



INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2017

PREPARED BY: DEPARTMENT OF FINANCE & ACCOUNTING



GENERAL IMPROVEMENT DISTRICT  
ONE DISTRICT ~ ONE TEAM

INCLINE VILLAGE, NEVADA

# GREETINGS!

The following pages comprise the Incline Village General Improvement District (IVGID) Comprehensive Annual Financial Report (CAFR) for the Fiscal Year ended June 30, 2017. 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 enviable financial condition continues with our increases in net position, readily available cash, low debt ratio and no unfunded pension and medical liabilities.



## **Over the past five years:**

- Our cash position remains stable while our net investment in capital assets has increased to \$110.5 million.
- Our 2017 expenses have increased almost entirely due to increased activity at our venues, while remaining on average an increase of 2.5 percent per year.
- Our utility revenues have increased to ensure adequate cash flow to not only fund annual operations, but to also fund future capital improvement needs, especially the effluent pipeline project.
- Our user fees have been otherwise stable, while favorable weather conditions have made for two successful ski seasons in a row, following 2015 with a record low count of visits for the ski resort.
- Our governmental revenues (property tax and combined taxes) are not currently subject to litigation refunds and have been steady to increasing over the entire period.
- Our bonded indebtedness has dropped from \$1,829 to \$952 per capita.
- Our total recreation fee cost to the property owners has remained flat over the entire period.

## **Current Conditions:**

- Our unrestricted net position of \$29 million is 330% greater than our total outstanding indebtedness of \$8.6 million.
- Since 2008, our outstanding indebtedness has dropped from a high of \$27.2 million to \$8.6 million.
- Our outstanding indebtedness is only 1.1% of our statutory debt capacity.
- Our ratio of debt service to total expenditures has dropped to 5.5%.

## **Conclusion**

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

**Steven J. Pinkerton**  
General Manager

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# INTRODUCTION



**November 28, 2017**

**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 our Comprehensive Annual Financial Report (the Report) for the year ended June 30, 2017. 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 Eide Bailly, LLP. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2017, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2017, are fairly presented in conformity with GAAP. The unmodified Independent Auditors' Report appears in the Financial Section.

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

**Profile of the District**

The District was formed in 1961 in accordance with the State of Nevada's Revised Statutes, Chapter 318, pertaining to General Improvement District Law as a body corporate and public and a quasi-municipal corporation in the State of Nevada. The District is located on the northeast corner of Lake Tahoe, in the Sierra Nevada Mountains, and occupies a land area of approximately 15.36 square miles and serves a base population of approximately 9,000 residents. In accordance with the enabling legislation, the District provides water, waste water, and solid waste services within its boundaries, as well as various recreational amenities including downhill skiing, two golf courses, a multi-use recreation center, tennis facilities, meeting facilities, parks, recreation programs, beaches, playgrounds and other recreation-related programming. The District serves approximately 4,200 water/sewer customers, accommodates over 100,000 skiers, 35,000 golfers, and 170,000 beach users, and oversees a variety of other activities including over 120,000 visits to the Recreation Center annually.

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

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

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

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

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

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

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

One District • One Team

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

The District adopted a Strategic Plan for July 1, 2015 through June 30, 2017. Part of the plan includes six Long Range Principles. Under the direction of the Board of Trustees and the leadership of the District General Manager, the Principles align our activities to the strategy of the District. Each Principle addresses objectives over the two years of the Plan, as well as annual budget initiatives.

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

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

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

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

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

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

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

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

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

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

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

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

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

**District Management**

A five-person elected Board of Trustees, with 4-year terms, governs the District. Every other year, two or three of the trustee terms expire and are up for election. Upon being elected, the trustees assume office on January 1 or the first board meeting of the year. The District has benefited from longevity and management experience. The Senior Management Team is led by District General Manager Steven J. Pinkerton. The District has made a commitment to developing strategy that leads to results. It has also continued a commitment for sustainability in financing for capital assets. The District has made many capital investments out of current resources, along with paying off bonds utilized to finance improvements since 2001. The Facility Fee, which is charged by parcel, is a significant source for both capital expenditure and debt service for the Community Services and the Beach activities. This fee has been at the same total for the seven years, but has transitioned more for capital improvement and less for debt service. 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 prescribed procedures to establish the budgetary data reflected in these financial statements. On or before April 15, 2016, the Board of Trustees filed a tentative budget with the Nevada Department of Taxation. Public hearings on the budget and Facility Fees were held on May 18, 2016. On or before June 1, 2016, the Board adopted the final budget for the year ended June 30, 2017 and it was filed with the Nevada Department of Taxation.

Budgets are adopted on a basis consistent with GAAP for all funds. Formal budgetary integration in the financial records is employed to enhance management control during the year for all funds requiring budgets. Budgets are adopted for all governmental and proprietary fund types. The governmental fund type budgets are adopted on a modified accrual basis and the proprietary funds type budgets are adopted on an accrual basis. The District can amend or augment the budget after following State statutes and public hearing procedures. The District did augment its budget for the Community Services Special Revenue, Community Services Capital Project and the Internal Services Funds, and filed the documents with the State of Nevada.

**District Financial Initiatives and Accomplishments**

The Board of Trustees establishes policy and direction within the framework of the District Strategic Plan and it Long Range Principles. That direction provides initiatives for each budget year. For the year ending June 30, 2017 emphasis was placed on developing performance measures, stabilizing planning for capital improvements, and enhancing communication at many levels.



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

Utility Rates to Support Infrastructure The District has identified approximately 6 miles of effluent pipeline for replacement over a series of years. This project is expected to cost at least \$15,000,000. This replacement will be paid for by rate increases rather than debt. Sewer Rates have been increased for several years to accumulate more resources for this project. Water rates are set to a strictly pay for what you use as a cost of service. The latest rate increase went into effect in May 2017. Results of the Utility operations exceed budget. The resources intended for the long term portion of the effluent project, have been invested.

Holding the combined Recreation and Beach Facility Fee at \$830 The fiscal year 2016-17 marks the seventh year in which the combined fee totaled \$830. The facility fee revenue was realized as planned.

Minimizing the year to year changes in the Facility Fee to support capital expenditures Fiscal year 2016-17 also marks the seventh year for what has become known as "smoothing". This is an initiative integrated with the 5-year capital plan, to schedule projects in a way to provide reasonably level amounts for capital expenditure thus avoiding increases in the total Facility Fee from year to year. The Recreation and Beach Facility Fee is intended to generate resources for operations, debt service and capital expenditures. The debt service and capital expenditure components are budgeted based on specific issues and projects. Following the maturity of two bond issues, resources previously used for debt service were directed toward capital improvement. Results of operations for 2016-17 in the Community Services Special Revenue Fund were over budget. The Community Services Special Revenue fund balance continues to be evaluated and is expected to be used for several major capital projects that have been identified for completion in the next three years.

Workforce and Personnel The job description and classification for each position is considered during the budget process. During 2016-17, the District incurred additional costs for implementing the Affordable Health Care Act. A number of positions became eligible for those benefits. The District continues monitoring the seasonal positions that could be eligible under the 1560-hour rule. The District also budgeted for a larger scale of activity in its food and beverage locations. These levels were realized or exceeded.

### **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 2017 indicates the combined room occupancy rate is up 3.1% from last year.

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

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 2017. The median housing value at June 30, 2017 for single family

residence and condo sales for Incline Village and Crystal Bay are \$1,387,500 and \$426,000, respectfully, representing a 24% increase on residence and a 14% decrease on condos over last year. For the entire Washoe County the values were \$340,000 and \$184,000 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 2017 unemployment rate of 4.0% is slightly under both the State at 4.7% and the national level at 4.4%.

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

The 2004 Legislature passed Assembly Bill 489 to provide property tax relief which provides a partial abatement of taxes by applying a 3% cap on the tax bill of the owner's primary residence and a higher cap on the tax bill of other properties beginning with the 2005/2006 tax roll in Washoe County. For the fiscal year 2016-2017 the abatement was \$332,825, based on State of Nevada Department of Taxation formulas. The pre-abated Ad Valorem levy was \$1,813,604.

Beginning in 2010, the District had a portion of its property tax settlements offset to settle a court ordered tax refund by Washoe County. The General Fund was able to meet this obligation while maintaining service levels while the refund was completed. Over the course of four years the total offset was approximately \$1,200,000. A new action has been taken to the NV Supreme Court and Washoe County District Court to decide if another round of refunds should be ordered. A decision has not been released, nor is the outcome and possible affected determinable as of June 30, 2017.

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

The District approves a budget for each fiscal year by completing Form 4404LGF as prescribed by the State of Nevada Department of Taxation Local Government Finance. Preparation of this form set includes prescribed account titles and allowable levels of detail. This form set in essence creates a Budgetary Basis accounting and presentation. To provide adequate financial planning, the District's approach to the budget includes an evaluation in more detail of the flow of resources for both governmental and business-type activities. This results in the District budgeting for capital expenditure and debt service in the enterprise funds, similar to governmental type funds. The District has presented additional schedules to reconcile basic financial statement presentations with information included in Form 4404LGF for the fiscal year ending June 30, 2017.

The District has leased its two golf cart fleets for a number of years. The 80 cart fleet for the Championship Course was replaced ahead of the 2017 season. The Board of Trustees voted to buy the fleet outright, when it had been budgeted to be leased. This required an augmentation in March 2017 to utilize fund balance. The Community Services Special Revenue and Capital Projects Funds were amended for the \$448,000 expenditure.

As a result of the record winter snow, the District's skier visits far exceed budget. A budget augmentation was adopted April 25 which increased Community Service Special Revenue Fund revenues by \$2,700,000 and expenditures by \$920,000. This augmentation was largely focused on setting expenditures at a proper level to be in compliance with Nevada Revised Statutes. It also allowed for the projection of expected results for 2016-17 to facilitate budgeting for the next fiscal year with a realistic opening fund balance.

The same record snow conditions that helped the results at the ski resort also caused additional maintenance costs for many other venues to recover from the 2016-17 winter which is being called snowmageddon. The added costs resulted in a 2016-17 budget augmentation of \$215,000. These conditions also caused the accelerated scheduling of two capital improvement project for 2017-18 totaling \$170,000.

The District has been engaged in a lawsuit for over five years that received a final order, which was then appealed. When the budget for 2016-2017 was prepared this appeal was not expected. Legal costs of an appeal were not

budgeted. Therefore, on June 12, the Board of Trustees acted to authorize the use of \$90,000 of the General Fund budget contingency line item to increase the budget for those legal expenses.

The District changed from a self-insured form of providing workers compensation to a fully insured program July 1, 2013. The District planned for a periodic review of the runout liability including an actuarial study and adjustment to ongoing claims liability in the Internal Services Fund. The budget for the 2016-2017 fiscal year included \$100,000 to make a provision to increase that liability. However, in the course of ordering the actuarial study, the actuaries were able to complete the calculations faster than planned and identified a liability of \$156,000 as of June 30, 2016. Therefore, the financial statements for that year reflect the \$56,000 provision. No further provision was made for 2016-17.

**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, 2016. This was the seventeenth 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  
Incline Village General Improvement District

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



**INCLINE VILLAGE AND CRYSTAL BAY COMMUNITIES**

**IVGID BOARD OF TRUSTEES**

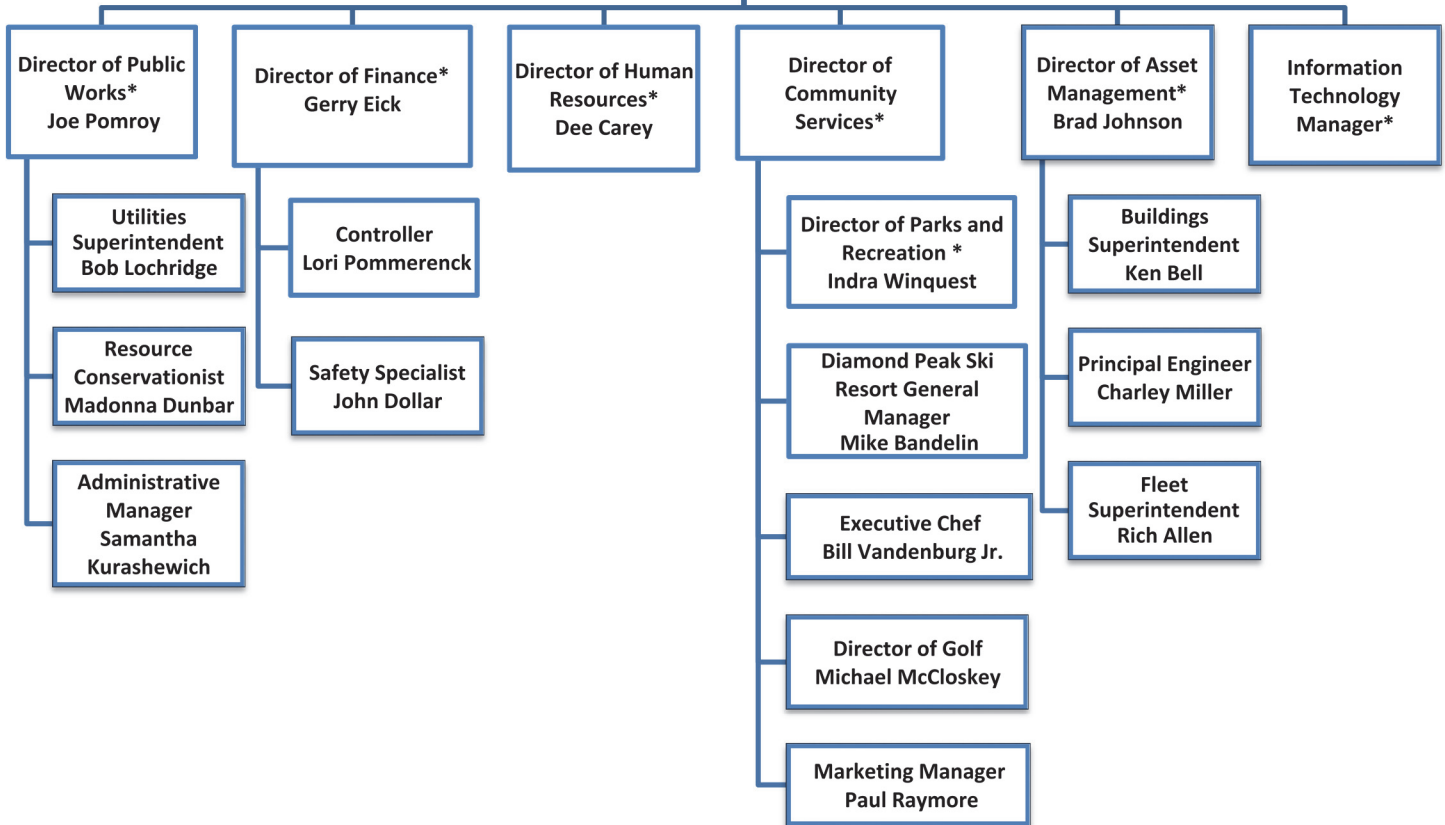
<b>Tim Callicrate</b> Term Expires 2018	<b>Matthew Dent</b> Term Expires 2020	<b>Kendra Wong</b> Term Expires 2018	<b>Peter Morris</b> Term Expires 2020	<b>Phil Horan</b> Term Expires 2020
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**General Manager\***  
**Steven J. Pinkerton**

**District General Counsel\***  
(Contract Position)

**Executive Assistant/District Clerk \***  
Susan Herron

**Communications Coordinator**  
Misty Moga



\* Members of the Senior Team

# ACHIEVEMENT



Government Finance Officers Association

## Certificate of Achievement for Excellence in Financial Reporting

Presented to

**Incline Village General  
Improvement District, Nevada**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2016**

Executive Director/CEO

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

IVGID received the Certificate of Achievement of Excellence in Financial Reporting for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2016

## NATIONAL AWARD

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

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

**FINANCIALS**



## Independent Auditor's Report

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Incline Village General Improvement District (the District), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

What inspires you, inspires us. Let's talk. | [eidebailly.com](http://eidebailly.com)

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## **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, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund, Community Services Special Revenue Fund, and Beach Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 12 through 19 and the schedule of employer required contributions on page 54, 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 inquires of management about the methods or preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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

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

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



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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2017, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Eide Bailly LLP*

Reno, Nevada  
November 28, 2017

## **Incline Village General Improvement District Management's Discussion and Analysis For the Fiscal Year ended June 30, 2017**

As management of the Incline Village General Improvement District (District), we offer readers of the District's financial statements this narrative and analysis of the financial activities of the Incline Village General Improvement District for the fiscal year ended June 30, 2017. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in our letter of transmittal, financial statements, and notes to the financial statements to gain a more complete picture of the information presented.

### **Financial Highlights**

Weather continues to play a key role in financial performance of the District. The Community Services ski venue has had a second consecutive above average snow year for the winter and by having favorable conditions, both years had very high skier visits and revenue for that resort. A mostly normal golf season allowed both courses to work on programming and the use of dynamic pricing to improve their revenue realization. Despite a drought and low water levels, the beach still had average attendance in 2015-16 and slightly better still in 2016-17. The Utility services had an average year for their flows. Overall the District still maintains a healthy financial condition for liquidity, operations and capital management. The District continues to meet its financial obligations and provide services to the community at large. Maintaining the care and condition of infrastructure is a high priority for all venues. The Utility Fund continues to build resources for a future Effluent Pipeline Project, while executing the preliminary study and design. The General Fund has made a transfer to Community Services Special Revenue Fund to meet a 2012 commitment.

June 30, 2017 Fiscal Year Highlights Based on Government-wide Financial Statements:

- The assets of the District exceeded its liabilities, at the close of the most recent fiscal year, by \$140 million (net position). Of this amount, \$29 million (unrestricted net position) may be used to meet the District's ongoing obligations.
- The District's net position increased \$7.5 million. A significant portion \$5 million from governmental activities serves to provide resources for future capital projects.
- The General Fund's ending fund balance held at \$1.8 million, while transferring \$400,000 to Community Services from a 2012 commitment.
- The governmental activities included depreciation of \$3.0 million while making investments in capital assets were \$4.0 million.
- The District retired over \$1.6 million in bond principal during the year.

### **Overview of the Basic Financial Statements**

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

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

This report also contains other Supplementary Information in addition to the basic financial statements.

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

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

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

**Incline Village General Improvement District  
Management's Discussion and Analysis  
For the Fiscal Year ended June 30, 2017  
(continued)**

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

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

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

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

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

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

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

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

**Incline Village General Improvement District  
Management's Discussion and Analysis  
For the Fiscal Year ended June 30, 2017  
(continued)**

**Governmental-wide Financial Analysis**

Net position is a useful indicator of a government's financial position. The District's assets exceeded liabilities by \$140 million at June 30, 2017. The largest portion of net position (79%) reflects net investment in capital assets (e.g., land, buildings, equipment, construction in progress less accumulated depreciation and bonds that are still outstanding). The District uses these capital assets to provide services to citizens; therefore, they are not available for future spending. Although the investment in capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since capital assets cannot be used to liquidate these liabilities.

