	Residential Property				5,872,895		10
		\$ 106,470,911		7.65%	\$ 91,264,539		6.3%
Total IVGID Community		\$ 1,392,531,036			\$ 1,445,782,050		

SOURCE: Washoe County Assessors Office

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

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

Fiscal Year Ending June 30,	Net Levy Roll	Current Tax Collected	Percent of Levy Collected	Delinquent Tax Collected	Total Cumulative Taxes Collected	Total Taxes Collected as a % of Net Levy Roll
2014	\$ 411,260	\$ 407,469	99.08%	\$ -	\$ 407,469	99.08%
2013	411,058	405,977	98.76%	3,280	409,257	99.56%
2012	422,799	416,849	98.59%	4,387	421,236	99.63%
2011	458,717	451,994	98.53%	6,177	458,171	99.88%
2010	504,823	495,281	98.11%	9,002	504,283	99.89%
2009	514,531	504,268	98.01%	10,019	514,287	99.95%
2008	480,945	472,860	98.32%	7,890	480,750	99.96%
2007	446,362	442,446	99.12%	3,850	446,296	99.99%
2006	404,224	401,305	99.28%	2,914	404,219	100.00%
2005	372,704	370,001	99.27%	2,698	372,699	100.00%

SOURCE: Washoe County Treasurer's Office

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

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

Fiscal Year Ended	Governmental Type Activities	Business-Type Activities			Gross Bonded Debt	Percentage Payable by Property Taxes	Percentage Payable by Enterprise Revenues	Population	Debt Per Capita
		Revenue Pledged	General Obligation	Total					
2014	\$ -	\$ 2,094,548	\$ 11,953,395	\$ 14,047,943	0%	100%	9087	\$ 1,546	
2013	-	2,267,548	13,948,228	16,215,776	0%	100%	9087	1,785	
2012	-	2,435,281	14,185,379	16,620,660	0%	100%	9087	1,829	
2011	-	2,597,909	16,048,477	18,646,386	0%	100%	9087	2,052	
2010	-	2,755,584	18,817,174	21,572,758	0%	100%	9087	2,374	
2009	-	2,908,459	21,500,867	24,409,326	0%	100%	10500	2,325	
2008	-	3,096,322	24,075,453	27,171,775	0%	100%	10500	2,588	
2007	-	3,200,388	19,003,333	22,203,721	0%	100%	10500	2,115	
2006	-	3,339,721	19,756,279	23,096,000	0%	100%	10500	2,200	
2005	-	3,407,782	19,897,436	23,305,218	0%	100%	10500	2,220	

SOURCE: Incline Village General Improvement District Annual Debt Management Reports

Note: All outstanding bonds carry a revenue pledge, all but two also carry a secondary General Obligation pledge.

However, no tax levy is made to fund debt service because net revenues are sufficient to meet these obligations.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

OUTSTANDING OVERLAPPING GENERAL OBLIGATION INDEBTEDNESS

Last ten fiscal years (unaudited)

	General Obligation Indebtedness	Presently Self-Supported General Obligation Indebtedness	Percent Applicable * Indine Village	As of June 30, 2014 Applicable Net Debt
Washoe County	\$ 163,556,000	\$ 49,339,000	11.3%	\$ 12,912,107
Washoe County School District	506,095,000	-	11.3%	57,213,485
State of Nevada	1,887,605,000	548,210,000	1.7%	22,636,862
Total	2,557,256,000	597,549,000		92,762,454
Indine Village GID	14,047,943	14,047,943	100.0%	-
Total	\$ 2,571,303,943	\$ 611,596,943		\$ 92,762,454
Applicable Net Debt June 30:				
2014				\$ 92,762,454
2013				96,542,090
2012				94,180,056
2011				90,743,574
2010				93,265,052
2009				91,229,360
2008				94,509,272
2007				94,509,272
2006				94,491,678
2005				101,065,922

*Percentage Applicable based on Assessed Valuation

SOURCE: Washoe County Comptrollers Office and Nevada Department of Taxation

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Utility Fund Net Pledged Revenues Last Ten Fiscal Years (unaudited)