<b>Incline Village General Improvement District Net Position</b>						
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	2017	2016	2017	2016	2017	2016
<b>Assets</b>						
Current and Other assets	\$ 11,263,382	\$ 7,483,694	\$ 10,028,628	\$ 2,268,007	\$ 21,292,010	\$ 9,751,701
Long Term and Net capital assets	63,665,605	62,881,043	69,722,084	75,522,410	133,387,689	138,403,453
<b>Total Assets</b>	<b>74,928,987</b>	<b>70,364,737</b>	<b>79,750,712</b>	<b>77,790,417</b>	<b>154,679,699</b>	<b>148,155,154</b>
<b>Liabilities</b>						
Current liabilities	5,240,470	4,559,909	1,973,031	1,949,553	7,213,501	6,509,462
Long-term liabilities	1,854,347	3,068,699	5,118,604	5,614,366	6,972,951	8,683,065
<b>Total Liabilities</b>	<b>7,094,817</b>	<b>7,628,608</b>	<b>7,091,635</b>	<b>7,563,919</b>	<b>14,186,452</b>	<b>15,192,527</b>
<b>Deferred Inflows of Resources</b>						
Deferred inflows	36,218	27,993	-	-	36,218	27,993
<b>Net Position</b>						
Net investment in capital assets	50,729,901	48,555,965	59,817,845	57,974,014	110,547,746	106,529,979
Restricted	180,564	178,426	305,022	226,208	485,586	404,634
Unrestricted	16,887,487	13,973,745	12,536,210	12,026,276	29,423,697	26,000,021
<b>Total Net Position</b>	<b>\$ 67,797,952</b>	<b>\$ 62,708,136</b>	<b>\$ 72,659,077</b>	<b>\$ 70,226,498</b>	<b>\$ 140,457,029</b>	<b>\$ 132,934,634</b>

<b>Incline Village General Improvement District Change in Net Position</b>						
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	2017	2016	2017	2016	2017	2016
<b>Revenues</b>						
Program Revenues:						
Charges for services	\$ 22,177,127	\$ 20,657,261	\$ 11,813,169	\$ 11,158,119	\$ 33,990,296	\$ 31,815,380
Operating grants	18,440	19,880	-	-	18,440	19,880
Capital grants and contributions	113,615	586,361	425,509	-	539,124	586,361
General Revenues:						
Ad valorem tax	1,476,148	1,498,519	-	-	1,476,148	1,498,519
Consolidated tax	1,484,830	1,487,986	-	-	1,484,830	1,487,986
Facility Fees	6,749,251	6,772,822	-	-	6,749,251	6,772,822
Unrestricted investment earnings	83,842	150,795	60,132	154,162	143,974	304,957
Other	310,425	279,475	17,730	42,764	328,155	322,239
<b>Total Revenues</b>	<b>32,413,678</b>	<b>31,453,099</b>	<b>12,316,540</b>	<b>11,355,045</b>	<b>44,730,218</b>	<b>42,808,144</b>
<b>Expenses</b>						
General Government	3,814,458	3,672,661	-	-	3,814,458	3,672,661
Internal Services	3,107,668	2,972,060	-	-	3,107,668	2,972,060
Utility	-	-	9,883,961	9,948,695	9,883,961	9,948,695
Community Services	18,599,633	17,442,179	-	-	18,599,633	17,442,179
Beach	1,802,103	1,690,445	-	-	1,802,103	1,690,445
<b>Total Expenses</b>	<b>27,323,862</b>	<b>25,777,345</b>	<b>9,883,961</b>	<b>9,948,695</b>	<b>37,207,823</b>	<b>35,726,040</b>
<b>Changes in Net Position</b>	<b>5,089,816</b>	<b>5,675,754</b>	<b>2,432,579</b>	<b>1,406,350</b>	<b>7,522,395</b>	<b>7,082,104</b>
<b>Beginning Net Position</b>	<b>62,708,136</b>	<b>57,032,382</b>	<b>70,226,498</b>	<b>68,820,148</b>	<b>132,934,634</b>	<b>125,852,530</b>
<b>Ending Net Position</b>	<b>\$ 67,797,952</b>	<b>\$ 62,708,136</b>	<b>\$ 72,659,077</b>	<b>\$ 70,226,498</b>	<b>\$ 140,457,029</b>	<b>\$ 132,934,634</b>

**Incline Village General Improvement District  
Management's Discussion and Analysis  
For the Fiscal Year ended June 30, 2017  
(continued)**

**Governmental activities** increased the Districts' net position by \$5,089,816. The majority of this increase is attributed to an excellent operating season for the District's ski resort, as also occurred in 2016.

Total governmental activity revenue overall increased year-on-year in the area of charges for services. Sales and consolidated taxes, mostly comprised of business and vehicle tax were flat 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. As of July 1, 2016 that abatement has a value of \$332,825 as a reduction of otherwise eligible ad valorem taxes for the current fiscal year. The increase in Charges for Services is led by the ski resort and banquets and events at the Championship Golf Course.

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

	2017		2016	
Property taxes	\$ 1,476,148	5%	\$ 1,498,519	5%
Combined taxes	1,484,830	5%	1,487,986	5%
Charges for Services -Community Service:	16,820,165	52%	15,596,222	50%
Charges for Services - Beach	1,065,015	3%	1,002,518	3%
Charges for Services - Internal Services	4,291,947	13%	4,058,521	13%
Facility Fees - Community Services	5,973,914	18%	5,995,248	19%
Facility Fees- Beach	775,337	2%	777,574	2%
Operating Grants	18,440	0%	19,880	0%
Capital Grants	113,615	1%	586,361	2%
Unrestricted investment earnings	83,842	0%	150,795	0%
Miscellaneous revenues	310,425	1%	279,475	1%
<b>Total general revenues</b>	<b>\$ 32,413,678</b>	<b>100%</b>	<b>\$ 31,453,099</b>	<b>100%</b>

The facility fee, assessed on parcel owners, is the most stable of the revenue streams for the District. The facility fee is assessed by the District for recreation and beach privileges and is collected by Washoe County Assessor's office through the real property quarterly billing process. For 2016-17 the District assessed \$5,972,860 in recreation facility fees and \$774,400 in beach facility fees.

**IVGID Facility Fees**

Fiscal Year	<u>Per Eligible Parcel</u>		<u>Total Assessment Roll</u>		District Assessed
	Beach	Community Services	Beach	Community Services	Recreation Facility
2016-17	\$ 100	\$ 730	\$774,400	\$ 5,972,860	<b>\$6,747,260</b>
2015-16	100	730	774,300	5,972,130	<b>6,746,430</b>
2014-15	100	730	774,300	5,971,400	<b>6,745,700</b>
2013-14	100	730	773,800	5,967,750	<b>6,741,550</b>
2012-13	100	730	781,100	6,021,040	<b>6,802,140</b>

**Incline Village General Improvement District  
Management's Discussion and Analysis  
For the Fiscal Year ended June 30, 2017  
(continued)**

Total governmental activities include the General Fund which provide District wide administration, Internal Services, and Recreation and Beach programming, capital projects and debt service. Expenditures in the General Fund increased year on year primarily related to Information Technology and depreciation of computer systems. Internal services increase reflecting higher service levels in Fleet and Engineering accompanied by staff increases. Recreation and Beach programming reflect higher costs based on similar increase in service demand. These volume related costs occurred in Championship Golf and the ski resort.

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

	<u>2017</u>	<u>2016</u>
Manager	\$ 348,022	\$ 322,337
Trustees	168,718	173,671
Accounting	933,328	915,338
Information Services	689,500	700,124
Risk Management	128,644	127,565
Human Resources	527,667	513,369
Health & Wellness	22,966	23,125
Community & Employee Relations	233,073	159,260
Administration	551,749	575,458
Depreciation	210,791	162,414
<b>Total General Government</b>	<b><u>\$ 3,814,458</u></b>	<b><u>\$ 3,672,661</u></b>
Fleet	1,063,578	995,663
Engineering	767,712	680,620
Buildings Maintenance	880,746	836,444
Works Compensation	395,632	459,333
<b>Total Internal Services</b>	<b><u>\$ 3,107,668</u></b>	<b><u>\$ 2,972,060</u></b>
Championship Golf	\$ 4,633,645	\$ 4,160,250
Mountain Golf	1,002,359	937,694
Facilities	660,214	591,449
Ski	8,010,232	7,670,195
Recreation and Community Programming	2,547,383	2,513,197
Parks	1,062,086	947,304
Tennis	312,779	298,767
Recreation Administration	370,935	323,323
<b>Total Community Services</b>	<b><u>\$18,599,633</u></b>	<b><u>\$17,442,179</u></b>
<b>Total Beach</b>	<b><u>\$ 1,802,103</u></b>	<b><u>\$ 1,690,445</u></b>

**Incline Village General Improvement District  
Management's Discussion and Analysis  
For the Fiscal Year ended June 30, 2017  
(continued)**

**Financial Analysis at the Fund Level**

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

**Governmental Funds:** The focus of the District's governmental funds is to provide information on current inflows, outflows, and balances of resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance of \$1,648,787 may serve as a useful measure of a government's net resources available for spending. At the end of the fiscal year, the District's General Fund balance increased to \$1,862,249, with \$213,462 non-spendable.

The District's recreational programming is conducted under two activities; they are Community Services and Beach. As a result of a deed restriction, a distinct constituency is served by the Beach fund and thus its inflows and outflows are measured separately to demonstrate compliance. The Community Services Special Revenue Fund Balance increased to \$10,320,141. This includes the \$400,000 received from the General Fund. The Beach Special Revenue Fund Balance increased to \$1,070,237.

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

**General Fund Budgetary Highlights**

General Fund functional expenditures performed better to budget by \$367,816. Savings occurred in most functional areas. General Fund actual expenditures has increased over the prior year, due to a continued emphasis on Information Technology and expanded Community Communications.

**Community Services Special Revenue Budgetary Highlights**

Community Services cover a variety of venues. After several years of weather challenges the ski resort experienced record levels in consecutive years for attendance and revenue. For 2017, this resulted in over \$3.8 additional revenue while only incurring just over \$522,000 in additional costs. Our golf courses saw a stable level of play and our banquets and events grew by about \$150,000. The Parks and Recreation venues saw stable use. A substantial schedule of capital projects were begun during the year. Of that, over \$2,215,000 will have to be carried over, and is reflected in Fund Balance.

**Beach Budgetary Highlights**

The District's beach venues saw stable levels of use. The water levels on Lake Tahoe have returned and will likely allow visits to remain stable. Several capital projects were commenced that were unbudgeted to maintain the care and condition of the property. These included a tile replacement and a change in a scheduled installation of flat scape to control sand erosion.

**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 and Internal Services.

**Utility Budgetary Highlights**

The net assets for the Utility Fund increased \$2,432,579 for the year. Utilities increased rates about 3% to cover its costs of service and to continue to facilitate building resources for the effluent pipeline replacement project.

The Utility Fund saw a year on year decrease in expenses mainly for some increase were offset by a reduction in utility expense due decrease for electricity.

**Internal Services Budgetary Highlights**

Internal Services had a balance of charges and costs, however each was increased over the prior year with additional personnel in both Fleet and Engineering. Workers Comp decreased despite higher overall personnel, especially for the ski resort, as the prior year included adjusting the self-insured Worker's Compensation claims liability. Expenses for these funds increased about \$135,000, year on year, mostly for wages and benefits including the addition of two positions.

**Incline Village General Improvement District  
Management's Discussion and Analysis  
For the Fiscal Year ended June 30, 2017  
(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, 2017 amounts to \$119,203,457 (net of accumulated depreciation). Investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, and recreation facilities. Readers desiring more information, with respect to capital asset activity, should see Note 4 to the financial statements.

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

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land - Governmental Activities	\$ 16,904,036	\$ 16,904,036	\$ -	\$ -	\$ 16,904,036	\$ 16,904,036
Construction in Progress - Governmental Activities	1,841,242	1,060,726	-	-	1,841,242	1,060,726
Land - Utility Activities	-	-	6,715,543	6,530,358	6,715,543	6,530,358
Construction in Progress - Utility Activities	-	-	4,519,884	3,177,580	4,519,884	3,177,580
Buildings and Improvements	846,899	846,899	-	-	846,899	846,899
Equipment and Vehicles	1,501,075	1,903,173	-	-	1,501,075	1,903,173
Internal services equipment furniture and fixtures	246,777	246,777	-	-	246,777	246,777
Utility service infrastructure	-	-	105,000,108	103,389,486	105,000,108	103,389,486
Utility buildings and improvements	-	-	11,900,859	11,028,062	11,900,859	11,028,062
Utility equipment, furniture and fixtures	-	-	3,483,937	3,233,384	3,483,937	3,233,384
Community services buildings and improvements	57,644,669	57,053,512	-	-	57,644,669	57,053,512
Community services equipment, furniture and fixtures	10,637,543	9,698,888	-	-	10,637,543	9,698,888
Beach buildings and improvements	4,722,020	4,657,809	-	-	4,722,020	4,657,809
Beach equipment, furniture and fixtures	472,861	385,267	-	-	472,861	385,267
Total Cost	94,817,122	92,757,087	131,620,331	127,358,870	226,437,453	220,115,957
Accumulated Depreciation	(41,045,874)	(40,009,423)	(66,188,122)	(63,288,260)	(107,233,996)	(103,297,683)
<b>Capital Assets, Net</b>	<b>\$ 53,771,248</b>	<b>\$ 52,747,664</b>	<b>\$ 65,432,209</b>	<b>\$ 64,070,610</b>	<b>\$ 119,203,457</b>	<b>\$ 116,818,274</b>

The major capital asset events during the fiscal year were completion of a creek restoration, a water main replacement and continuing pre-design efforts for the effluent pipeline, and water main projects.

**Long-term debt:** At the end of the current fiscal year, the District had total bonded debt outstanding of \$8,649,365. Of that amount, \$7,107,102 comprises debt backed by the full faith and credit of the District. The actual source for repayment is service revenues. The remainder of the District debt, \$1,542,263 represents bonds secured solely by specified utility revenue sources.

**Long-term liability activity for the year ended June 30, 2017 was as follows:**

	Beginning Balance	New Issues	Principal Paid	Ending Balance
<b>Governmental Type Activities:</b>				
Bonds Payable;				
Recreation Revenue Supported	\$ 4,158,000	\$ -	\$ 1,123,000	\$ 3,035,000
<b>Business Type Activities:</b>				
Bonds Payable;				
Utility Revenue Supported	6,096,595	-	482,230	5,614,365
<b>Total</b>	<b>\$ 10,254,595</b>	<b>\$ -</b>	<b>\$ 1,605,230</b>	<b>\$ 8,649,365</b>



**Incline Village General Improvement District  
Management's Discussion and Analysis  
For the Fiscal Year ended June 30, 2017  
(continued)**

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

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

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

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

- The District's primary revenue sources are from service charges from users. These come mostly in two forms as amounts charged at the point of service delivery and a standby charge paid by parcel owners to support the availability of services. The standby charge, also known as the Facility Fee, is determined annually by venue to support its operations, capital expenditure and debt service. The District has adopted a multi-year Strategic Planning process. Along with that, we continue to look at capital expenditure and debt service planning, five to twenty years ahead.
- Weather impacts demand for golf and ski and, to a much smaller extent, water and sewer charges based on the choice of residents and visitors to spending time in our community. The several years of drought have affected the beach and ski resort. With a more normal weather pattern, we look forward to less fluctuation year to year. A major initiative is to look at summer usage of the ski resort. A regulatory review of those possibilities has begun. The general economy and discretionary spending has been considered during the budget process. Anticipated user levels are revisited each year to assess probable service demands.
- Beginning with the 2009-10 fiscal year, the Utility Rate structure was evaluated by the Board one year at a time. For 2009-10 the Board decided on no increase in rates. This was applied to both the operating and capital component of rates. Rate increases were implemented for the 2010-17 fiscal years. These increases were for additional costs and to provide resources for the construction of the now completed Burnt Cedar Water Disinfection Plant Upgrade and the planned replacement project for several miles of our effluent pipeline. The design of that project is ongoing and the major construction is expected between 2017 and 2020.
- Parcel Owner user rates are based on market data and operating needs of the community activities as determined during budget preparation and adopted by the Board of Trustees.
- Personnel cost comprised 38% of annual expenditures. The 2017-18 budgeted for base wages and salaries, and benefits to increase including a 3% wage increase, and 10% for health benefits rates and to those covered and increased staffing for increased service levels.
- In these economic times employee retention is a key to the success of the District. The District continues to seek a balance of market forces and its economic realities with the benefits of longevity and employee institutional knowledge. Though many employees are part time we strive to have them move from venue to venue or season to season.

**Request of Information**

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

**INCLINE VILLAGE**  
GENERAL IMPROVEMENT DISTRICT

**BASIC FINANCIALS**

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

**STATEMENT OF NET POSITION  
JUNE 30, 2017**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 7,587,855	\$ 1,796,283	\$ 9,384,138
Investments	1,744,385	6,797,142	8,541,527
Receivables:			
Accounts receivable, net	95,104	1,068,585	1,163,689
Interest on investments	27,224	29,368	56,592
Taxes and Fees from Washoe County	45,222	-	45,222
Grant receivable	30,869	-	30,869
Due from other governments	530,343	-	530,343
Inventories and supplies	618,031	141,875	759,906
Prepaid items	584,349	195,375	779,724
Long term investments	9,713,793	3,984,852	13,698,645
Restricted assets:			
Temporarily restricted investments	180,564	305,022	485,586
Capital assets:			
Land	16,904,036	6,715,544	23,619,580
Construction in progress	1,841,242	4,519,884	6,361,126
Buildings, Structures, Improvements, Infrastructure, Equipment and Vehides, net of accumulated depreciation	35,025,970	54,196,782	89,222,752
Total assets	<u>74,928,987</u>	<u>79,750,712</u>	<u>154,679,699</u>
<b>LIABILITIES</b>			
Accounts payable	1,349,710	549,903	1,899,613
Accrued personnel costs	1,451,502	317,407	1,768,909
Accrued interest payable	21,353	75,401	96,754
Due to other governments	69,216	-	69,216
Unearned revenue	1,161,689	534,559	1,696,248
Noncurrent liabilities:			
Due within one year	1,187,000	495,761	1,682,761
Due in more than one year	1,854,347	5,118,604	6,972,951
Total liabilities	<u>7,094,817</u>	<u>7,091,635</u>	<u>14,186,452</u>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Deferred Inflow (Property Taxes and Facility Fees)	<u>36,218</u>	<u>-</u>	<u>36,218</u>
<b>NET POSITION</b>			
Net investment in capital assets	50,729,901	59,817,845	110,547,746
Restricted Investments by Third Party Agreement	180,564	305,022	485,586
Unrestricted	16,887,487	12,536,210	29,423,697
Total net position	<u>\$ 67,797,952</u>	<u>\$ 72,659,077</u>	<u>\$ 140,457,029</u>

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2017**

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

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2017**

	GENERAL	COMMUNITY SERVICES SPECIAL REV.	BEACH SPECIAL REVENUE	COMMUNITY SERVICES CAP. PROJECTS	BEACH CAPITAL PROJECTS	COMMUNITY SERVICES DEBT SERV.	BEACH DEBT SERVICE	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>								
Cash and cash equivalents	\$ 1,729,645	\$ 2,113,423	\$ 348,098	\$ 2,779,117	\$ 10,454	\$ (1,872)	\$ 2,930	\$ 6,981,795
Investments	747,348	8,964,547	749,568	-	-	-	-	10,461,463
Accounts receivable, net	20,400	68,140	6,564	-	-	-	-	95,104
Interest receivable on investments	1,340	24,073	738	-	-	-	-	26,151
Taxes and Fees from Washoe County	9,093	24,127	2,998	-	-	-	-	36,218
Grants receivable	-	4,250	-	26,619	-	-	-	30,869
Due from other governments	316,504	45,729	13,019	121,485	4,166	29,266	174	530,343
Inventories	-	552,379	-	-	-	-	-	552,379
Prepaid items	213,462	326,570	30,328	-	-	-	-	570,360
Restricted deposits	-	77,136	1,000	-	-	-	-	78,136
Total assets	\$ 3,037,792	\$ 12,200,374	\$ 1,152,313	\$ 2,927,221	\$ 14,620	\$ 27,394	\$ 3,104	\$ 19,362,818
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities								
Accounts payable	\$ 163,833	\$ 462,446	\$ 36,341	\$ 503,415	\$ 9,465	\$ -	\$ -	\$ 1,175,500
Accrued personnel costs	942,604	242,776	22,729	-	-	-	-	1,208,109
Due to other governments	60,000	-	9,216	-	-	-	-	69,216
Unearned revenue	13	1,150,884	10,792	-	-	-	-	1,161,689
Total liabilities	1,166,450	1,856,106	79,078	503,415	9,465	-	-	3,614,514
Deferred Inflow of Resources								
Deferred Inflow (Property Taxes and Facility Fees)	9,093	24,127	2,998	-	-	-	-	36,218
Fund balance								
Non-spendable	213,462	878,949	30,328	-	-	-	-	1,122,739
Restricted Deposits by Third Party Agreement	-	77,136	1,000	-	-	-	-	78,136
Committed	-	9,364,056	1,038,909	-	-	-	-	10,402,965
Assigned	-	-	-	2,423,806	5,155	27,394	3,104	2,459,459
Unassigned	1,648,787	-	-	-	-	-	-	1,648,787
Total fund balance	1,862,249	10,320,141	1,070,237	2,423,806	5,155	27,394	3,104	15,712,086
Total liabilities and fund balance	\$ 3,037,792	\$ 12,200,374	\$ 1,152,313	\$ 2,927,221	\$ 14,620	\$ 27,394	\$ 3,104	\$ 19,362,818

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
RECONCILIATION OF BALANCE SHEET FOR GOVERNMENTAL FUNDS  
TO THE GOVERNMENT WIDE STATEMENT OF NET POSITION  
JUNE 30, 2017**

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

Total Fund Balance for Governmental Activities (page 22) \$ 15,712,086

General Fund:

Taxes that are collectible beyond 60 days, and therefore are recognized as revenue and not a Deferred Inflow.	1,644
Capital Assets, net of accumulated depreciation, and are not financial resources, and therefore are not reported in that fund	3,489,118

Community Services Fund:

Fees that are collectible beyond 60 days, and therefore are recognized as revenue and not a Deferred Inflow.	6,473
Capital Assets, net of accumulated depreciation, and are not financial resources, and therefore are not reported in that fund	45,404,899
Accrued interest, not to be liquidated from currently available resources	(21,089)
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported in that fund	(2,999,741)
Unamortized Bond Discount, for the remaining bond liability, and therefore not reported in the fund	8,511
Unamortized Bond Premium, for the remaining bond liability, and therefore not reported in the fund	(14,997)

Beach Fund:

Fees that are collectible beyond 60 days, and therefore are recognized as revenue and not a Deferred Inflow.	887
Capital Assets, net of accumulated depreciation, and are not financial resources, and therefore are not reported in that fund	4,804,162
Accrued interest, not to be liquidated from currently available resources	(264)
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported in that fund	(35,259)
Unamortized Bond Discount, for the remaining bond liability, and therefore not reported in the fund	138

Internal Services Fund:

Total Net Position of this fund, as it is reported as a governmental activity since a majority of the services are consumed by the governmental -type activities (page 29)	1,441,384
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Net Position of Governmental Activities \$ 67,797,952

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

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

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

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES FOR THE GOVERNMENTAL FUNDS  
TO THE GOVERNMENT WIDE STATEMENT OF ACTIVITIES  
JUNE 30, 2017**

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

Total Net Change in Fund Balance for Governmental Funds (page 24)	\$ 2,891,919
General Fund:	
Taxes for periods through June 30 that are collectible, but received after August 30.	131
Capital Assets acquired during the year and capitalized	148,435
Unallocated depreciation expense for the fiscal year	(210,791)
Community Services Fund:	
Facility Fees for periods through June 30 that are collectible, but received after August 30.	(4,629)
Capital Assets acquired during the year and capitalized	3,633,210
Depreciation expense for the fiscal year	(2,547,499)
Net book value of assets sold	(29,680)
Principal paid on long-term liabilities, including bonds payable	1,117,639
Interest accrued versus paid	7,066
Amortize Bond Premium for fiscal year	29,017
Amortize Bond Discount for fiscal year	(1,640)
Beach Fund:	
Facility Fees for periods through June 30 that are collectible, but received after August 30.	(609)
Capital Assets acquired during the year and capitalized	256,161
Depreciation expense for the fiscal year	(214,003)
Net book value of assets sold	(364)
Principal paid on long-term liabilities, including bonds payable	5,361
Interest accrued versus paid	40
Amortize Bond Discount for fiscal year	(27)
Internal Services Fund:	
Total Change in Net Position of this fund, as it is reported as a governmental activity since a majority of the services are consumed by the governmental -type activities page (30)	<u>10,079</u>
Change in Net Position of Governmental Activities	<u>\$ 5,089,816</u>

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, 2017**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Ad valorem taxes	\$ 1,480,779	\$ 1,480,779	\$ 1,462,280	\$ (18,499)
Personal Property Tax	12,000	12,000	13,737	1,737
Intergovernmental:				
Consolidated Tax	1,296,000	1,296,000	1,252,044	(43,956)
Local Government Tax Act	189,000	189,000	232,786	43,786
Services	-	-	1,440	1,440
Investment earnings	36,000	36,000	51,680	15,680
Miscellaneous	3,600	3,600	3,198	(402)
Total revenues	<u>3,017,379</u>	<u>3,017,379</u>	<u>3,017,165</u>	<u>(214)</u>
<b>EXPENDITURES</b>				
<b>GENERAL GOVERNMENT:</b>				
Manager	353,828	353,828	348,022	5,806
Trustees	208,484	208,484	168,718	39,766
Accounting	958,955	958,955	933,328	25,627
Information Services	792,520	792,520	689,500	103,020
Risk Management	140,409	140,409	128,644	11,765
Human Resources	554,975	554,975	527,667	27,308
Health and Wellness	35,183	35,183	22,966	12,217
Communications	283,554	283,554	233,073	50,481
Administration	455,474	545,474	551,749	(6,275)
Central Services Cost Allocation Income	(1,177,200)	(1,177,200)	(1,177,200)	-
Capital Outlay	246,750	246,750	148,435	98,315
Total expenditures	<u>2,852,932</u>	<u>2,942,932</u>	<u>2,574,902</u>	<u>368,030</u>
Excess (deficiency) of revenues over expenditures	<u>164,447</u>	<u>74,447</u>	<u>442,263</u>	<u>367,816</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Contingency	(100,000)	(10,000)	-	10,000
Operating Transfers (Out)	(400,000)	(400,000)	(400,000)	-
Total other financing sources (uses)	<u>(500,000)</u>	<u>(410,000)</u>	<u>(400,000)</u>	<u>10,000</u>
Net changes in fund balance	(335,553)	(335,553)	42,263	377,816
Fund balance, July 1	<u>1,643,887</u>	<u>1,643,887</u>	<u>1,819,986</u>	<u>176,099</u>
Fund balance, June 30	<u>\$ 1,308,334</u>	<u>\$ 1,308,334</u>	<u>\$ 1,862,249</u>	<u>\$ 553,915</u>

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
COMMUNITY SERVICES SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Charges for Services				
Championship Golf	\$ 3,571,100	\$ 3,571,100	\$ 3,542,663	\$ (28,437)
Mountain Golf	709,300	709,300	627,986	(81,314)
Facilities	280,100	280,100	387,701	107,601
Ski	7,482,600	10,182,600	11,326,968	1,144,368
Community Programming and Recreation Center	1,242,000	1,242,000	1,274,149	32,149
Parks	54,400	54,400	45,430	(8,970)
Tennis	166,500	166,500	166,577	77
Recreation Administration	<u>(517,500)</u>	<u>(517,500)</u>	<u>(573,542)</u>	<u>(56,042)</u>
Subtotal Charges for Services	12,988,500	15,688,500	16,797,932	1,109,432
Facility Fees - Operations	2,045,500	2,045,500	2,050,534	5,034
Facility Fees - Capital Projects	2,618,240	2,618,240	2,619,078	838
Facility Fees - Debt service	1,309,120	1,309,120	1,309,540	420
Intergovernmental Services	24,900	24,900	22,233	(2,667)
Interfund Services	72,500	72,500	87,711	15,211
Operating Grants	17,000	17,000	17,000	-
Investment income	24,000	24,000	23,608	(392)
Sale of assets	-	-	78,264	78,264
Miscellaneous - other	86,400	86,400	107,820	21,420
Total revenues	<u>19,186,160</u>	<u>21,886,160</u>	<u>23,113,720</u>	<u>1,227,560</u>
<b>EXPENDITURES</b>				
<b>COMMUNITY SERVICES RECREATION:</b>				
Championship Golf	3,721,700	4,026,700	3,944,772	81,928
Mountain Golf	1,013,190	1,071,190	1,002,359	68,831
Facilities	445,810	475,810	498,578	(22,768)
Ski	6,288,251	6,769,251	6,810,598	(41,347)
Community Programming and Recreation Center	2,287,770	2,294,770	2,225,893	68,877
Parks	860,516	899,516	821,033	78,483
Tennis	272,225	272,225	262,369	9,856
Recreation Administration	351,014	351,014	354,357	(3,343)
Total expenditures	<u>15,240,476</u>	<u>16,160,476</u>	<u>15,919,959</u>	<u>240,517</u>
Excess (deficiency) of revenues over expenditures	<u>3,945,684</u>	<u>5,725,684</u>	<u>7,193,761</u>	<u>1,468,077</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers In	400,000	400,000	400,000	-
Contingency	(450,000)	(450,000)	-	450,000
Operating Transfers (Out) - Capital Projects	(3,369,240)	(3,817,240)	(3,818,908)	(1,668)
Operating Transfers (Out) - Debt Service	<u>(1,309,120)</u>	<u>(1,309,120)</u>	<u>(1,309,540)</u>	<u>(420)</u>
Total other financing sources (uses)	<u>(4,728,360)</u>	<u>(5,176,360)</u>	<u>(4,728,448)</u>	<u>447,912</u>
Net changes in fund balance	(782,676)	549,324	2,465,313	1,915,989
Fund Balance, July 1	<u>7,138,818</u>	<u>7,854,828</u>	<u>7,854,828</u>	<u>-</u>
Fund balance, June 30	<u>\$ 6,356,142</u>	<u>\$ 8,404,152</u>	<u>\$ 10,320,141</u>	<u>\$ 1,915,989</u>

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
 BEACH SPECIAL REVENUE FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Charges for Services				
Beach	\$ 999,900	\$ 999,900	\$ 1,065,015	\$ 65,115
Facility Fees - Operations	580,800	580,800	581,653	853
Facility Fees - Capital Projects	185,856	185,856	185,937	81
Facility Fees - Debt service	7,744	7,744	7,747	3
Investment earnings	9,000	9,000	6,078	(2,922)
Total revenues	<u>1,783,300</u>	<u>1,783,300</u>	<u>1,846,430</u>	<u>63,130</u>
<b>EXPENDITURES</b>				
<b>BEACH RECREATION:</b>				
Beach	<u>1,668,954</u>	<u>1,668,954</u>	<u>1,587,259</u>	81,695
Excess (deficiency) of revenues over expenditures	<u>114,346</u>	<u>114,346</u>	<u>259,171</u>	<u>144,825</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Contingency	(48,000)	(48,000)	-	48,000
Operating Transfers (Out) - Capital Projects	(528,856)	(528,856)	(240,937)	287,919
Operating Transfers (Out) - Debt Service	<u>(7,744)</u>	<u>(7,744)</u>	<u>(7,747)</u>	<u>(3)</u>
Total other financing sources (uses)	<u>(584,600)</u>	<u>(584,600)</u>	<u>(248,684)</u>	<u>335,916</u>
Net changes in fund balance	(470,254)	(470,254)	10,487	480,741
Fund Balance, July 1	<u>1,188,111</u>	<u>1,188,111</u>	<u>1,059,750</u>	<u>(128,361)</u>
Fund balance, June 30	<u>\$ 717,857</u>	<u>\$ 717,857</u>	<u>\$ 1,070,237</u>	<u>\$ 352,380</u>

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 JUNE 30, 2017**

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	<b>Business - type Activities Enterprise Utility Fund</b>	<b>Governmental Activities Internal Services Fund</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 1,796,283	\$ 606,060
Investments	6,797,142	-
Accounts receivable	1,068,585	-
Interest receivable	29,368	1,073
Inventories	141,875	65,652
Prepaid expenses	195,375	13,989
Total current assets	10,028,628	686,774
Noncurrent assets:		
Investments - long-term	3,984,852	996,715
Contractual deposits	100	-
Restricted deposit for debt service reserve	216,556	-
Restricted for TRPA Deposits	88,366	-
Restricted State of Nevada Work Comp Deposit	-	102,428
Total noncurrent assets	4,289,874	1,099,143
Capital Assets		
Land	6,715,544	-
Construction in progress	4,519,884	-
Buildings and structures	11,900,859	-
Improvements and Infrastructure	105,000,108	-
Equipment and vehicles	3,483,938	246,777
Total capital assets	131,620,333	246,777
Less: accumulated depreciation	(66,188,123)	(173,708)
Total capital assets (net)	65,432,210	73,069
Total noncurrent assets	69,722,084	1,172,212
Total assets	79,750,712	1,858,986
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	549,903	174,209
Accrued personnel costs	317,407	243,393
Accrued interest payable	75,401	-
Unearned revenue	534,559	-
Current maturities of long-term debt	495,761	-
Total current liabilities	1,973,031	417,602
Non-current liabilities:		
Non-current long term debt	5,118,604	-
Total liabilities	7,091,635	417,602
<b>NET POSITION</b>		
Net investment in capital assets	59,817,845	73,069
Restricted Deposits by Third Party Agreement	305,022	102,428
Unrestricted	12,536,210	1,265,887
Total net position	\$ 72,659,077	\$ 1,441,384

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, 2017**

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	<b>Business - type</b>	
	<b>Activities</b>	<b>Governmental</b>
	<b>Enterprise</b>	<b>Activities</b>
	<b>Utility</b>	<b>Internal</b>
	<b>Fund</b>	<b>Services Fund</b>
	<u>          </u>	<u>          </u>
<b>OPERATING REVENUES</b>		
Sales and fees	\$ 11,551,112	\$ 250
Interfund services	262,057	3,114,497
Total operating revenues	<u>11,813,169</u>	<u>3,114,747</u>
 <b>OPERATING EXPENSES</b>		
Wages and benefits	3,558,447	1,902,620
Cost of goods sold	17,155	-
Services and supplies	1,747,292	778,422
Defensible Space	97,045	-
Central Services Cost	324,400	-
Insurance	158,355	393,232
Utilities	806,413	12,411
Legal and audit	74,746	9,095
Depreciation	<u>2,945,922</u>	<u>11,888</u>
Total operating expenses	<u>9,729,775</u>	<u>3,107,668</u>
Operating income	<u>2,083,394</u>	<u>7,079</u>
 <b>NONOPERATING REVENUES (EXPENSES)</b>		
Investment earnings	60,132	2,476
Gain (loss) on sales of assets	17,730	524
Interest on bond debt	<u>(154,186)</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>(76,324)</u>	<u>3,000</u>
Income before contributions	<u>2,007,070</u>	<u>10,079</u>
 Capital Grant Contributions	 <u>425,509</u>	 <u>-</u>
 Changes in net position	 2,432,579	 10,079
 Total net position, July 1	 <u>70,226,498</u>	 <u>1,431,305</u>
 Total net position, June 30	 <u>\$ 72,659,077</u>	 <u>\$ 1,441,384</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, 2017**

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	<b>Business - type Activities Enterprise Utility Fund</b>	<b>Governmental Activities Internal Services Fund</b>
	<u>                    </u>	<u>                    </u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers and users	\$ 11,680,821	\$ 250
Receipts from interfund services provided	262,057	3,118,631
Payments to suppliers	(3,093,074)	(1,184,831)
Payments to employees	(3,597,179)	(1,895,639)
Net cash provided (used) by operating activities	<u>5,252,625</u>	<u>38,411</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition of capital assets	(4,307,522)	-
Proceeds (costs) from sale of assets	17,730	524
Payments on capital debt	(482,230)	-
Capital contributions	755,561	-
Interest expense	(160,905)	-
Net cash provided (used) by capital and related financing activities	<u>(4,177,366)</u>	<u>524</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Restricted investments released (increased)	(79,021)	(746)
Investments purchased	(43,665)	-
Long-term investments sold	712,985	110,418
Investment earnings	51,805	6,952
Net cash provided (used) by investing activities	<u>642,104</u>	<u>116,624</u>
Net change in cash and cash equivalents	1,717,363	155,559
Cash and cash equivalents, July 1	<u>78,920</u>	<u>450,501</u>
Cash and cash equivalents, June 30	<u>\$ 1,796,283</u>	<u>\$ 606,060</u>

(Continued)

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2017**

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	<b>Business - type</b>	
	<b>Activities</b>	<b>Governmental</b>
	<b>Enterprise</b>	<b>Activities</b>
	<b>Utility</b>	<b>Internal</b>
	<b>Fund</b>	<b>Services Fund</b>
	<u>                    </u>	<u>                    </u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	\$ 2,083,394	\$ 7,079
Non-cash adjustments -		
Depreciation and amortization	2,945,922	11,888
Increase (decrease) in cash from changes in:		
Accounts receivable	199,818	4,134
Inventory	25,091	(7,167)
Prepaid expenses	(18,266)	1,797
Accounts payable	125,507	13,699
Accrued personnel costs	(38,732)	6,981
Unearned revenue and customer deposits	(70,109)	-
Total adjustments	<u>3,169,231</u>	<u>31,332</u>
Net cash provided (used) by operating activities	<u>\$ 5,252,625</u>	<u>\$ 38,411</u>

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

# INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

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**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2017**

**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 financial statements**

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

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

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

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon

as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the close of the fiscal period. Expenditures are generally recorded when the liability is incurred as under the accrual basis of accounting.

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

The District's internal services are presented in the proprietary fund's financial statements. The principal users of Internal Services (Fleet, Engineering and Buildings) are the District's utility and recreation program fund activities. Another internal service provides Workmen's Compensation benefits to all funds. Each activity pays premiums based on its payroll to provide resources for the coverage. The actual benefit is provided by purchasing a fully insured program from the Nevada Public Compensation Trust. All Internal Services are considered a governmental - type activity for the Government-wide financial statements. The majority of utilization of internal services is by the General Fund, Community Services and the Beach funds. The effect of inter-fund activity has not been eliminated from the Government-wide financial statements.

The District uses the following funds (all considered Major):

***Governmental Funds -***

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

**Community Services** – providing recreation to approximately 8100 parcel owners, their guests and visitors.

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

**Beach** – providing beach, picnic areas, boat launching and swimming pool programs to approximately 7700 parcel owners and their guests.