Fiscal Year	Utility Service Charges	Less: Operating Expenses	Other Revenues (Expenses)	Net Available Revenue	Debt Service	Debt Service Coverage
2014	\$ 10,434,118	\$ 6,270,919	\$ 56,295	\$ 4,219,494	\$ 636,956	6.62
2013	9,767,475	5,867,114	73,522	3,973,883	965,108	4.12
2012	9,127,955	5,839,109	86,391	3,375,237	1,010,929	3.34
2011	8,485,161	5,845,108	159,402	2,799,455	1,013,922	2.76
2010	8,051,694	5,446,570	(33,999)	2,571,125	1,016,046	2.53
2009	8,182,416	5,633,932	(4,226)	2,544,258	1,023,052	2.49
2008	8,264,972	5,470,951	580,657	3,374,678	949,394	3.55
2007	8,166,379	5,193,842	452,180	3,424,717	917,164	3.73
2006	7,212,303	5,084,173	685,284	2,813,414	749,433	3.75
2005	6,814,042	4,631,245	246,610	2,429,407	629,509	3.86
2004	6,603,509	4,388,207	227,047	2,442,349	588,788	4.15

Notes- Details regarding the District's outstanding debt can be found in the notes to the financial statements. Expenses do not include interest, depreciation or amortization.

Debt service represents all outstanding debt of the Utility departments.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Community Services and Beach Fund Net Pledged Revenues Last Ten Fiscal Years (unaudited)

Fiscal Year	Operating Revenues	Less: Operating Expenses	Other Revenues (Expenses)	Net Available Revenue	Debt Service	Debt Service Coverage
2014	\$ 18,472,073	\$ 14,002,615	\$ 196,763	\$ 4,666,221	\$ 2,025,584	2.30
2013	18,618,024	13,485,112	90,791	5,223,703	2,353,561	2.22
2012	17,771,350	13,605,912	153,785	4,319,223	2,385,541	1.81
2011	18,867,490	13,871,398	335,293	5,331,385	2,586,856	2.06
2010	17,744,476	13,408,419	813,979	5,150,036	2,682,739	1.92
2009	18,888,595	14,521,532	145,785	4,512,848	2,680,590	1.68
2008	19,786,122	14,308,782	657,358	6,134,698	1,796,945	3.41
2007	17,421,423	13,263,457	254,113	4,412,079	1,795,456	2.46
2006	16,314,286	12,400,074	124,548	4,038,760	1,999,453	2.02
2005	14,060,094	11,341,158	994,721	3,713,657	1,999,461	1.86

Notes- Details regarding the District's outstanding debt can be found in the notes to the financial statements. Expenses do not include interest, depreciation or amortization.

Debt service represents all outstanding debt of the Community Service and Beach Funds, because proceeds from some issued were shared.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

**Ratio of Annual Debt Service Expenditures
To Governmental and Business Type Expenditures/Expenses
For the last 10 Years (unaudited)**

<u>Year</u>	<u>General Fund Balance</u>	<u>Annual Debt Service Expenditures</u>	<u>Total Government & Business-type Expenditures/ Expenses</u>	<u>Ratio Debt Service to Total Expenditures</u>	
2014	\$ 1,443,021	\$ 2,662,540	\$ 27,990,953	10%	
2013	886,664	3,318,669	26,623,043	12%	
2012	983,891	3,396,470	28,469,023	12%	
2011	615,774	3,600,778	29,063,216	12%	
2010	615,774	3,698,785	29,634,488	12%	
2009	615,774	3,727,504	31,377,660	12%	
2008	615,774	2,746,339	30,436,471	9%	
2007	615,774	2,712,620	29,248,855	9%	
2006	415,774	1,999,453	25,628,458	8%	Began repayment of Utility Bonds
2005	415,774	1,999,461	25,683,199	8%	

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Statutory Debt Limitation Last Ten Fiscal Years (unaudited)

Fiscal Year Ending June 30,	Assessed Valuation	Debt Limit	Outstanding and Proposed General Obligation Debt	Additional Statutory Debt Capacity
2014	\$ 1,392,531,036	\$ 696,265,518	\$ 14,047,943	\$ 682,217,575
2013	1,374,297,099	687,148,550	16,215,766	670,932,784
2012	1,368,961,464	684,480,732	16,620,660	667,860,072
2011	1,448,979,941	724,489,971	18,646,386	705,843,585
2010	1,580,606,324	790,303,162	21,572,758	768,730,404
2009	1,877,488,689	938,744,345	24,409,326	914,335,019
2008	1,547,081,848	773,540,924	27,171,775	746,369,149
2007	1,559,038,953	779,519,477	22,203,721	757,315,756
2006	1,445,782,050	722,891,025	19,594,172	703,296,853
2005	1,399,645,447	699,822,724	19,502,402	680,320,322