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

***Proprietary Funds -***

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

**Internal Service Funds**— The Internal Service Fund is used to account for the financing of goods or services provided by one department to other departments of the District. The District provides Fleet, Engineering, and Buildings Maintenance which includes repair and maintenance of the District's vehicles and equipment, engineering services, and buildings maintenance. The District has Worker's Compensation that provides a combination of resources for prior claims and purchases current coverage for benefits. The Fleet, Engineering and Buildings Maintenance Departments also collectively provide planning, inspection, construction and maintenance for the District's structures and equipment. The Worker's Compensation Department provides District-wide worker's current period compensation coverage of benefits through a government risk pool and holds a reserve for claims incurred prior to July 1, 2013.

#### **E. 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, 2016, the Board of Trustees filed a tentative budget with the Nevada Department of Taxation. Public hearings on the tentative budget were held after the third Monday in May. On May 18, 2016, at a public hearing, the Board adopted a final budget. On or before June 1, 2016 the final budget was filed with the Nevada Department of Taxation.
2. Budgets are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP) for all funds. Formal budgetary integration in the financial records is employed to enhance management control during the year for all funds requiring budgets. Budgets are adopted for all governmental and proprietary fund types. The governmental fund type budgets are adopted on a modified accrual basis and the proprietary funds types budgets are adopted on an accrual basis. The District can amend or augment the budget after following State Statutes and, if necessary, public hearing procedures. The District did augment its budget for the 2016-17 fiscal year.
3. The legal level of budgetary control is at the fund level. Appropriations are adopted at the function level. Management has no amendment authority without the District's Board approval. Generally the expenses in the proprietary funds also may not exceed appropriations. Management is free to change the operating budgets of the proprietary funds but in practice rarely does so. Statutes do not require that enterprise fund capital outlay, debt service payments and other non-operating cash transactions, normally reflected in the balance sheet of the proprietary funds, to be limited by the budget.
4. The District also presents select cash flow information in order to reflect all resources being used to provide for capital outlay, debt service payments and other transactions particularly in proprietary funds. This supplemental disclosure allows the District to identify the extent of current year items that are being paid from previously funded resources. The presentation includes items according to character and object. It also provides the Nevada Department of Taxation with requested information that compares to amounts reported on their budget forms.

#### **F. Cash, Cash Equivalents and Investments**

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

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

Short term investments reflect items held with maturities within one year. These are predominantly certificates of deposit and 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 investment pool (LGIP) (operated by the Nevada State Treasurer); negotiable certificates of deposit issued by commercial banks or insured savings and loans; short-term negotiable notes or bonds issued by local governments; and bankers' acceptances eligible by law for rediscount with the Federal Reserve Banks not to exceed 180 days.

The District's Investments are stated at fair value as of the reporting date. These are categorized using fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based in the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 are significant unobservable inputs.

The District has the following recurring fair value measurements as of June 30, 2017:

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

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

#### **G. Receivables**

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

Accounts receivable reflects service charges to customers and resident for deposits or fees that are earned, but not collected. An allowance for doubtful accounts has been considered and at present, the allowance totals \$10,299. 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 Grants Receivable. The District also has an operating grant from Washoe County, received monthly in arrears. The uncollected balance of this grant is carried in Due from other governments.

The District receives certain tax revenues in the General Fund which are collected 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.

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

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

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

**I. Restricted Assets**

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

**J. Capital Assets**

Capital assets include land, buildings, machinery and equipment, or water rights which are reported in the applicable governmental or business-type activities column in the government-wide financial statements. If purchased or constructed, all capital assets are recorded at historical cost. Donated capital assets are valued at 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 construction in progress) is charged as an expense against each fund's operation. The District's policy is to capitalize assets with a normal useful life of three or more years. The District'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 District administration, accounting and finance, information systems and technology, human resources, risk management, the General Manager's office, Communications and the Board of Trustees. The land, buildings, furniture and equipment, including technology assets, represent items used in common by all of the activities of the General Fund at the District's administrative office. The computers and technology represent equipment of the Information Systems & Technology (IST) department that services the needs of the entire District. These assets are presented as a part of government-wide net assets.

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

Utility capital assets include traditional distribution lines, tanks, pumps and treatment. However, since the District is located in the Lake Tahoe Basin, the number of pumps, tanks and export lines is increased due to the requirements to manage in a mountainous and environmentally sensitive area.

The District has a number of Construction in Progress items since the fiscal year falls in the middle of the active acquisitions season. It is the nature of major projects to span multiple fiscal periods. The District can accumulate costs through s a series of pre-design, design and acquisition stages.

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

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

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

**K. 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.

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

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

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

The District 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.

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

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

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

**N. Unearned Revenue and Refundable Deposits**

The District’s Utility Fund 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.

## **O. Long-Term Debt**

In the government-wide financial statement, and proprietary fund financial statements, long term debts are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund statements net of related discounts or premiums. 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.

## **P. Fund Balance**

In the fund financial statements, fund balance for governmental funds are reported in classifications that comprise a hierarchy based primarily on how amounts can be spent. These include “non-spendable” which are not expected to be converted to cash, such as inventory or prepaid items, “restricted” by conditions of law, regulation grants or contract with external parties, “committed” which arise from acts of the District’s Board, “assigned” which reflect an intent by management of the District or “unassigned” which is the residual amount. The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District’s highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the District, which can act by their resolution, prior to the end of the fiscal year, and thus commit fund balance. Once adopted, the limitation imposed by the Board of Trustees remains in place until a similar resolution is taken to remove or revise the limitation.

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

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

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

## **Q. 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.

## **R. Estimates**

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

**S. Central Services Cost Allocation**

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

**T. Punch Cards Utilized**

Under District Ordinance 7, parcel owners may use a portion of the value of their recreation passes to pay down the difference between a regular rate and the resident rate for certain types of recreational fees. These forms of payment are presented as contra revenue in the Fund statements. Utilization is recognized based on the relationship of privileges used to total facility fee paid by the parcel. Under the 2016-2017 fee structure, this is 88% to Community Services Special Revenue Fund and 12% to the Beach Special Revenue Fund.

**U. Implementation of GASB Statement No. 77**

As of July 1, 2016 GASB Statement No. 77 *Tax Abatement Disclosures* are included in Note 20.

**DETAILED NOTES ON ALL ACTIVITIES AND FUNDS**

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

At year-end, the carrying amount of the District’s checking deposits was \$3,644,093, while the bank balance was \$3,913,959. 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, 2017 consist of:

Operating Checking Accounts	\$3,644,093
Petty cash and change funds	63,660
Nevada Local Government Investment Pool (average weighted maturity of 310 days)	
General LGIP Account	4,337,398
US Government Money Market	<u>1,338,987</u>
Total	<u>\$9,384,138</u>

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

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

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



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

Fair Value Measurements as of June 30, 2017:	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Certificates of Deposit	\$12,778,917	\$ -	\$12,778,917
US Agencies	9,461,255	-	<u>9,461,255</u>
	Total Interest Bearing Amounts		<u>\$22,240,172</u>

	Investment Maturities by type as of June 30 are:				
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021 &amp; after</u>	<u>Total</u>
Certificates of Deposit	\$7,541,822	\$5,237,095	\$ -	\$ -	\$12,778,917
US Agencies	999,706	4,228,906	3,984,656	247,987	<u>9,461,255</u>
Subtotal interest bearing					22,240,172
Restricted Deposits		-	-	-	<u>485,586</u>
Total Investment Types					<u>\$ 22,725,758</u>

	Investment Maturities by Activity as of June 30, 2017:		
	<u>Governmental</u>	<u>Business- Type</u>	<u>Total</u>
	<u>Activities</u>	<u>Activities</u>	
Short term	\$ 1,744,385	\$ 6,797,142	\$ 8,541,527
Long term	9,713,793	3,984,852	13,698,645
Restricted	<u>180,564</u>	<u>305,022</u>	<u>485,586</u>
Total Investment Types	<u>\$ 11,638,742</u>	<u>\$ 11,087,016</u>	<u>\$22,725,758</u>

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

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

Custodial Credit Risk - The District'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's GSE holdings are approximately 43% of total investments. Individual CD's are held with a number of banks at or under the FDIC insured limited calculated by those institutions. LGIP is an unrated external investment pool administered by the State Treasurer, with oversight by the State of Nevada Board of Finance.

### 3. RESTRICTED DEPOSITS BY THIRD PARTY AGREEMENT

The assets of the EPA State Revolving Fund (SRF) Reserve may be used to service the Nevada SRF Sewer Bond of 2002. These restricted assets are pledged to provide a measure of security for the Nevada State Water Pollution Control Revolving Fund. The pledge is for \$213,000, interest earned is in the account at the District's discretion. The EPA SRF Reserve is in the LGIP Account totaling \$216,556. The assets in

the TRPA (Tahoe Regional Planning Authority) Reserve may be used 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 \$150,278 interest earned is in the account at the District's discretion. The TRPA Project Reserve is in the LGIP Account totaling \$160,427. The Workers Comp Reserve exists according to Nevada Revised Statutes as an amount designated annually by the State of Nevada Insurance Commissioner. The amount is set aside in the event the State has to meet claims in excess of available reserves. The amount of the pledge is \$100,000 and interest earned is in the account at the District's discretion. The Work Comp Reserve is in the LGIP Account totaling \$102,428.

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

Deposit with State of Nevada for Sales Tax	\$ 6,075
Building Deposit held by Parasol Foundation	100
LGIP Restricted Deposits (SRF, TRPA & Work Comp)	<u>479,411</u>
Total Temporarily Restricted Deposits	<u>\$ 485,586</u>

#### 4. CAPITAL ASSETS

Capital Asset activity for the year ended June 30, 2017:	Balance			Balance
	July 1, 2016	Increases	Decreases	June 30, 2017
<b>Governmental Activities:</b>				
Capital assets, not being depreciated				
Land - General Government	\$ 2,669,904	\$ -	\$ -	\$ 2,669,904
Land - Community Services	11,929,282	-	-	11,929,282
Land - Beach	2,304,850	-	-	2,304,850
Construction in Progress - General Government	998	148,435	(135,282)	14,151
Construction in Progress - Community Services	921,772	3,633,210	(2,925,514)	1,629,468
Construction in Progress - Beach	137,957	256,160	(196,494)	197,623
Construction in Progress - Internal Services	-	-	-	-
Total capital assets, not being depreciated	<u>17,964,763</u>	<u>4,037,805</u>	<u>(3,257,290)</u>	<u>18,745,278</u>
Capital assets, being depreciated				
Buildings and Structures - General Government	846,899	-	-	846,899
Buildings and Structures - Community Services	28,948,651	385,187	(69,492)	29,264,346
Buildings and Structures - Beach	2,696,218	32,093	(40,451)	2,687,860
Venue Improvements - Community Services	28,104,860	494,758	(219,295)	28,380,323
Venue Improvements - Beach	1,961,591	72,569	-	2,034,160
Equipment and Vehicles - General Government	1,903,174	135,282	(537,381)	1,501,075
Equipment and Vehicles - Community Services	9,698,888	2,045,569	(1,106,914)	10,637,543
Equipment and Vehicles - Beach	385,267	91,832	(4,238)	472,861
Equipment and Vehicles - Internal Services	246,777	-	-	246,777
Total capital assets, being depreciated	<u>74,792,325</u>	<u>3,257,290</u>	<u>(1,977,771)</u>	<u>76,071,844</u>

Continued

#### 4. CAPITAL ASSETS

Capital Asset activity for the year ended June 30, 2017:	Balance			Balance
	July 1, 2016	Increases	Decreases	June 30, 2017
Less accumulated depreciation for:				
Buildings and Structures - General Government	\$ (768,746)	\$ (11,901)	\$ -	\$ (780,647)
Buildings and Structures - Community Services	(12,105,047)	(887,525)	69,492	(12,923,080)
Buildings and Structures - Beach	(1,358,778)	(92,315)	40,451	(1,410,642)
Venue Improvements - Community Services	(17,312,647)	(908,823)	219,295	(18,002,175)
Venue Improvements - Beach	(1,167,008)	(91,451)	-	(1,258,459)
Equipment and Vehicles - General Government	(1,100,754)	(198,890)	537,381	(762,263)
Equipment and Vehicles - Community Services	(5,836,894)	(751,151)	1,077,237	(5,510,808)
Equipment and Vehicles - Beach	(197,728)	(30,237)	3,874	(224,091)
Equipment and Vehicles - Internal Services	(161,821)	(11,888)	-	(173,709)
Total accumulated depreciation	(40,009,423)	(2,984,181)	1,947,730	(41,045,874)
Total capital assets being depreciated, net	34,782,902	273,109	(30,041)	35,025,970
<b>Governmental Activities Capital Assets, net</b>	<b>\$ 52,747,665</b>	<b>\$ 4,310,914</b>	<b>\$ (3,287,331)</b>	<b>\$ 53,771,248</b>
<b>Business-Type Activities</b>				
Utility Capital assets not being depreciated				
Land	\$ 6,530,358	\$ 185,185	\$ -	\$ 6,715,543
Construction in Progress	3,177,580	4,307,522	(2,965,218)	4,519,884
Total utility capital assets, not being depreciated	9,707,938	4,492,707	(2,965,218)	11,235,427
Utility Capital assets, being depreciated				
Buildings and structures	11,028,062	872,797	-	11,900,859
Service infrastructure	103,389,486	1,610,622	-	105,000,108
Equipment and vehicles	3,233,384	296,613	(46,060)	3,483,937
Total utility capital assets at historical cost	117,650,932	2,780,032	(46,060)	120,384,904
Less accumulated depreciation for:				
Buildings and structures	(6,781,796)	(251,629)		(7,033,425)
Service infrastructure	(54,090,274)	(2,490,479)		(56,580,753)
Equipment and vehicles	(2,416,190)	(203,814)	46,060	(2,573,944)
Total accumulated depreciation	(63,288,260)	(2,945,922)	46,060	(66,188,122)
Total utility capital assets being depreciated, net	54,362,672	(165,890)	-	54,196,782
<b>Business-Type Activities Capital Assets, net</b>	<b>\$ 64,070,610</b>	<b>\$ 4,326,817</b>	<b>\$ (2,965,218)</b>	<b>\$ 65,432,209</b>

The District has a number of Construction in Progress projects open as of June 30, 2017. Community Services includes \$215,911 for the Diamond Peak Master Plan, and \$373,971 for the Incline Creek Culvert Rehabilitation. Beach includes \$180,574 for the Incline Beach Facility Study. The Utility Fund includes \$474,228 for the Equipment Storage Building, \$2,122,682 for the design phase of the Effluent Export Line that will be ongoing through at least 2018, and \$839,532 for the 2017 Watermain Replacement that opened early. The District's primary building season is limited to May to October because of regulations from the Tahoe Regional Planning Agency. Most equipment purchases follow the budget and fiscal year cycle.

Depreciation expenses for the year ended June 30, 2017 were charged to functions as follows:

Governmental Activities:	
General Government	\$ 210,791
Recreation	2,547,499
Beach	214,003
Internal Services	<u>11,888</u>
Total Depreciation Expense	<u>\$ 2,984,181</u>
Business-Type Activities:	
Utility Fund Water and Sewer	<u>\$ 2,945,922</u>

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

## 5. ACCRUED PERSONNEL COSTS

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

As a regular course of operations, the payroll including June 30 was paid July 7. 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. There are 17 eligible employees covered. The District has no other post-employment benefit obligations for health insurance or retirement benefits.

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

The District'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, 2017, the Accrued Personnel Costs were comprised of:

	<u>Governmental</u>	<u>Business-type</u>	<u>Total</u>
Current Payroll Liabilities:			
Accrued Payroll	\$ 517,831	\$ -	\$ 517,831
Taxes Withheld	40,983	-	40,983
Accrued Benefits	64,219	-	64,219
Deferred Comp	7,330	-	7,330
Pension	33,956	-	33,956
Health Reimbursement Accounts	129,715	-	129,715
Sick Leave Retirement Benefit	124,668	157,308	281,976
Workers Comp unpaid losses and expenses	156,275	-	156,275
Accrued Vacation	<u>376,525</u>	<u>160,099</u>	<u>536,624</u>
Total Government-wide	<u>\$1,451,502</u>	<u>\$ 317,407</u>	<u>\$1,768,909</u>

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

	<u>Balance</u> <u>June 30, 2016</u>	<u>Provisions</u> <u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>June 30, 2017</u>
Select Benefit Liabilities				
Health Reimbursement	\$ 119,302	\$ 52,292	\$ 41,879	\$ 129,715
Sick Leave Retirement	269,348	29,000	16,372	281,976
Work Comp unpaid losses	156,275	-	-	156,275
Accrued Vacation	494,476	593,660	551,512	536,624

## 6. UNEARNED REVENUE

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

	<u>General</u>	<u>Community</u> <u>Services</u> <u>Special Rev.</u>	<u>Beach</u> <u>Special Rev.</u>	<u>Utility</u>	<u>Total</u>
Billed in advance	\$ 13	\$ 373,830	\$ 10,792	\$534,559	\$ 919,194
Unexpired season passes	-	543,187	-	-	543,187
External Gift Cards	-	148,145	-	-	148,145
Internal Gift Cards	<u>-</u>	<u>85,722</u>	<u>-</u>	<u>-</u>	<u>85,722</u>
Total	<u>\$ 13</u>	<u>\$1,150,884</u>	<u>\$ 10,792</u>	<u>\$534,559</u>	<u>\$1,696,248</u>

## 7. INTERFUND ACCOUNTS AND TRANSFERS

The outstanding balances between funds results mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. The balances settle monthly through pooled cash and therefore there are no open balances as of June 30, 2017.

Transfers reported on the financial statements as of June 30, 2017 are as follows:

	<b>Fund Transfer In:</b>					<b>Total Out:</b>
	Community Services Special Revenue	Community Services Capital Projects	Beach Capital Projects	Community Services Debt Service	Beach Debt Service	
<b>Fund Transfer Out:</b>						
General Fund	\$ 400,000	\$ -	\$ -	\$ -	\$ -	\$ 400,000
Community Services						
Special Revenue	-	3,818,908	-	1,309,540	-	5,128,448
Beach						
Special Revenue	-	-	240,937	-	7,747	248,684
<b>Total In</b>	<b>\$ 400,000</b>	<b>\$3,818,908</b>	<b>\$ 240,937</b>	<b>\$1,309,540</b>	<b>\$ 7,747</b>	<b>\$5,777,132</b>

Transfers are used to (1) move revenues from the fund that by statute or budget authority collects the revenue to provide resources for specified functions and transaction types to the fund that will expend them, or (2) move unrestricted revenues to finance various programs accounted for in others funds in accordance with budgetary authorizations.

## 8. LONG-TERM DEBT

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

### Outstanding Long-Term Debt as of June 30, 2017

#### Governmental Activities:

Issue	Issue Date	Maturity Date	Interest Rate	Amount Issued	Principal Outstanding	Due 2017-18
<b>Medium-Term General Obligation Bonds Recreation</b>						
Recreation Impr. (Ski) 2008	06/18/08	06/01/18	3.5-7%	\$7,000,000	\$ 845,000	\$845,000
<b>General Obligation Revenue Bonds Recreation</b>						
Recreation Facilities and Recreation						
Refunding 2012	07/18/12	09/01/22	2.25%	3,475,000	<u>2,190,000</u>	<u>342,000</u>
<b>Total Recreation Revenue Supported Debt</b>					<b><u>\$3,035,000</u></b>	<b><u>\$1,187,000</u></b>

#### Business Type Activities:

##### Utility

State of Nevada						
Sewer C32-0204	10/28/02	01/01/23	3.144%	\$1,720,380	\$ 698,102	\$ 107,469
Water IVGID-1	09/09/04	07/01/25	3.082%	1,687,282	844,161	88,306
Sewer CS32-0404 (G.O.)	08/01/06	01/01/26	2.73%	3,000,000	1,646,540	163,776
Water DW-1201 (G.O.)	03/16/12	01/01/32	2.39%	3,000,000	<u>2,425,562</u>	<u>136,210</u>
<b>Total Utility Revenue Supported Debt</b>					<b><u>\$5,614,365</u></b>	<b><u>\$495,761</u></b>
<b>Total Debt – All Activities</b>					<b><u>\$8,649,365</u></b>	<b><u>\$1,682,761</u></b>

### Long-Term bonded debt activity for the year ended June 30, 2017

	Beginning Balance	New Issues	Principal Reductions	Ending Balance	Due Within One Year
General Obligation Revenue	\$ 8,522,517	\$ -	\$1,415,415	\$ 7,107,102	\$1,486,986
	<u>1,732,078</u>	<u>-</u>	<u>189,815</u>	<u>1,542,263</u>	<u>195,775</u>
Total	10,254,595	-	1,605,230	8,649,365	<u>\$1,682,761</u>
Bond discounts	(10,315)	-	(1,666)	(8,649)	
Bond Premiums	<u>44,014</u>	<u>-</u>	<u>29,017</u>	<u>14,997</u>	
Long-term Debt, net	<u>\$10,288,294</u>	<u>\$ -</u>	<u>\$1,632,581</u>	<u>\$ 8,655,713</u>	

**Future Debt Service Requirements as of June 30, 2017**

Fiscal Year <u>Ending June 30</u>	Debt Supported by <u>Utility Revenue</u>		Debt Supported by <u>Recreation Revenue</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
	2018	\$ 495,761	\$ 147,372	\$ 1,187,000
2019	509,678	133,457	350,000	37,642
2020	523,988	119,145	361,000	29,643
2021	538,707	104,428	368,000	21,442
2022	553,841	89,291	378,000	13,050
2023 to 2027	2,086,156	237,197	391,000	4,399
2028 to 2032	<u>906,234</u>	<u>60,625</u>	-	-
Total	<u>\$5,614,365</u>	<u>\$891,515</u>	<u>\$ 3,035,000</u>	<u>\$ 210,753</u>

At June 30, 2017, principal and interest to maturity in 2032, paid from pledged future revenues, totaled \$9,751,633. For the year ended June 30, 2017, the net pledged revenue was \$6,774,824.

**9. CAPITAL GRANTS**

The District received \$425,509 in capital grants for the water and sewer infrastructure, in the Utility Fund. The Community Services Capital Projects Fund received a capital grant for creek restoration of \$113,615.

**10. DEFERRED COMPENSATION PLAN**

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

**11. DISTRICT RETIREMENT BENEFIT PLANS**

The District has two retirement plans covering substantially all of its full-time year round employees. Those not covered under the Pension Trust Fund for Operating Engineers are covered by the District's Money Purchase Pension Plan Section 401(a). The District also sponsors a Section 457 Deferred Compensation Plan.

The District's Money Purchase Pension Section 401(a) Plan is a defined contribution plan. The plan is administered by Transamerica Retirement Solutions, 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 provides a non-elective contribution of 12.3% of the employee's earnings. The District's contributions for each employee are fully vested after four years of service. District contributions for, and interest forfeited by employees who leave employment before fully vesting, are used to reduce the District's current-period contribution requirement. Employees are not allowed to contribute directly into this plan.

The Pension Trust Fund for Operating Engineers is a cost sharing, multiple employer, defined benefit plan contract between the District's employees and the Operating Engineers Union. The plan provides retirement and medical benefits to eligible participants based on a formula of years of service and reaching a qualifying age. It is available to approximately 45 positions in the District, covered by the collective bargaining agreements, with only four electing to do so. The District is not a party to this defined benefit plan. The District's liability under the union collective bargaining agreement is limited to making monthly contributions based on union employees' pay for hours worked. Consequently, the District is not liable for any funding shortage of the defined benefit plan. Each year the District contributions to the plan equal

100% of the District's liability under the bargaining agreement. The Pension Trust Fund for Operating Engineers issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Pension Trust Fund for Operating Engineers, 1600 Harbor Bay Parkway, Suite 200, Alameda, California 94502 or by calling (800) 251-5014.

The District's Deferred Compensation (Section 457) Plan is a defined contribution plan. The plan is administered by Transamerica Retirement Solutions, 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 immediately after the first day of a month of employment. Employee contributions are subject to Internal Revenue Service regulations for Section 457 plans. The District provides a matching contribution up to 2%. Both employee and District contributions are fully vested 100% as made.

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

<u>FYE June 30</u>	<u>Contribution to:</u>			
	<u>(401(a) Money Purchase</u>	<u>Operating Engineers</u>	<u>Employer Section 457</u>	<u>Employee Section 457</u>
2017	\$881,780	\$38,839	\$195,958	\$388,287
2016	796,148	42,559	179,873	349,945
2015	731,354	33,929	161,521	272,151

## 12. SCHEDULE OF INSURANCE COVERAGE AND RISK MANAGEMENT

Insurance Coverage on June 30, 2017 consists of the following:

<u>Type</u>	<u>Carrier/Provider</u>	<u>Amount</u>
Property Liability on buildings & contents	NV Public Agency Pool	\$ 300,000,000
Earthquake & Flood	NV Public Agency Pool	150,000,000
Boiler & Machinery	NV Public Agency Pool	100,000,000
General Liability	NV Public Agency Pool	10,000,000
Cyber Security Event	NV Public Agency Pool	2,000,000
Money & Securities	NV Public Agency Pool	500,000
Site Pollution Incident	NV Public Agency Pool	2,000,000
Ski Resort Gen. Liability	Nova Casualty Company	1,000,000
Ski Resort Excess Liability	Nova Casualty Company	7,000,000
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 agreement provides coverage for the equivalent of errors and omissions and directors and officers acts. The Pool does not offer general or excess liability coverage for the Diamond Peak Ski Resort. Therefore, separate coverage is purchased.

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

The Pool pays all losses from the Loss Fund per occurrence, less the member's maintenance deductible. The District has a \$5,000 deductible. Excess insurance above the Pool's self-funded amount, is provided by



secondary markets based on arrangements made with the Pool, including a Pool owned captive. The District has elected to self insure for all property damage to the ski lift equipment.

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. A separate insurance program, less the District's \$10,000 deductible, provides coverage.

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.

### Workers Compensation Coverage

Workers Compensation (an element of the 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. Since July 1, 2013 the District has obtained coverage through a fully insured program. Through the Internal Service Fund, the District has continued to collect charges based on compensation, and then pays pooling assessments to the Nevada Public Agency Compensation Trust (NVPACT). All funds of the District participate in the program and made payments to the Workers Compensation Fund based on actuarial estimates provided by NVPACT for the amounts needed to pay claims as member of the risk sharing pool.

For fiscal year ended June 30, 2017, the Internal Services Fund billed other District funds a total of \$392,598 and made member assessment payments for coverage of \$393,232. 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 each of the last three years. The District made general provisions of \$56,000 for 2016, and reductions of \$79,201 for 2015. The District's Third Party Administrator monitors open claims. As of June 30, 2017, the District carries \$156,000 as the Claims Liability based on an Actuarial Study. Under Nevada statute, the District remains directly liable for future costs for claims incurred prior to July 1, 2013. The District also has \$275 of prior claims checks issued, but uncashed, as a liability.

Following is a reconciliation of Workers Comp claims liability as of June 30, 2017, for claims incurred prior to July 1, 2013.

	Beginning Claims <u>Liability</u>	Claims Made	Claims Payments	General Provision	Ending Claims <u>Liability</u>
June 30, 2017	\$156,000	\$ -	\$ -	\$ -	\$156,000
June 30, 2016	100,000	-	-	56,000	156,000
June 30, 2015	255,000	-	75,799	( 79,201)	100,000

### 13. CONTINGENCIES

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

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

#### 14. 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 Special Revenue Fund. The District's budget for the year ending June 30, 2017 included making the transfer. The Board of Trustees acted May 24, 2017 to make a \$400,000 transfer from the General Fund to the Community Services Special Revenue Fund to complete the Committed Fund Balance.

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

#### 15. LEASE OBLIGATIONS

##### Current Expenses:

The District has two significant lease obligations. During the year ended June 30, 2017, \$38,176 was paid for Golf Carts used at the Mountain Golf Course and \$38,769 was paid for Golf Carts at the Championship Golf Course. These payments are included under Services and Supplies in the Community Services Fund. A residual payment due on the Championship Golf Carts was not paid, since it became part of the terms of purchase of a new fleet completed in May 2017.

The golf cart leases are renewed periodically for each fleet. Often the renewal includes the lessor paying the residual lease payments to allow a new fleet to be put into place. When this occurs the District does not incur the current cost of the residual payment, as it is covered by the trade value of the old fleet, in the hands of the lessor. A new lease for the gas carts is budgeted during the year ended June 30, 2018.

##### Future Minimum Lease Obligations:

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

	<u>Community Services Fund</u>
	Lease for Use
	<u>58 Gas Carts</u>
June 30, 2018	\$ <u>74,893</u>

#### 16. DUE TO OTHER GOVERNMENTS

The Nevada Department of Taxation has notified the District of the probability of a future refund of sales tax due another taxpayer, resulting in reductions of Consolidated Tax Distributions. While the exact amount and terms for the reductions is not determined, sufficient information is available to arrive at an estimated liability. The refund applies to taxes received over three years ending in March 2017. The District has made a provision of \$60,000 as a liability Due To Other Governments and reduced Consolidated Tax revenues.

#### 17. SEGMENT INFORMATION FOR COMMUNITY SERVICES AND BEACH SPECIAL REVENUE FUNDS

The District provides recreation functions through two individual special revenue funds. Each serves a different set of venues and customer base. A significant source of revenue for these functions for operations, capital expenditure and debt service comes directly from a facility fee assessed by parcel for each

function and expenditure type. Facility Fees have been listed separately by fund and function. The operating portion of the facility fee is combined with charges for services to provide the resources for providing services. Charges for services are aggregated, while expenditures are provided by function. As stated in Note 1 T, part of the facility fee can be used to pay for charges for services in lieu of other forms of privileges. These are referred to as Punch Cards. The following are major functions included in Charges for Services and the approximate amounts of punch cards activity that is included:

Amounts included in Charges for Services

	<u>Charges for Services</u>	<u>Paid with Punch Cards</u>	<u>Punch Cards Value Utilized</u>
Golf Facilities	\$ 4,170,649 387,701	\$ 41,000 -	\$ - -
Ski Community Programming	11,326,968 1,274,149	118,000 175,000	- -
Parks	45,430	-	-
Tennis	166,577	-	-
Recreation Administration	<u>(573,542)</u>	<u>-</u>	<u>(574,000)</u>
Total	<u>\$ 16,797,932</u>	<u>\$334,000</u>	<u>\$(574,000)</u>
Beach	<u>\$ 1,065,015</u>	<u>\$325,000</u>	<u>\$(85,000)</u>
District Total		<u>\$659,000</u>	<u>\$(659,000)</u>

**18. COMMITMENTS**

**General Fund:**

The District entered into an unemployment insurance contract with First Nonprofit Companies for total premiums of \$185,000 for calendar year 2017 services. As of June 30, 2017 \$92,500 in quarterly deposits are remaining to be paid as a part of the subsequent year's budget.

**Capital Project Carryover:**

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

**General Fund:**

As of June 30, 2017, there is \$159,000 of identified carryover projects, including \$59,000 for the Administration Building.

**Utility Fund:**

As of June 30, 2017 there is \$12,993,000 of identified projects included in the carryover. The most significant portion is \$9,417,000 for the Effluent Export Line and \$1,246,500 for the Public Works Equipment Storage Building.

**Community Services Fund:**

As of June 30, 2017, there is \$2,215,000 of identified projects in the carryover. The most significant portion is \$152,800 for the Incline Creek Culvert Rehabilitation, \$690,000 for the Diamond Peak Master Plan Implementation, and \$180,000 for the Community Services Master Plan.

**Beach Fund:**

As of June 30, 2017, there is \$202,000 of identified projects in the carryover.

**Budgeting for the Fiscal Year Ending June 30, 2018:**

As a part of the budgeting for the fiscal year ending June 30, 2018, the District identified transfers of \$1,300,000 for capital expenditures from the Community Services Special Revenue Fund and \$25,000 for capital expenditures from the Beach Special Revenue Fund. These operating transfers are from those Funds to their respective Capital Projects Fund. The source of those transfers is presumably fund balance, reported as Unrestricted Net Position.

The Community Services Funds also have budgeted for a transfer of \$1,600,000 to establish the possibility of a future expenditure that is yet to be determined or otherwise authorized. The potential transfer was included only to allow for a potential future budget augmentation, after further Board of Trustee action.

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

	<u>Contract Award</u>	<u>Completed at June 30, 2017</u>	<u>Remaining Commitment</u>
Utility Fund			
Wastewater Treatment Plant Decant Facility			
Burdick Excavating Co., Inc.	\$ 417,555	\$ -	\$ 417,555
Public Works Cold Storage Building			
Geney, Gassiot, Inc.	2,004,142	110,293	1,893,849
2017 Watermain Replacement Project			
Gerhardt & Berry Construction	947,087	788,193	158,894
Sewage Pump Station 8			
K.G. Walters Construction	685,000	-	685,000
Community Services Fund			
Incline Creek Culvert Restoration			
CH2M Hill	251,935	70,099	181,836
Replace 2006 PistenBully SnoCat			
Kassbohrer All-Terrain Vehicles	372,500	-	372,500

**19. SUBSEQUENT EVENTS**

The magnitude of the winter conditions over 2016-17 has resulted in additional remediation to certain District facilities. On August 22, 2017, the District awarded a contract of \$328,328 for the repair of damage to a culvert at the ski resort. This condition was initially identified prior to yearend, but the measure, and extent was not known until engineering and other analysis could be completed. There is a possibility that a major portion of these costs will be reimbursed by FEMA.

The District has been engaged in a lawsuit with an individual over many years. After recent court decisions, the District was awarded recovery of fees. While both the Court decision and the fess awarded are under an appeal, the Court has allowed the recovery of fees to proceed. In order to reduce possible longer-term exposure to the individual, the District received \$241,646 on September 14, 2017. These funds were placed in a separate money market account and will be classified as a Deferred Inflow until all appeals under the lawsuit are resolved. The timeframe for a decision is not known, but assumed over one year away.

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

The State of Nevada has entered into various tax abatement agreements that reduce the tax revenues of local governments. Taxes reduced in the Consolidated Tax, which includes allocated sales and use tax revenue. State law establishes the abatements. The District’s estimated share of abatements for this fiscal year is \$55,380.

**INCLINE VILLAGE**  
GENERAL IMPROVEMENT DISTRICT

**REQUIRED  
SUPPLEMENTARY  
INFORMATION**

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

For the year ending June 30:	401(a) Money Purchase			Operating Engineers			457 Employer Portion		
	Number of Participants	Covered Payroll	Required Contributions	Number of Participants	Covered Payroll	Required Contributions	Number of Participants	Covered Payroll	Required Contributions
2017	100	\$ 7,168,943	\$ 881,780	4	\$ 315,764	\$ 38,839	101	\$ 4,942,403	\$ 195,958
2016	97	6,472,748	796,148	5	346,008	42,559	99	4,687,003	179,872
2015	92	5,945,967	731,354	4	275,846	33,929	91	4,175,360	161,521
2014	90	6,114,415	752,073	5	346,797	42,656	88	4,073,396	168,321
2013	95	5,934,439	729,936	5	377,293	46,407	91	3,928,906	190,035
2012	97	6,049,829	744,129	7	395,512	48,648	96	4,055,304	191,087
2011	102	6,482,260	797,318	7	463,862	57,055	99	4,043,627	188,652
2010	106	6,133,951	754,476	8	477,382	58,718	102	4,147,140	192,637
2009	116	6,305,970	630,597	8	677,050	67,705	107	4,179,960	193,493
2008	94	5,865,810	586,581	8	590,550	59,055	96	3,458,605	160,845

**INCLINE VILLAGE**  
GENERAL IMPROVEMENT DISTRICT

**SUPPLEMENTARY  
INFORMATION**

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
COMMUNITY SERVICES CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Sales of Assets	\$ -	\$ -	\$ -	\$ -
Federal - Capital Grants	115,000	115,000	113,615	(1,385)
Total revenues	115,000	115,000	113,615	(1,385)
<b>EXPENDITURES</b>				
<b>CAPITAL OUTLAY:</b>				
<b>COMMUNITY SERVICES RECREATION:</b>				
Championship Golf	734,500	1,182,500	928,012	254,488
Mountain Golf	313,620	313,620	120,828	192,792
Facilities	394,570	394,570	161,162	233,408
Ski	2,693,420	2,693,420	1,375,029	1,318,391
Community Programming and Recreation Center	697,820	697,820	574,838	122,982
Parks	517,100	517,100	312,527	204,573
Tennis	77,020	77,020	49,022	27,998
Recreation Administration	304,000	304,000	111,792	192,208
Total expenditures	5,732,050	6,180,050	3,633,210	2,546,840
Excess (deficiency) of revenues over expenditures	(5,617,050)	(6,065,050)	(3,519,595)	2,545,455
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	-	-	62,952	62,952
Operating Transfers In (Out)	3,369,240	3,817,240	3,818,908	1,668
Total other financing sources (uses)	3,369,240	3,817,240	3,881,860	64,620
Net changes in fund balance	(2,247,810)	(2,247,810)	362,265	2,610,075
Fund Balance, July 1	2,279,212	2,279,212	2,061,541	(217,671)
Fund balance, June 30	\$ 31,402	\$ 31,402	\$ 2,423,806	\$ 2,392,404



**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
 BEACH CAPITAL PROJECTS FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS  
 FOR THE YEAR ENDED JUNE 30, 2017**

		<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
		<b>Original</b>	<b>Final</b>		
<b>EXPENDITURES</b>					
Beach	New projects	\$ 394,300	\$ 394,300	\$ 103,377	\$ 290,923
	Carryover projects	155,000	155,000	152,784	2,216
	Total expenditures	549,300	549,300	256,161	293,139
Excess (deficiency) of revenues over expenditures		(549,300)	(549,300)	(256,161)	293,139
<b>OTHER FINANCING SOURCES</b>					
	Operating Transfers In - Facility Fee	185,856	185,856	185,937	81
	Operating Transfers In - Carryover CIP	343,000	343,000	55,000	(288,000)
	Total other financing sources	528,856	528,856	240,937	(287,919)
Net changes in fund balance		(20,444)	(20,444)	(15,224)	5,220
Fund Balance, July 1		21,832	21,832	20,379	(1,453)
Fund balance, June 30		\$ 1,388	\$ 1,388	\$ 5,155	\$ 3,767

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
COMMUNITY SERVICES DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2017**