SOURCE: State of Nevada Department of Taxation

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Demographic Statistics

<u>Year</u>	<u>Population</u>	<u>Median Age</u>	<u>County Personal Income²</u>	<u>Housing Units</u>	<u>Occupied Housing Units</u>	<u>Housing Seasonal Use</u>	<u>Reno-Sparks Unemployment Rate²</u>
2014	9087						7.3%
2013	9087						9.8%
2012	9087						12.0%
2011	9087						13.0%
2010 ¹	9087	46.1	\$40,322	7,954	3,924	3,353	13.6%
	Estimated						
2009	10500						11.7%
2008	10500						6.4%
2007	10500						4.4%
2006	10500						4.0%
2005	10500						3.8%
2000 ¹	9952	42.1	\$36,658	7,664	4,176	2,957	4.0%

1 Based on actual Census Data

Estimated population through Washoe County Community Development

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

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Principal Employers

Current Fiscal Year and One, Two, Three and Nine Years Ago (unaudited)

Employer	2014 Employee Count	Rank 2013	Rank 2012	Rank 2011	Rank 2005
HYATT LAKE TAHOE RESORT	400 to 499	1	1	1	1
INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT	400 to 499	2	2	2	2
TAHOE BILTMORE LODGE	250 to 299	8	6	7	2
SIERRA NEVADA COLLEGE	150 to 199	3	3	5	3
CRYSTAL BAY CLUB CASINO	100 to 149	6	4	4	4
RALEY'S	90 to 99	9	7	8	5
NORTH LAKE TAHOE FIRE PROTECTION DISTRICT	70 to 79	7	9	10	7
CAL-NEVA LODGE	60 to 69	-	-	-	8
TAHOE FOREST HOSPITAL HEALTH ASSOCIATED MANAGEMENT INC.	50 to 59	10	10	> 10	9
	40 to 49	-	-	-	10

SOURCE: Nevada Department of Employment, Training and Rehabilitation

Data for all years is not available.

Data for percentage to total employment is not available.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

**Position and Full Time Equivalent Personnel Summary
Community Services and All Other Activities
For the last 10 Years (unaudited)**