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	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>EXPENDITURES</b>				
Community Services - GO Revenue Supported				
Principal	\$ 327,639	\$ 327,639	\$ 327,639	\$ -
Interest	52,167	52,167	52,168	(1)
Community Services - Medium Term Financing				
Principal	790,000	790,000	790,000	-
Interest	114,450	114,450	114,450	-
Total expenditures	<u>1,284,256</u>	<u>1,284,256</u>	<u>1,284,257</u>	<u>(1)</u>
Excess (deficiency) of revenues over expenditures	<u>(1,284,256)</u>	<u>(1,284,256)</u>	<u>(1,284,257)</u>	<u>1</u>
<b>OTHER FINANCING SOURCES</b>				
Operating Transfers In - Facility Fees	<u>1,309,120</u>	<u>1,309,120</u>	<u>1,309,540</u>	<u>420</u>
Total other financing sources	<u>1,309,120</u>	<u>1,309,120</u>	<u>1,309,540</u>	<u>420</u>
Net changes in fund balance	24,864	24,864	25,283	419
Fund Balance, July 1	<u>-</u>	<u>-</u>	<u>2,111</u>	<u>2,111</u>
Fund balance, June 30	<u>\$ 24,864</u>	<u>\$ 24,864</u>	<u>\$ 27,394</u>	<u>\$ 2,530</u>

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
 BEACH DEBT SERVICE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS  
 FOR THE YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>EXPENDITURES</b>				
Beach				
Principal	\$ 5,361	\$ 5,361	\$ 5,361	\$ -
Interest	854	854	854	-
Total expenditures	<u>6,215</u>	<u>6,215</u>	<u>6,215</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(6,215)</u>	<u>(6,215)</u>	<u>(6,215)</u>	<u>-</u>
<b>OTHER FINANCING SOURCES</b>				
Operating Transfers In - Facility Fees	7,744	7,744	7,747	3
Net changes in fund balance	1,529	1,529	1,532	3
Fund Balance, July 1	<u>1,554</u>	<u>1,554</u>	<u>1,572</u>	<u>18</u>
Fund balance, June 30	<u>\$ 3,083</u>	<u>\$ 3,083</u>	<u>\$ 3,104</u>	<u>\$ 21</u>

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Ad valorem taxes	\$ 1,480,779	\$ 1,480,779	\$ 1,462,280	\$ (18,499)
Personal Property Tax	12,000	12,000	13,737	1,737
Intergovernmental:				
Consolidated Tax	1,296,000	1,296,000	1,252,044	(43,956)
Local Government Tax Act	189,000	189,000	232,786	43,786
Operating Grants	-	-	1,440	1,440
Investment income	36,000	36,000	51,680	15,680
Miscellaneous	3,600	3,600	3,198	(402)
Central Services Revenue	1,177,200	1,177,200	1,177,200	-
Total revenues	<u>4,194,579</u>	<u>4,194,579</u>	<u>4,194,365</u>	<u>(214)</u>
<b>EXPENDITURES</b>				
General Government - All Functions:				
Function Summary	<u>4,030,132</u>	<u>4,120,132</u>	<u>3,752,102</u>	<u>368,030</u>
Total expenditures	<u>4,030,132</u>	<u>4,120,132</u>	<u>3,752,102</u>	<u>368,030</u>
Excess (deficiency) of revenues over expenditures	<u>164,447</u>	<u>74,447</u>	<u>442,263</u>	<u>367,816</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Contingency	(100,000)	(10,000)	-	10,000
Operating Transfers Out	(400,000)	(400,000)	(400,000)	-
Sale of capital assets	-	-	-	-
Net changes in fund balance	<u>(335,553)</u>	<u>(335,553)</u>	<u>42,263</u>	<u>377,816</u>
Fund balance, July 1	<u>1,643,887</u>	<u>1,643,887</u>	<u>1,819,986</u>	<u>176,099</u>
Fund balance, June 30	<u>\$ 1,308,334</u>	<u>\$ 1,308,334</u>	<u>\$ 1,862,249</u>	<u>\$ 553,915</u>

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>EXPENDITURES</b>				
General Government:				
General Administration				
Salaries and Wages	\$ 30,687	\$ 30,687	\$ 30,534	\$ 153
Employee Benefits	18,135	18,135	16,918	1,217
Services and Supplies	406,652	496,652	504,297	(7,645)
Capital Outlay	246,750	246,750	148,435	98,315
Subtotal General Administration	<u>702,224</u>	<u>792,224</u>	<u>700,184</u>	<u>92,040</u>
General Manager				
Salaries and Wages	232,757	232,757	235,185	(2,428)
Employee Benefits	92,551	92,551	85,922	6,629
Services and Supplies	28,520	28,520	26,915	1,605
Subtotal General Manager	<u>353,828</u>	<u>353,828</u>	<u>348,022</u>	<u>5,806</u>
Trustees				
Salaries and Wages	97,507	97,507	99,445	(1,938)
Employee Benefits	29,385	29,385	28,294	1,091
Services and Supplies	81,592	81,592	40,979	40,613
Subtotal Trustees	<u>208,484</u>	<u>208,484</u>	<u>168,718</u>	<u>39,766</u>
Accounting				
Salaries and Wages	599,988	599,988	608,487	(8,499)
Employee Benefits	286,767	286,767	265,249	21,518
Services and Supplies	72,200	72,200	59,592	12,608
Subtotal Accounting	<u>958,955</u>	<u>958,955</u>	<u>933,328</u>	<u>25,627</u>
Information Services				
Salaries and Wages	350,840	350,840	336,450	14,390
Employee Benefits	160,600	160,600	122,687	37,913
Services and Supplies	281,080	281,080	230,363	50,717
Subtotal Information Services	<u>792,520</u>	<u>792,520</u>	<u>689,500</u>	<u>103,020</u>
Risk Management				
Salaries and Wages	75,432	75,432	78,201	(2,769)
Employee Benefits	42,252	42,252	40,495	1,757
Services and Supplies	22,725	22,725	9,948	12,777
Subtotal Risk Management	<u>140,409</u>	<u>140,409</u>	<u>128,644</u>	<u>11,765</u>
Human Resources				
Salaries and Wages	315,516	315,516	319,779	(4,263)
Employee Benefits	175,259	175,259	169,113	6,146
Services and Supplies	64,200	64,200	38,775	25,425
Subtotal Human Resources	<u>554,975</u>	<u>554,975</u>	<u>527,667</u>	<u>27,308</u>
Health and Wellness				
Salaries and Wages	13,905	13,905	12,276	1,629
Employee Benefits	8,378	8,378	5,414	2,964
Services and Supplies	12,900	12,900	5,276	7,624
Subtotal Health and Wellness	<u>35,183</u>	<u>35,183</u>	<u>22,966</u>	<u>12,217</u>
Community & Employee Relations				
Salaries and Wages	99,112	99,112	99,562	(450)
Employee Benefits	54,942	54,942	47,874	7,068
Services and Supplies	129,500	129,500	85,637	43,863
Subtotal Comm. Relations	<u>283,554</u>	<u>283,554</u>	<u>233,073</u>	<u>50,481</u>
Function Subtotal - Form 10	<u>\$ 4,030,132</u>	<u>\$ 4,120,132</u>	<u>\$ 3,752,102</u>	<u>\$ 368,030</u>

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
COMMUNITY SERVICES SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Charges for Services				
Championship Golf	\$ 3,571,100	\$ 3,571,100	\$ 3,542,663	\$ (28,437)
Mountain Golf	709,300	709,300	627,986	(81,314)
Facilities	280,100	280,100	387,701	107,601
Ski	7,482,600	10,182,600	11,326,968	1,144,368
Community Programming	1,242,000	1,242,000	1,274,149	32,149
Parks	54,400	54,400	45,430	(8,970)
Tennis	166,500	166,500	166,577	77
Recreation Administration	(517,500)	(517,500)	(573,542)	(56,042)
Facility Fee:				-
Championship Golf	679,106	679,106	679,323	217
Mountain Golf	441,828	441,828	441,969	141
Facilities	466,374	466,374	466,523	149
Ski	605,468	605,468	605,662	194
Community Programming	1,284,574	1,284,574	1,284,986	412
Parks	957,294	957,294	957,601	307
Tennis	147,276	147,276	147,323	47
Recreation Administration	1,390,940	1,390,940	1,395,765	4,825
Operating Grants	17,000	17,000	17,000	-
Interfund Services	72,500	72,500	87,711	15,211
Intergovernmental Services	24,900	24,900	22,233	(2,667)
Investment Earnings	24,000	24,000	23,608	(392)
Sale of Assets	-	-	78,264	78,264
Miscellaneous	86,400	86,400	107,820	21,420
Total revenues	<u>19,186,160</u>	<u>21,886,160</u>	<u>23,113,720</u>	<u>1,227,560</u>
<b>EXPENDITURES</b>				
Culture and Recreation - All Functions:				
Function Summary	<u>15,240,476</u>	<u>16,160,476</u>	<u>15,919,959</u>	<u>240,517</u>
Total expenditures	<u>15,240,476</u>	<u>16,160,476</u>	<u>15,919,959</u>	<u>240,517</u>
Excess (deficiency) of revenues over expenditures	<u>3,945,684</u>	<u>5,725,684</u>	<u>7,193,761</u>	<u>1,468,077</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Contingency	(450,000)	(450,000)	-	450,000
Operating Transfers In - General Fund	400,000	400,000	400,000	-
Operating Transfers Out - Capital Projects	(3,369,240)	(3,817,240)	(3,818,908)	(1,668)
Operating Transfers Out - Debt Service	<u>(1,309,120)</u>	<u>(1,309,120)</u>	<u>(1,309,540)</u>	<u>(420)</u>
Net changes in fund balance	(782,676)	549,324	2,465,313	1,915,989
Fund balance, July 1	<u>7,138,818</u>	<u>7,854,828</u>	<u>7,854,828</u>	<u>-</u>
Fund balance, June 30	<u>\$ 6,356,142</u>	<u>\$ 8,404,152</u>	<u>\$ 10,320,141</u>	<u>\$ 1,915,989</u>

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
COMMUNITY SERVICES SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>EXPENDITURES</b>				
<b>Community Services:</b>				
Championship Golf				
Salaries and Wages	\$ 1,304,613	\$ 1,304,613	\$ 1,347,782	\$ (43,169)
Employee Benefits	430,733	430,733	373,143	57,590
Services and Supplies	<u>1,986,354</u>	<u>2,291,354</u>	<u>2,223,847</u>	<u>67,507</u>
Subtotal Championship Golf	<u>3,721,700</u>	<u>4,026,700</u>	<u>3,944,772</u>	<u>81,928</u>
Mountain Golf				
Salaries and Wages	351,203	351,203	370,994	(19,791)
Employee Benefits	109,604	109,604	101,500	8,104
Services and Supplies	<u>552,383</u>	<u>610,383</u>	<u>529,865</u>	<u>80,518</u>
Subtotal Mountain Golf	<u>1,013,190</u>	<u>1,071,190</u>	<u>1,002,359</u>	<u>68,831</u>
Facilities				
Salaries and Wages	74,879	74,879	87,544	(12,665)
Employee Benefits	44,213	44,213	45,546	(1,333)
Services and Supplies	<u>326,718</u>	<u>356,718</u>	<u>365,487</u>	<u>(8,769)</u>
Subtotal Facilities	<u>445,810</u>	<u>475,810</u>	<u>498,577</u>	<u>(22,767)</u>
Ski				
Salaries and Wages	2,352,951	2,352,951	2,636,401	(283,450)
Employee Benefits	883,185	883,185	754,107	129,078
Services and Supplies	<u>3,052,115</u>	<u>3,533,115</u>	<u>3,420,090</u>	<u>113,025</u>
Subtotal Ski	<u>6,288,251</u>	<u>6,769,251</u>	<u>6,810,598</u>	<u>(41,347)</u>
Community Programming				
Salaries and Wages	1,044,069	1,044,069	1,053,587	(9,518)
Employee Benefits	347,964	354,964	318,231	36,733
Services and Supplies	<u>895,737</u>	<u>895,737</u>	<u>854,075</u>	<u>41,662</u>
Subtotal Community Programming	<u>2,287,770</u>	<u>2,294,770</u>	<u>2,225,893</u>	<u>68,877</u>
Parks				
Salaries and Wages	318,321	318,321	311,433	6,888
Employee Benefits	114,045	114,045	86,971	27,074
Services and Supplies	<u>428,150</u>	<u>467,150</u>	<u>422,630</u>	<u>44,520</u>
Subtotal Parks	<u>860,516</u>	<u>899,516</u>	<u>821,034</u>	<u>78,482</u>
Tennis				
Salaries and Wages	143,883	143,883	142,399	1,484
Employee Benefits	26,141	26,141	24,178	1,963
Services and Supplies	<u>102,201</u>	<u>102,201</u>	<u>95,792</u>	<u>6,409</u>
Subtotal Tennis	<u>272,225</u>	<u>272,225</u>	<u>262,369</u>	<u>9,856</u>
Community Services Administration				
Salaries and Wages	132,428	132,428	144,286	(11,858)
Employee Benefits	44,264	44,264	45,185	(921)
Services and Supplies	<u>174,322</u>	<u>174,322</u>	<u>164,886</u>	<u>9,436</u>
Subtotal Recreation Administration	<u>351,014</u>	<u>351,014</u>	<u>354,357</u>	<u>(3,343)</u>
Function Subtotal	<u>\$ 15,240,476</u>	<u>\$ 16,160,476</u>	<u>\$ 15,919,959</u>	<u>\$ 240,517</u>

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
 BEACH SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS  
 FOR THE YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Charges for Services				
Culture and Recreation:				
Beach	\$ 999,900	\$ 999,900	\$ 1,065,015	\$ 65,115
Facility Fees	774,400	774,400	775,337	937
Investment Earnings	9,000	9,000	6,078	(2,922)
Total revenues	<u>1,783,300</u>	<u>1,783,300</u>	<u>1,846,430</u>	<u>63,130</u>
<b>EXPENDITURES</b>				
Beach:				
Salaries and Wages	732,799	732,799	733,265	(466)
Employee Benefits	240,859	240,859	205,191	35,668
Services and Supplies	695,296	695,296	648,803	46,493
Total expenditures	<u>1,668,954</u>	<u>1,668,954</u>	<u>1,587,259</u>	<u>81,695</u>
Excess (deficiency) of revenues over expenditures	114,346	114,346	259,171	144,825
<b>OTHER FINANCING SOURCES (USES)</b>				
Contingency	(48,000)	(48,000)	-	48,000
Operating Transfers Out - Capital Projects	(528,856)	(528,856)	(240,937)	287,919
Operating Transfers Out - Debt Service	(7,744)	(7,744)	(7,747)	(3)
Net changes in fund balance	<u>(470,254)</u>	<u>(470,254)</u>	<u>10,487</u>	<u>480,741</u>
Fund balance, July 1	<u>1,188,111</u>	<u>1,188,111</u>	<u>1,059,750</u>	<u>(128,361)</u>
Fund balance, June 30	<u>\$ 717,857</u>	<u>\$ 717,857</u>	<u>\$ 1,070,237</u>	<u>\$ 352,380</u>

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



**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
COMMUNITY SERVICES CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual	Variance	
	Original	Final			
<b>REVENUES</b>					
Sales of Assets	\$ -	\$ -	\$ 62,952	\$ 62,952	
Federal - Capital Grants	115,000	115,000	113,615	(1,385)	
Total revenues	115,000	115,000	176,567	61,567	
<b>EXPENDITURES</b>					
<b>COMMUNITY SERVICES RECREATION:</b>					
Championship Golf	New projects	373,500	821,500	737,054	84,446
	Carryover projects	361,000	361,000	190,958	170,042
Mountain Golf	New projects	264,620	264,620	81,481	183,139
	Carryover projects	49,000	49,000	39,347	9,653
Facilities	New projects	254,570	254,570	105,736	148,834
	Carryover projects	140,000	140,000	55,426	84,574
Ski	New projects	1,320,420	1,320,420	912,556	407,864
	Master Plan	350,000	350,000	39,759	310,241
	Carryover projects	1,023,000	1,023,000	422,714	600,286
Community Programming	New projects	579,820	579,820	569,851	9,969
	Carryover projects	118,000	118,000	4,987	113,013
Parks	New projects	235,100	235,100	139,923	95,177
	Carryover projects	282,000	282,000	172,604	109,396
Tennis	New projects	77,020	77,020	49,022	27,998
	Carryover projects	-	-	-	-
Comm. Serv. Administration	New projects	28,500	28,500	935	27,565
	Carryover projects	275,500	275,500	110,857	164,643
Total expenditures		5,732,050	6,180,050	3,633,210	2,546,840
Excess (deficiency) of revenues over expenditures		(5,617,050)	(6,065,050)	(3,456,643)	2,608,407
<b>OTHER FINANCING SOURCES</b>					
Operating Transfers In - Facility Fees		2,618,240	2,618,240	2,619,078	838
Operating Transfers In - CIP		751,000	1,199,000	1,199,830	830
Total other financing sources		3,369,240	3,817,240	3,818,908	1,668
Net changes in fund balance		(2,247,810)	(2,247,810)	362,265	2,610,075
Fund Balance, July 1		2,279,212	2,279,212	2,061,541	(217,671)
Fund balance, June 30		\$ 31,402	\$ 31,402	\$ 2,423,806	\$ 2,392,404

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
COMMUNITY SERVICES DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>EXPENDITURES</b>				
Community Services - GO Revenue Supported				
Principal	\$ 327,639	\$ 327,639	\$ 327,639	\$ -
Interest	52,167	52,167	52,168	(1)
Community Services - Medium Term Financing				
Principal	790,000	790,000	790,000	-
Interest	114,450	114,450	114,450	-
Total expenditures	1,284,256	1,284,256	1,284,257	(1)
Excess (deficiency) of revenues over expenditures	(1,284,256)	(1,284,256)	(1,284,257)	1
<b>OTHER FINANCING SOURCES</b>				
Operating Transfers In - Facility Fees	1,309,120	1,309,120	1,309,540	420
Total other financing sources	1,309,120	1,309,120	1,309,540	420
Net changes in fund balance	24,864	24,864	25,283	419
Fund Balance, July 1	-	-	2,111	2,111
Fund balance, June 30	\$ 24,864	\$ 24,864	\$ 27,394	\$ 2,530

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
BEACH DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>EXPENDITURES</b>				
Beach				
Principal	\$ 5,361	\$ 5,361	\$ 5,361	\$ -
Interest	854	854	854	-
Total expenditures	6,215	6,215	6,215	-
Excess (deficiency) of revenues over expenditures	(6,215)	(6,215)	(6,215)	-
<b>OTHER FINANCING SOURCES</b>				
Operating Transfers In - Facility Fees	7,744	7,744	7,747	3
Net changes in fund balance	1,529	1,529	1,532	3
Fund Balance, July 1	1,554	1,554	1,572	18
Fund balance, June 30	\$ 3,083	\$ 3,083	\$ 3,104	\$ 21

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
UTILITY FUND - BUDGETARY BASIS  
WATER, SEWER AND TRASH ACTIVITIES  
SCHEDULE OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION -BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Original &amp; Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Sales and service fees	\$ 11,298,298	\$ 11,423,577	\$ 125,279
Intergovernmental services	140,900	127,535	(13,365)
Interfund services	141,400	262,057	120,657
Investment earnings	96,000	60,132	(35,868)
Total revenues	<u>11,676,598</u>	<u>11,873,301</u>	<u>196,703</u>
<b>EXPENSES</b>			
Wages	2,521,963	2,480,611	41,352
Benefits	1,220,089	1,077,836	142,253
Services and supplies	2,011,551	1,922,802	88,749
Utilities	1,069,500	806,413	263,087
Legal and audit	97,750	74,746	23,004
Central Services cost	324,400	324,400	-
Defensible Space	100,000	97,045	2,955
Depreciation	2,900,000	2,945,922	(45,922)
Debt service interest	160,903	154,186	6,717
Total expenses	<u>10,406,156</u>	<u>9,883,961</u>	<u>522,195</u>
Gain (loss) on sale of assets	-	17,730	17,730
Capital Grants	-	425,509	425,509
Changes in Net Position	<u>\$ 1,270,442</u>	<u>\$ 2,432,579</u>	<u>\$ 1,162,137</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition of Capital Assets	<u>\$ 5,534,300</u>	<u>\$ 4,307,522</u>	<u>\$ (1,226,778)</u>
Payments of Principal on Capital Debt	<u>\$ 482,230</u>	<u>\$ 482,230</u>	<u>\$ -</u>

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
INTERNAL SERVICES FUND - BUDGETARY BASIS  
(FLEET, ENGINEERING AND BUILDINGS MAINTENANCE  
AND WORKERS COMPENSATION ACTIVITIES)  
SCHEDULE OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Services provided by:				
Fleet	\$ 970,100	\$ 975,100	\$ 1,065,625	\$ 90,525
Engineering	787,200	787,200	772,549	(14,651)
Buildings Maintenance	871,000	1,081,000	883,975	(197,025)
Workers Compensation	<u>435,550</u>	<u>435,550</u>	<u>392,598</u>	<u>(42,952)</u>
Interfund Services	3,063,850	3,278,850	3,114,747	(164,103)
Investment earnings	<u>2,400</u>	<u>2,400</u>	<u>2,476</u>	<u>76</u>
 Total Revenues	 <u>3,066,250</u>	 <u>3,281,250</u>	 <u>3,117,223</u>	 <u>(164,027)</u>
<b>EXPENSES</b>				
Wages	1,295,922	1,295,922	1,283,941	11,981
Benefits	637,389	637,389	618,679	18,710
Services and Supplies	1,182,736	1,397,736	1,171,654	226,082
Utilities	10,500	10,500	12,411	(1,911)
Legal & Audit	9,000	9,000	9,095	(95)
Depreciation	<u>10,000</u>	<u>10,000</u>	<u>11,888</u>	<u>(1,888)</u>
 Total expenses	 <u>3,145,547</u>	 <u>3,360,547</u>	 <u>3,107,668</u>	 <u>252,879</u>
Gain on sale of assets	<u>-</u>	<u>-</u>	<u>524</u>	<u>524</u>
Changes in Net Position	<u>\$ (79,297)</u>	<u>\$ (79,297)</u>	<u>\$ 10,079</u>	<u>\$ 89,376</u>

**INCLINE VILLAGE**  
GENERAL IMPROVEMENT DISTRICT

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

## STATISTICAL SECTION (UNAUDITED)

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

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### Financial Trends

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

### Revenue Capacity

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

### Debt Capacity

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

### Demographic and Economic Information

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

### Operating Information

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

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

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

	Fiscal Years									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Governmental Activities</b>										
Net invested in capital assets	\$ 50,729,901	\$ 48,555,965	\$ 47,729,659	\$ 44,322,574	\$ 42,560,434	\$ 40,313,677	\$ 38,304,227	\$ 30,800,605	\$ 27,660,846	\$ 20,350,055
Restricted	180,564	178,426	187,825	246,604	270,359	955,415	869,013	341,784	339,193	-
Unrestricted	16,887,487	13,973,745	9,114,898	10,106,521	9,434,133	6,473,085	5,432,800	8,309,236	9,666,431	15,953,207
Total governmental activities net position	\$ 67,797,952	\$ 62,708,136	\$ 57,032,382	\$ 54,675,699	\$ 52,264,926	\$ 47,742,177	\$ 44,606,040	\$ 39,451,625	\$ 37,666,470	\$ 36,303,262
<b>Business-type activities</b>										
Net invested in capital assets	\$ 59,817,845	\$ 57,974,014	\$ 57,365,832	\$ 56,875,962	\$ 56,144,425	\$ 56,598,673	\$ 53,051,044	\$ 49,445,970	\$ 47,785,869	\$ 46,841,083
Restricted	305,022	226,208	225,435	225,185	224,951	226,777	231,514	558,563	497,371	213,000
Unrestricted	12,536,210	12,026,276	11,228,881	10,113,847	9,197,509	5,554,147	7,552,741	9,406,203	10,683,500	11,052,344
Total business-type activities net position	\$ 72,659,077	\$ 70,226,498	\$ 68,820,148	\$ 67,214,994	\$ 65,566,885	\$ 62,379,597	\$ 60,835,299	\$ 59,410,736	\$ 58,966,740	\$ 58,106,427
<b>Primary government</b>										
Net invested in capital assets	\$ 110,547,746	\$ 106,529,979	\$ 105,095,491	\$ 101,198,536	\$ 98,704,859	\$ 96,912,350	\$ 91,355,271	\$ 80,246,575	\$ 75,446,715	\$ 67,191,138
Restricted	485,586	404,634	413,260	471,789	495,310	1,182,192	1,100,527	900,347	836,564	213,000
Unrestricted	29,423,697	26,000,021	20,343,779	20,220,368	18,631,642	12,027,232	12,985,541	17,715,439	20,349,931	27,005,551
Total primary government net position	\$ 140,457,029	\$ 132,934,634	\$ 125,852,530	\$ 121,890,693	\$ 117,831,811	\$ 110,121,774	\$ 105,441,339	\$ 98,862,361	\$ 96,633,210	\$ 94,409,689

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Expenses</b>										
Governmental activities:										
General government	\$ 3,814,458	\$ 3,672,661	\$ 3,220,478	\$ 3,189,596	\$ 2,929,928	\$ 3,265,830	\$ 3,882,904	\$ 3,067,477	\$ 3,150,889	\$ 2,935,020
Community Services	18,599,633	17,237,889	15,359,833	15,036,116	14,704,572	14,936,896	15,609,165	15,237,986	16,093,314	15,830,035
Beach	1,802,103	1,689,472	1,517,855	1,363,778	1,144,073	1,145,077	1,267,913	1,252,753	1,266,410	1,188,973
Internal services	2,947,302	2,972,060	2,503,958	2,267,111	1,792,260	1,949,861	1,979,196	1,766,735	2,001,647	1,935,745
Interest on long-term debt	160,366	205,263	201,882	252,324	371,938	476,635	437,360	592,288	686,854	468,223
Total governmental activities expenses	27,323,862	25,777,345	22,804,006	22,108,925	20,942,771	21,774,299	23,176,538	21,917,239	23,199,114	22,357,996
Business-type activities:										
Utilities	9,729,775	9,781,165	9,442,666	9,029,675	8,480,954	8,404,350	8,568,015	8,815,457	8,781,474	8,252,233
Interest on long-term debt	154,186	167,530	180,505	193,123	186,608	178,631	207,139	234,416	260,604	289,900
Total business-type activities expenses	9,883,961	9,948,695	9,623,171	9,222,798	8,667,562	8,582,981	8,775,154	9,049,873	9,042,078	8,542,133
Total primary government expenses	37,207,823	35,726,040	32,427,177	31,331,723	29,610,333	30,357,280	31,951,692	30,967,112	32,241,192	30,900,129
<b>Program Revenues</b>										
Governmental activities:										
Central Services Costs (& equivalent pre-2012)	1,177,200	1,123,000	1,101,000	1,068,996	1,000,200	1,074,000	924,154	1,267,842	863,532	462,952
Charges for services										
Community Services	16,820,165	15,596,222	10,485,799	10,634,172	10,900,298	10,435,232	11,629,020	11,151,940	11,376,209	13,298,039
Beach	1,065,015	1,002,518	989,602	1,032,621	980,240	568,277	445,307	600,280	750,076	724,124
Internal Services	3,114,747	2,935,521	2,560,122	2,280,296	2,045,412	1,891,200	1,964,322	1,814,349	2,095,747	1,932,636
Total governmental activities revenues	22,177,127	20,657,261	15,136,523	15,016,085	14,926,150	13,968,709	14,962,803	14,834,411	15,085,564	16,417,751
Business-type activities:										
Charges for services										
Utilities	11,813,169	11,158,119	10,851,123	10,434,118	9,767,475	9,127,955	8,485,161	8,051,694	8,182,416	8,264,972
Operating Grants and Contributions	-	-	-	-	-	-	-	-	-	199,500
Total business-type activities revenue	11,813,169	11,158,119	10,851,123	10,434,118	9,767,475	9,127,955	8,485,161	8,051,694	8,182,416	8,464,472
Total primary government revenue	33,990,296	31,815,380	25,987,646	25,450,203	24,693,625	23,096,664	23,447,964	22,886,105	23,267,980	24,882,223
<b>Net (Expense)/Revenue</b>										
Governmental activities	(5,146,735)	(5,120,084)	(7,667,483)	(7,092,840)	(6,016,621)	(7,805,590)	(8,213,735)	(7,082,828)	(8,113,550)	(5,940,245)
Business-type activities	1,929,208	1,209,424	1,227,952	1,211,320	1,099,913	544,974	(289,993)	(989,179)	(859,662)	(77,661)
Total primary government net (expense)/revenue	(3,217,527)	(3,910,660)	(6,439,531)	(5,881,520)	(4,916,708)	(7,260,616)	(8,503,728)	(8,081,007)	(8,973,212)	(6,017,906)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities										
Taxes										
Property taxes	1,476,148	1,498,519	1,377,337	1,293,676	1,307,715	1,325,436	1,094,166	796,482	985,295	1,029,668
Combined taxes	1,484,830	1,487,986	1,369,950	1,277,567	1,205,091	1,106,183	1,101,055	1,136,483	1,218,893	1,404,915
Facility Fees - Community Services	5,973,914	5,995,248	6,018,616	6,024,564	5,962,384	5,919,707	6,067,022	5,126,716	4,921,834	4,600,649
Facility Fees- Beach	775,337	777,574	778,149	780,716	775,102	899,565	783,029	865,540	1,210,476	1,163,310
Investment earnings	83,842	150,795	124,306	103,106	88,116	193,562	102,384	212,096	313,576	411,860
Miscellaneous	310,425	299,355	120,134	170,981	63,692	127,338	306,352	730,666	595,355	383,269
Capital Grants and contributions	132,055	586,361	235,674	(407)	1,137,270	1,369,936	2,126,748	-	1,031,329	-
Transfers	-	-	-	-	-	-	-	-	(800,000)	-
Accounting Adjustments	-	-	-	(146,589)	-	-	1,787,393	-	-	-
Total governmental activities other changes	10,236,551	10,795,838	10,024,166	9,503,614	10,539,370	10,941,727	13,368,149	8,867,983	9,476,758	8,993,671
Business-type activities										
Investment earnings	60,132	154,162	81,996	61,007	55,666	86,010	151,646	189,786	236,935	373,613
Capital Grants and contributions	425,509	-	329,705	461,994	2,013,853	912,933	1,220,938	1,476,174	663,597	813,896
Miscellaneous	17,730	42,764	(34,499)	(4,712)	17,856	381	7,756	(223,785)	19,443	15,407
Transfers	-	-	-	-	-	-	-	-	800,000	-
Accounting Adjustments	-	-	-	(81,501)	-	-	334,217	-	-	-
Total business-type activities other changes	503,371	196,926	377,202	436,788	2,087,375	999,324	1,714,557	1,442,175	1,719,975	1,202,916
<b>Change in Net Position</b>										
Governmental activities	5,089,816	5,675,754	2,356,683	2,410,774	4,522,749	3,136,137	5,154,414	1,785,155	1,363,208	3,053,426
Business-type activities	2,432,579	1,406,350	1,605,154	1,648,108	3,187,288	1,544,298	1,424,564	443,996	860,313	1,125,255
Total primary government	\$ 7,522,395	\$ 7,082,104	\$ 3,961,837	\$ 4,058,882	\$ 7,710,037	\$ 4,680,435	\$ 6,578,978	\$ 2,229,151	\$ 2,223,521	\$ 4,178,681

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



**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

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

	Fiscal Year ended June 30									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>General Fund</b>										
Non-spendable	\$ 213,462	\$ 268,005	\$ 218,623	\$ 237,021	\$ 191,780	\$ 174,157	\$ 504,077	\$ 154,087	\$ 143,088	\$ 322,349
Restricted	-	-	-	-	-	52,000	-	129,000	-	-
Committed	-	400,000	400,000	400,000	400,000	400,000	-	-	-	-
Unassigned	1,648,787	1,151,988	882,664	754,000	294,887	357,734	111,697	332,687	472,686	293,425
<b>Total General Fund</b>	<b>\$ 1,862,249</b>	<b>\$ 1,819,993</b>	<b>\$ 1,501,287</b>	<b>\$ 1,391,021</b>	<b>\$ 886,667</b>	<b>\$ 983,891</b>	<b>\$ 615,774</b>	<b>\$ 615,774</b>	<b>\$ 615,774</b>	<b>\$ 615,774</b>
<b>Community Services</b>										
Special Revenue Fund										
Non-spendable	\$ 878,949	\$ 751,640	\$ 660,409	\$ 658,053	\$ 705,131	\$ 685,798	\$ 474,069	\$ 439,059	\$ 412,430	\$ 414,919
Restricted	77,136	76,674	86,421	86,332	87,261	101,617	130,467	232,434	339,193	250,593
Committed - operations	9,364,056	7,026,514	4,610,925	5,279,561	5,275,226	3,949,021	3,752,098	5,033,576	6,466,784	13,256,807
Capital Projects - Assigned	2,423,806	2,061,541	-	-	-	-	-	-	-	-
Debt Service - Assigned	27,394	2,111	-	-	-	-	-	-	-	-
<b>Total Comm. Services</b>	<b>\$ 12,771,341</b>	<b>\$ 9,918,480</b>	<b>\$ 5,357,755</b>	<b>\$ 6,023,946</b>	<b>\$ 6,067,618</b>	<b>\$ 4,736,436</b>	<b>\$ 4,356,634</b>	<b>\$ 5,705,069</b>	<b>\$ 7,218,407</b>	<b>\$ 13,922,319</b>
<b>Beach</b>										
Special Revenue Fund										
Non-spendable	\$ 30,328	\$ 19,614	\$ 23,520	\$ 19,328	\$ 17,222	\$ 18,265	\$ -	\$ 5,068	\$ -	Beach is included
Restricted	1,000	-	-	-	-	-	-	-	-	in Community
Committed - operations	1,038,909	1,040,136	1,084,266	1,652,877	1,514,417	1,467,463	1,177,762	1,475,139	1,400,671	Services prior to
Capital Projects - Assigned	5,155	20,379	-	-	-	-	-	-	-	July 1, 2008.
Debt Service - Assigned	3,104	1,572	-	-	-	-	-	-	-	
<b>Total Beach</b>	<b>\$ 1,078,496</b>	<b>\$ 1,081,701</b>	<b>\$ 1,107,786</b>	<b>\$ 1,672,205</b>	<b>\$ 1,531,639</b>	<b>\$ 1,485,728</b>	<b>\$ 1,177,762</b>	<b>\$ 1,480,207</b>	<b>\$ 1,400,671</b>	

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

## INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

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

	Fiscal Year ended June 30									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Revenues</b>										
Taxes	\$ 2,960,847	\$ 2,984,992	\$ 2,747,287	\$ 2,571,243	\$ 2,512,806	\$ 2,431,619	\$ 2,195,221	\$ 2,203,067	\$ 2,204,188	\$ 2,434,583
Charges for Services	17,886,620	16,598,740	11,458,401	11,560,555	11,783,415	10,925,809	11,990,328	11,665,220	11,932,797	13,825,315
Facility Fees	6,754,489	6,760,224	6,796,765	6,805,280	6,757,486	6,819,272	6,850,050	5,992,256	6,132,310	5,763,959
Central Services Charges	1,177,200	1,123,000	1,101,000	1,068,996	1,000,200	1,074,000	924,154	1,267,842	863,532	462,952
Operating Grants	17,000	19,880	17,000	106,238	97,123	77,700	84,000	87,000	193,488	196,848
Investment Earnings	81,366	115,690	99,634	78,855	65,199	54,112	66,872	183,300	269,340	338,415
Bond Proceeds	-	-	-	-	-	-	-	-	-	7,512,025
Miscellaneous	198,729	516,763	116,224	111,315	72,307	75,468	29,818	479,521	655,057	376,162
<b>Total Revenues</b>	<b>29,076,251</b>	<b>28,119,289</b>	<b>22,336,311</b>	<b>22,302,482</b>	<b>22,268,536</b>	<b>21,457,980</b>	<b>22,140,443</b>	<b>21,878,206</b>	<b>22,250,712</b>	<b>30,910,259</b>
<b>Expenditures</b>										
<b>General Government:</b>										
General Fund - current	3,603,667	3,510,247	3,139,473	3,059,518	2,907,061	2,874,413	2,943,084	2,778,075	2,853,629	2,830,126
Capital Outlay	148,435	79,331	644,383	84,849	46,452	9,953	211,657	450,907	237,075	126,706
<b>Recreation:</b>										
Community Services - current	15,919,959	14,853,575	13,019,001	12,742,330	12,458,356	12,577,779	13,185,666	12,927,136	13,819,538	13,546,498
Community Services - Capital Projects	3,633,210	2,344,198	2,832,606	2,266,640	2,094,299	2,785,667	7,058,131	3,144,892	7,403,087	2,320,651
Community Services - Debt Service	1,284,257	1,283,074	1,761,635	1,758,931	2,239,198	2,271,093	2,352,479	2,422,769	2,427,911	1,518,579
Beach - current	1,587,259	1,493,554	1,368,428	1,226,285	1,026,756	1,028,133	1,147,809	1,115,204	1,133,760	998,789
Beach - Capital Projects	256,161	319,152	695,822	167,375	550,397	7,196	138,173	122,173	80,587	46,947
Beach - Debt Service	6,215	6,189	276,005	277,192	133,177	133,893	245,237	274,998	276,018	276,877
<b>Total Expenditures</b>	<b>26,439,163</b>	<b>23,889,320</b>	<b>23,737,353</b>	<b>21,583,120</b>	<b>21,455,696</b>	<b>21,688,127</b>	<b>27,282,236</b>	<b>23,236,154</b>	<b>28,231,605</b>	<b>21,665,173</b>
<b>Other Financing Sources (Uses)</b>										
Sale of assets	141,216	37,016	3,910	67,213	(8,615)	51,531	273,969	179,333	(68,774)	7,107
Capital Grants	113,615	586,361	235,674	(407)	1,137,270	1,369,936	2,126,748	-	1,031,329	-
Washoe Co Tax Refund	-	-	-	-	(694,817)	(280,460)	-	(270,102)	-	-
<b>Total Other Sources (Uses)</b>	<b>254,831</b>	<b>623,377</b>	<b>239,584</b>	<b>66,806</b>	<b>433,838</b>	<b>1,141,007</b>	<b>2,400,717</b>	<b>(90,769)</b>	<b>962,555</b>	<b>7,107</b>
<b>Net Changes in Fund Balance</b>	<b>\$ 2,891,919</b>	<b>\$ 4,853,346</b>	<b>\$ (1,161,458)</b>	<b>\$ 786,168</b>	<b>\$ 1,246,678</b>	<b>\$ 910,860</b>	<b>\$ (2,741,076)</b>	<b>\$ (1,448,717)</b>	<b>\$ (5,018,338)</b>	<b>\$ 9,252,193</b>