		2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Golf	Seasonal/Part Time Positions	97.5	103.5	72.3	68.5	68.0	67.0	70.5	70.5	78.0	78.0
	Season/Part Time FTE	35.3	36.8	27.4	29.1	28.8	29.4	29.4	31.4	34.7	28.9
	Full Time FTE	6.7	6.8	6.99	8.1	9.6	10.5	13.4	13.4	9.0	5.7
	Total FTE	42.0	43.6	34.39	37.16	38.4	39.9	42.8	44.7	43.7	34.6
Facilities	Seasonal/Part Time Positions	16.5	2.0	1.8	1.5	0.5	2.0	1.5	11.5	9.0	8.0
	Season/Part Time FTE	3.6	1.0	1.0	0.7	0.1	0.4	0.7	4.8	1.5	1.3
	Full Time FTE	3.4	2.0	1.1	1.0	2.5	2.0	1.0	1.0	4.0	1.0
	Total FTE	7.0	3.0	2.1	1.8	2.6	2.4	1.7	5.8	5.5	2.3
Ski	Seasonal/Part Time Positions	247.0	193.0	216.0	225.0	218.0	218.0	212.0	208.0	235.5	234.0
	Season/Part Time FTE	49.6	33.6	41.8	39.3	39.7	39.6	40.6	40.0	40.6	38.1
	Full Time FTE	11.7	9.8	12.8	9.6	10.5	10.6	10.6	10.6	10.1	9.1
	Total FTE	61.3	43.4	54.6	48.9	50.2	50.2	51.2	50.6	50.7	47.2
Parks & Recreation	Seasonal/Part Time Positions	94.3	101.8	100.9	103.3	106.5	108.6	196.0	182.0	192.5	178.0
	Season/Part Time FTE	25.9	27.7	28.4	28.6	29.8	30.4	42.5	39.8	37.1	36.1
	Full Time FTE	9.0	11.8	11.8	12.3	14.5	14.3	17.0	14.8	15.4	17.4
	Total FTE	34.9	39.5	40.4	40.9	44.4	44.6	59.5	54.6	52.5	53.5
Marketing	Seasonal/Part Time Positions	0.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
	Season/Part Time FTE	0.0	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
	Full Time FTE	3.0	2.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	5.0
	Total FTE	3.0	2.7	3.7	3.7	3.7	3.7	3.7	3.7	3.7	5.7
Food & Beverage	Seasonal/Part Time Positions	Included	57.0	59.0	53.0	59.0	59.0	58.0	68.0	59.0	48.1
	Season/Part Time FTE	in Ski	14.4	14.3	18.1	18.9	18.8	21.5	18.6	15.8	10.5
	Full Time FTE		4.0	5.0	5.3	5.6	5.6	6.0	6.0	6.0	4.0
	Total FTE		18.4	19.3	23.4	24.5	24.4	27.5	24.6	21.8	14.5
Other Recreation	Seasonal/Part Time Positions	0.8	3.1	3.2	3.2	Prior to 2011 Other Recreation were included					
	Season/Part Time FTE	0.1	1.1	1.6	1.6	in Parks and Recreation.					
	Full Time FTE	1.6	1.8	2.4	1.4						
	Total FTE	1.7	2.9	4.0	3.0						
Total Community Service	Seasonal/Part Time Positions	456.1	462.4	456.1	459.5	454.5	455.6	540.0	542.0	576.0	560.1
	Season/Part Time FTE	114.5	115.3	116.4	116.1	118.2	119.3	135.4	135.3	130.4	115.6
	Full Time FTE	35.4	38.2	41.7	41.2	46.4	46.1	51.0	48.7	47.5	42.2
	Total FTE	149.9	153.5	158.1	157.2	164.5	165.4	186.3	184.0	177.9	157.8
Beach	Seasonal/Part Time Positions	89.0	88.1	90.6	86.6	95.6	93.5	Prior to 2009 Beach were included			
	Season/Part Time FTE	14.3	13.2	12.4	11.2	14.4	13.8	in Parks & Recreation.			
	Full Time FTE	2.8	2.1	2.5	3.1	3.7	3.1				
	Total FTE	17.1	15.3	14.9	17.6	18.1	16.9				
Administration	Seasonal/Part Time Positions	2.0	2.0	3	4.0	4.0	4.0	4.0	3.0	2.0	2.0
	Season/Part Time FTE	0.4	0.3	0.9	1.2	1.2	1.2	1.5	1.5	1.5	1.5
	Full Time FTE	22.6	20.7	20.2	21.2	21.2	21.2	21.0	21.0	21.0	21.3
	Total FTE	23.0	20.9	21.1	22.4	22.4	22.4	22.5	22.5	22.5	22.8
Engineering	Seasonal/Part Time Positions	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.0
	Season/Part Time FTE	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.1	0.8
	Full Time FTE	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.9	2.4
	Total FTE	3.1	3.1	3.1	3.0	3.0	3.0	3.0	3.0	3.0	3.2
Fleet	Seasonal/Part Time Positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0	0.0
	Season/Part Time FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.0	0.0
	Full Time FTE	6.0	6.0	6.0	6.0	7.0	7.0	7.0	7.0	6.0	5.0
	Total FTE	6.0	6.0	6.0	6.0	7.0	7.0	7.0	7.5	6.0	5.0
Buildings	Seasonal/Part Time Positions	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
	Season/Part Time FTE	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
	Full Time FTE	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
	Total FTE	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5
Utilities	Seasonal/Part Time Positions	3.0	2.0	2.0	1.0	2.0	2.0	20.0	2.0	3.0	6.0
	Season/Part Time FTE	1.0	0.7	0.7	0.0	0.7	0.7	0.7	0.7	1.3	2.5
	Full Time FTE	31.2	30.2	31.2	31.3	31.7	31.7	31.7	30.7	29.7	29.2
	Total FTE	32.2	30.9	31.9	31.3	32.4	32.4	32.4	31.4	30.9	31.7
District Wide	Seasonal/Part Time Positions	552.1	556.5	553.7	561.1	558.1	557.1	548.0	549.0	583.0	571.1
	Season/Part Time FTE	131.0	130.3	131.2	132.2	135.2	135.7	138.2	138.6	133.7	120.9
	Full Time FTE	104.8	104.0	108.5	109.8	116.7	115.9	117.5	114.2	111.0	104.0
	Total FTE	235.8	234.2	239.7	242.0	251.9	251.5	255.7	252.8	244.7	224.9

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

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

User Statistics, Last Ten Fiscal Years Total number of users (unaudited)

Program	Unit Measured	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Water	Locations	4,229	4,223	4,217	4,217	4,216	4,217	4,212	4,204	4,175	4,146
Sewer	Locations	4,139	4,124	4,121	4,118	4,116	4,115	4,109	4,108	4,082	4,062
Refuse	Locations	4,138	4,151	4,149	4,233	4,233	3,671	3,664	3,650	3,677	3,662
Championship Course	Rounds played	23,784	23,744	22,860	20,417	21,841	24,409	25,990	27,536	26,478	10,112
Mountain Course	Rounds played	14,570	13,129	13,556	13,386	15,748	17,820	18,151	20,336	18,840	26,519
Beach	Individual visits	173,963	165,089	165,387	155,671	128,241	159,827	172,296	137,937	129,365	143,539
Tennis	Individual visits	13,337	13,009	14,398	14,080	12,333	14,494	8,381	13,239	14,062	12,724
Skier	Individual visits	93,935	103,397	98,818	131,371	126,867	100,709	127,668	91,056	107,042	121,481
Recreation Center	Individual visits	130,887	125,294	124,356	119,459	125,629	133,153	121,064	109,951	106,357	100,954

SOURCE: Incline Village General Improvement District

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

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

Program	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Ski	\$ (20)	\$ (88)	\$ (35)	\$ 151	\$ 22	\$ 41	\$ 56	\$ 70	\$ 27	\$ 9
Tennis	21	6	18	15	19	12	5	22	10	8
Parks	86	102	200	120	131	136	189	103	107	69
Recreation Center	216	241	112	118	106	104	96	96	94	113
Championship Golf	75	87	47	30	38	6	(3)	24	40	191
Mountain Golf	29	40	20	22	21	45	38	-	-	-
Beaches	100	100	115	100	113	155	150	110	100	95
Youth	20	15	25	22	22	19	20	22	14	15
Seniors	19	16	20	23	26	11	2	-	-	-
Adult Programs	1	2	2	3	4	1	-	-	-	-
Catering	(13)	(8)	26	(2)	(6)	(18)	2	-	(18)	(12)
Facilities	52	35	33	48	33	43	22	51	61	84
Reserves for Recreation	49	75	40	-	-	-	46	46	70	-
Golf/Tennis/Ski Bonds	85	85	85	85	85	85	85	85	85	85
Ski Lodge Bond	110	110	110	110	110	110	-	-	-	-
Incline Lake Property Purchase	-	-	0	-	-	-	-	31	-	-
Beach Litigation	-	-	0	-	-	-	-	30	-	-
Defensible Space	-	12	12	12	12	-	-	-	-	-
Coverage sales	-	0	0	(27)	-	-	-	-	-	-
Other/Undclassified	-	0	0	-	-	10	2	-	-	(82)
Total	\$ 830	\$ 830	\$ 830	\$ 830	\$ 736	\$ 760	\$ 710	\$ 690	\$ 590	\$ 575
Total Collected (in 1,000's)	\$ 6,742	\$ 6,737	\$ 6,819	\$ 6,850	\$ 5,992	\$ 6,132	\$ 5,764	\$ 5,592	\$ 4,755	\$ 4,646

Bracketed amounts for "Other" represent instances where prior period resources were used in lieu of the current fee, primarily for construction.

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

The Facility Fee can be a resource for operating expenses, debt service or capital purchases. It is set annually by the Board of Trustees.

SOURCE: Incline Village General Improvement District

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Water and Sewer Single Family Base Rates

Last Ten Fiscal Years (unaudited)

Fiscal Year 6/30	Water Monthly Base Rate	Excess Rate Per 1k gallons	Sewer Monthly Base Rate	Excess Rate Per 1k gallons
2014	\$ 27.03	\$ 1.32	\$ 41.85	\$ 2.68
2013	27.62	1.28	39.31	2.60
2012	27.62	1.28	39.31	2.60
2011	27.89	1.24	37.52	2.50
2010	27.56	1.20	35.03	2.40
2009	26.01	1.17	34.61	2.37
2008	26.01	1.17	34.61	2.37
2007	24.51	1.17	33.65	2.37
2006	23.01	1.17	32.69	2.37
2005	20.71	0.97	30.24	2.00

The District charges an excess-use rate above normal demand Rate changes are considered for implementation May each year. In 2013 they were not effective until July 19, 2013.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

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

Fiscal Year	Residential	Commercial	Total
2014	673	292	965
2013	701	300	1,001
2012	626	312	938
2011	620	239	859
2010	636	253	889
2009	701	298	999
2008	720	312	1,032
2007	721	252	973
2006	705	299	1,004
2005	727	305	1,032

Source: IVGID Utilities Billing Department

INCLINE VILLAGE
GENERAL IMPROVEMENT DISTRICT

COMPLIANCE SECTION



KAFOURY, ARMSTRONG & CO.
A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Incline Village General Improvement District, (the "District"), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 5, 2014.

Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Kapoury, Armstrong & Co.

Fallon, Nevada
November 5, 2014

AUDITOR'S COMMENTS

June 30, 2014

Current Year Statute Compliance

Incline Village General Improvement District conformed to all significant statutory constraints on its financial administration during the year.

Progress on Prior Year Statute Compliance

The District reported no instances of noncompliance with significant constraints on its financial administration during the year ended June 30, 2013.

Prior Year Recommendations

No instances were reported in the prior year.

Current Year Recommendations

We identified no instances required to be reported.



INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT



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

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INCLINE VILLAGE, NEVADA