## 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
2017	\$ 1,532,912,733	0.1183	\$ 4,379,750,666	35%
2016	1,484,624,556	0.1269	4,241,784,446	35%
2015	1,456,574,018	0.1157	4,161,640,051	35%
2014	1,392,531,036	0.1105	3,978,660,103	35%
2013	1,374,297,099	0.1153	3,926,563,140	35%
2012	1,368,961,464	0.1129	3,911,318,469	35%
2011	1,448,979,941	0.0806	4,139,942,689	35%
2010	1,580,606,324	0.0755	4,516,018,069	35%
2009	1,877,488,689	0.0741	5,364,253,397	35%
2008	1,547,081,848	0.0711	4,420,233,851	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	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Fiscal Year Ended June 30,										
Indine Village GID-Direct	\$ 0.1183	\$ 0.1269	\$ 0.1157	\$ 0.1105	\$ 0.1153	\$ 0.1129	\$ 0.0806	\$ 0.0755	\$ 0.0741	\$ 0.0711
Overlapping-										
Washoe County	1.3917	1.3917	1.3917	1.3917	1.3917	1.3917	1.3917	1.3917	1.3917	1.3917
Washoe County School District	1.1385	1.1385	1.1385	1.1385	1.1385	1.1385	1.1385	1.1385	1.1385	1.1385
North Lake Tahoe Fire District	0.6291	0.6291	0.6291	0.6291	0.6414	0.5525	0.5389	0.5275	0.5226	0.5142
State of Nevada	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700
<b>Total</b>	<b>\$ 3.4476</b>	<b>\$ 3.4562</b>	<b>\$ 3.4450</b>	<b>\$ 3.4398</b>	<b>\$ 3.4569</b>	<b>\$ 3.3656</b>	<b>\$ 3.3197</b>	<b>\$ 3.3032</b>	<b>\$ 3.2969</b>	<b>\$ 3.2855</b>

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	2017		2008		Rank
		Assessed Value	% of Total Assessed Value	Assessed Value	% of Total Assessed Value	
Hyatt Equities LLC	Hotel/Casino	\$ 24,406,631	1.50%	\$ 25,720,650	1.37%	1
Nevada Pacific Devel Corp	Development	12,008,788	0.74%	15,779,621	0.84%	3
Ponderosa Ranch LLC	Residential Property	11,230,158	0.69%	17,605,352	0.94%	2
Tahoe Estates LLC	Residential Property	11,119,043	0.68%	9,582,792	0.51%	5
1145 Lakeshore Boulevard	Residential Property	10,153,486	0.63%	-	0.00%	
SF Pacific LLC	Residential Property	8,539,576	0.53%	-	0.00%	
Lakeshore Trust	Residential Property	8,152,301	0.50%	8,947,438	0.48%	6
Cascade Beach LLC	Residential Property	7,705,352	0.47%	-	0.00%	
KW'S Nevada Residential LLC	Residential Property	5,927,527	0.37%	7,634,419	0.41%	7
Ten-Four-One Realty Trust	Residential Property	5,800,189	0.36%	7,172,586	0.38%	8
HTS Ground Lake Tahoe INC	Residential Property	5,734,812	0.35%	6,862,155	0.37%	9
David A Duffield Trust	Residential Property	-	0.00%	10,346,448	0.55%	4
Peno Bottom	Residential Property	-	0.00%	6,408,589	0.34%	10
		<u>\$ 110,777,863</u>	<u>6.82%</u>	<u>\$ 116,060,050</u>	<u>6.18%</u>	
Total IVGID Community		<u>\$ 1,623,315,601</u>		<u>\$ 1,877,488,689</u>		

SOURCE: Washoe County Assessors Office

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

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

<b>Fiscal Year Ending June 30,</b>	<b>Net Levy Roll</b>	<b>Current Tax Collected</b>	<b>Percent of Levy Collected</b>	<b>Delinquent Tax Collected</b>	<b>Total Cumulative Taxes Collected</b>	<b>Total Taxes Collected as a % of Net Levy Roll</b>
2017	\$ 452,327	\$ 449,930	99.47%	\$ -	\$ 449,930	99.47%
2016	440,185	438,074	99.52%	1,449	439,523	99.85%
2015	424,115	421,125	99.30%	2,798	423,526	99.86%
2014	411,260	407,469	99.08%	3,415	410,884	99.91%
2013	411,058	405,977	98.76%	4,857	410,834	99.95%
2012	422,799	416,849	98.59%	5,494	422,343	99.89%
2011	458,717	451,994	98.53%	6,705	458,699	100.00%
2010	504,823	495,281	98.11%	9,527	504,808	100.00%
2009	514,531	504,268	98.01%	10,255	514,523	100.00%
2008	480,945	472,860	98.32%	8,083	480,943	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:		Total	Gross Bonded Debt	Percentage Payable by Property Taxes	Percentage Payable by Pledged Revenues	Population	Debt Per Capita
	Revenue Pledged	General Obligation	Revenue Pledged	General Obligation						
2017	\$ 2,190,000	\$ 845,000	\$ 3,035,000	\$ 1,542,263	\$ 5,614,365	\$ 8,649,365	0%	100%	9087	\$ 952
2016	2,523,000	1,635,000	4,158,000	1,732,078	4,364,517	10,254,595	0%	100%	9087	1,128
2015	2,847,000	2,395,000	5,242,000	1,916,115	4,649,552	11,807,667	0%	100%	9087	1,299
2014	3,901,000	3,125,000	7,026,000	2,094,548	4,927,395	14,047,943	0%	100%	9087	1,546
2013	4,925,000	3,825,000	8,750,000	2,267,548	5,198,228	16,215,776	0%	100%	9087	1,785
2012	5,495,000	5,195,000	10,690,000	2,435,281	3,495,379	16,620,660	0%	100%	9087	1,829
2011	6,045,000	6,520,000	12,565,000	2,597,909	3,483,477	18,646,386	0%	100%	9087	2,052
2010	6,880,000	7,795,000	14,675,000	2,755,584	4,142,174	21,572,758	0%	100%	9087	2,374
2009	7,695,000	9,025,000	16,720,000	2,908,459	4,780,867	24,409,326	0%	100%	10500	2,325
2008	8,485,000	10,235,000	18,720,000	3,096,322	5,355,453	27,171,775	0%	100%	10500	2,588

SOURCE: Incline Village General Improvement District Annual Indebtedness/Debt Management Reports/Restated for change in classification of the Community Services and Beach activities from Business-type to Governmental Type as of July 1, 2015.

Note: All outstanding bonds carry a revenue pledge, some also carry a secondary General Obligation pledge. However, no tax levy is made to fund debt service because net revenues are sufficient to meet these obligations.

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

**OUTSTANDING OVERLAPPING GENERAL OBLIGATION INDEBTEDNESS**

**Last ten fiscal years (unaudited)**

	General Obligation Indebtedness	Presently Self-Supported General Obligation Indebtedness	Percent Applicable * Indine Village	As of June 30, 2017 Applicable Net Debt
Washoe County	\$ 147,539,000	\$ 42,782,000	9.93313%	\$ 10,405,646
Washoe County School District	516,233,000	-	9.93313%	51,278,082
State of Nevada	1,379,760,000	295,593,000	1.44844%	15,703,522
<b>Total</b>	<b>2,043,532,000</b>	<b>338,375,000</b>		<b>77,387,251</b>
Indine Village GID	8,649,365	8,649,365		-
<b>Total</b>	<b>\$ 2,052,181,365</b>	<b>\$ 347,024,365</b>		<b>\$ 77,387,251</b>
Applicable Net Debt June 30:				
2016				\$ 73,677,678
2015				79,052,199
2014				92,762,454
2013				96,542,090
2012				94,180,056
2011				90,743,574
2010				93,265,052
2009				91,229,360
2008				77,910,220

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

SOURCE: Washoe County Comptrollers Office and Nevada Department of Taxation

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the Indine Village General Improvement District. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.



## INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

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

Fiscal Year	Utility Service Charges	Less: Operating Expenses	Other Revenues (Expenses)	Net Available Revenue	Debt Service	Debt Service Coverage
2017	\$ 11,813,170	\$ 6,783,853	\$ 78,554	\$ 5,107,871	\$ 643,133	7.94
2016	11,158,119	6,804,140	149,326	4,503,305	636,808	7.07
2015	10,851,123	6,549,802	20,591	4,321,912	636,781	6.79
2014	10,434,118	6,270,919	56,295	4,219,494	636,956	6.62
2013	9,767,475	5,867,114	73,522	3,973,883	965,108	4.12
2012	9,127,955	5,839,109	86,391	3,375,237	1,010,929	3.34
2011	8,485,161	5,845,108	159,402	2,799,455	1,013,922	2.76
2010	8,051,694	5,446,570	(33,999)	2,571,125	1,016,046	2.53
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

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

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 used by both funds.

## INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

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

Year	Governmental Type		Business Type		Total District Debt Service Expenditures		Total Governmental Type Expenditures		Total Business Type Expenditures		Ratio Debt Service to Governmental Type Expenditures	Ratio Debt Service to Business Type Expenditures
	Debt	Service	Debt	Service	Debt	Service	Debt	Service	Debt	Service		
2017	\$ 1,290,472	\$ 643,135	\$ 1,933,607	\$ 25,261,963	\$ 9,729,775	5.11%	6.61%					
2016	1,289,263	636,808	1,926,071	24,654,345	9,901,095	5.23%	6.43%					
2015	2,028,342	636,781	2,665,123	23,737,353	9,442,666	8.54%	6.74%					
2014	2,025,584	636,956	2,662,540	21,583,120	9,029,675	9.39%	7.05%					
2013	2,353,561	965,108	3,318,669	21,455,696	8,480,954	10.97%	11.38%					
2012	2,385,541	1,010,929	3,396,470	21,688,127	8,404,350	11.00%	12.03%					
2011	2,586,856	1,013,922	3,600,778	27,282,236	8,568,015	9.48%	11.83%					
2010	2,682,739	1,016,046	3,698,785	23,236,154	8,815,457	11.55%	11.53%					
2009	2,680,590	1,023,052	3,703,642	28,231,605	8,781,474	9.49%	11.65%					
2008	1,796,945	949,394	2,746,339	21,665,173	8,252,233	8.29%	11.50%					

SOURCE: Incline Village General Improvement District Comprehensive Annual Financial Reports

## INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

### Statutory Debt Limitation Last Ten Fiscal Years (unaudited)

Fiscal Year Ending June 30,	Assessed Valuation	Debt Limit	Outstanding and Proposed General Obligation Debt	Additional Statutory Debt Capacity
2017	\$ 1,532,912,733	\$ 766,456,367	\$ 8,649,365	\$ 757,807,002
2016	1,484,624,556	742,312,278	10,254,595	732,057,683
2015	1,456,574,018	728,287,009	11,807,667	716,479,342
2014	1,392,531,036	696,265,518	14,047,943	682,217,575
2013	1,374,297,099	687,148,550	16,215,766	670,932,784
2012	1,368,961,464	684,480,732	16,620,660	667,860,072
2011	1,448,979,941	724,489,971	18,646,386	705,843,585
2010	1,580,606,324	790,303,162	21,572,758	768,730,404
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

SOURCE: State of Nevada Department of Taxation

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

**Demographic Statistics**

<u>Year</u>	<u>Population</u>	<u>Median Age</u>	<u>County Personal Income<sup>2</sup></u>	<u>Housing Units</u>	<u>Occupied Housing Units</u>	<u>Housing Seasonal Use</u>	<u>Reno-Sparks Unemployment Rate<sup>2</sup></u>
2017	9087						4.0%
2016	9087						5.9%
2015	9087						6.4%
2014	9087						7.3%
2013	9087						9.8%
2012	9087						12.0%
2011	9087						13.0%
2010 <sup>1</sup>	9087	46.1	\$40,322	7,954	3,924	3,353	13.6%
	Estimated						
2009	10500						11.7%
2008	10500						6.4%
2000 <sup>1</sup>	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 - Incline Village and Crystal Bay Current Fiscal Year and Past Five (unaudited)

Employer	2017 Ranking	Rank 2016	Rank 2015	Rank 2014	Rank 2013	Rank 2012	Rank 2011
HYATT LAKE TAHOE RESORT	1	1	1	1	1	1	1
INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT	2	2	2	2	2	2	2
SIERRA NEVADA COLLEGE	3	3	4	4	3	3	5
GAMING ENTERTAINMENT (Grand Lodge Casino)	4	4	5		5	5	6
CRYSTAL BAY CLUB CASINO	5	7		5	6	4	4
ACE TOTAL SERVICES INC (Excel)	6	5	3		7	8	
TAHOE BILTMORE	7			3	8	6	7
NORTH LAKE TAHOE FIRE PROTECTION DISTRICT	8	8	9	7		9	9
RALEY'S	9	6	6	6	9	7	8
KELLY BROTHERS PAINTING INC.	10	9	8				
TAHOE FOREST HOSPITAL HEALTH ASSOCIATED MANAGEMENT INC>		10	10	9	10	10	
CAL_NEVA LODGE				10			
CAL_NEVA LODGE				8			10
Single Residence Project Employers:							
BOC-NEVADA, INC.					4		3
BLUE ROCK DEVELOPMENT			7				

SOURCE: Nevada Department of Employment, Training and Rehabilitation  
 Data is based on reported employment as of March 31, each year.  
 Data for all years is not available.  
 Data for percentage to total employment is not available.

# INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

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

<u>Budget year ending June 30</u>		<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Golf	Seasonal/Part Time Positions	117.9	105.2	107.2	97.5	103.5	72.3	68.5	68.0	67.0	70.5
	Season/Part Time FTE	38.4	35.0	37.0	35.3	36.8	27.4	29.1	28.8	29.4	29.4
	Full Time FTE	11.0	7.9	7.2	6.7	6.8	6.99	8.1	9.6	10.5	13.4
	Total FTE	49.4	42.9	44.2	42.0	43.6	34.39	37.16	38.4	39.9	42.8
Facilities	Seasonal/Part Time Positions	0.3	1.7	1.7	16.5	2.0	1.8	1.5	0.5	2.0	1.5
	Season/Part Time FTE	0.1	1.2	1.2	3.6	1.0	1.0	0.7	0.1	0.4	0.7
	Full Time FTE	1.2	1.1	1.1	3.4	2.0	1.1	1.0	2.5	2.0	1.0
	Total FTE	1.3	2.3	2.3	7.0	3.0	2.1	1.8	2.6	2.4	1.7
Ski	Seasonal/Part Time Positions	273.5	254.0	254.0	247.0	193.0	216.0	225.0	218.0	218.0	212.0
	Season/Part Time FTE	50.6	46.7	46.0	49.6	33.6	41.8	39.3	39.7	39.6	40.6
	Full Time FTE	15.2	14.5	14.4	11.7	9.8	12.8	9.6	10.5	10.6	10.6
	Total FTE	65.8	61.2	60.4	61.3	43.4	54.6	48.9	50.2	50.2	51.2
Parks & Recreation	Seasonal/Part Time Positions	91.0	102.3	103.4	94.3	101.8	100.9	103.3	106.5	108.6	196.0
	Season/Part Time FTE	24.8	25.0	25.5	25.9	27.7	28.4	28.6	29.8	30.4	42.5
	Full Time FTE	10.1	10.1	9.8	9.0	11.8	11.8	12.3	14.5	14.3	17.0
	Total FTE	35.9	35.1	35.3	34.9	39.5	40.4	40.9	44.4	44.6	59.5
Marketing	Seasonal/Part Time Positions	2.0	2.0	2.0	0.0	2.0	2.0	2.0	2.0	2.0	2.0
	Season/Part Time FTE	0.3	0.3	0.3	0.0	0.7	0.7	0.7	0.7	0.7	0.7
	Full Time FTE	2.8	2.9	2.9	3.0	2.0	3.0	3.0	3.0	3.0	3.0
	Total FTE	3.1	3.2	3.2	3.0	2.7	3.7	3.7	3.7	3.7	3.7
Food & Beverage	Seasonal/Part Time Positions	After 2013 Induded				57.0	59.0	53.0	59.0	59.0	58.0
	Season/Part Time FTE	in Ski				14.4	14.3	18.1	18.9	18.8	21.5
	Full Time FTE					4.0	5.0	5.3	5.6	5.6	6.0
	Total FTE					18.4	19.3	23.4	24.5	24.4	27.5
Other Recreation	Seasonal/Part Time Positions	4.8	4.8	2.8	0.8	3.1	3.2	3.2	Prior to 2011 Other Recreation were		
	Season/Part Time FTE	1.8	1.8	1.4	0.1	1.1	1.6	1.6	included in Parks and Recreation.		
	Full Time FTE	0.9	1.0	1.6	1.6	1.8	2.4	1.4			
	Total FTE	2.7	2.8	3.0	1.7	2.9	4.0	3.0			
Total Community Service	Seasonal/Part Time Positions	497.5	467.9	469.0	456.1	462.4	456.1	459.5	454.5	455.6	540.0
	Season/Part Time FTE	117.7	109.6	111.1	114.5	115.3	116.4	116.1	118.2	119.3	135.4
	Full Time FTE	38.5	34.7	34.1	35.4	38.2	41.7	41.2	46.4	46.1	51.0
	Total FTE	156.2	144.3	145.2	149.9	153.5	158.1	157.2	164.5	165.4	186.3
Beach	Seasonal/Part Time Positions	99.0	96.9	94.0	89.0	88.1	90.6	86.6	95.6	93.5	Prior to 2009 Beach were included in Parks & Recreation.
	Season/Part Time FTE	18.4	18.0	17.3	14.3	13.2	12.4	11.2	14.4	13.8	
	Full Time FTE	3.9	4.0	3.0	2.8	2.1	2.5	3.1	3.7	3.1	
	Total FTE	22.3	22.0	20.3	17.1	15.3	14.9	14.3	18.1	16.9	
Administration	Seasonal/Part Time Positions	0.0	1.0	1.0	2.0	2.0	3	4.0	4.0	4.0	4.0
	Season/Part Time FTE	0.0	0.5	0.4	0.4	0.3	0.9	1.2	1.2	1.2	1.5
	Full Time FTE	22.8	22.7	20.7	22.6	20.7	20.2	21.2	21.2	21.2	21.0
	Total FTE	22.8	23.2	21.1	23.0	21.0	21.1	22.4	22.4	22.4	22.5
Engineering	Seasonal/Part Time Positions	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
	Season/Part Time FTE	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2
	Full Time FTE	3.8	3.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8
	Total FTE	4.1	4.1	3.1	3.1	3.1	3.1	3.0	3.0	3.0	3.0
Fleet	Seasonal/Part Time Positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Season/Part Time FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Full Time FTE	7.0	7.0	6.0	6.0	6.0	6.0	6.0	7.0	7.0	7.0
	Total FTE	7.0	7.0	6.0	6.0	6.0	6.0	6.0	7.0	7.0	7.0
Buildings	Seasonal/Part Time Positions	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
	Season/Part Time FTE	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
	Full Time FTE	5.0	5.0	5.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
	Total FTE	5.5	5.5	5.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5
Utilities	Seasonal/Part Time Positions	5.0	5.0	3.0	3.0	2.0	2.0	1.0	2.0	2.0	20.0
	Season/Part Time FTE	3.4	3.3	1.2	1.0	0.7	0.7	0.0	0.7	0.7	0.7
	Full Time FTE	31.2	31.2	31.2	31.2	30.2	31.2	31.3	31.7	31.7	31.7
	Total FTE	34.6	34.5	32.4	32.2	30.9	31.9	31.3	32.4	32.4	32.4
District Wide	Seasonal/Part Time Positions	603.5	572.8	569.0	552.1	556.5	553.7	561.1	558.1	557.1	548.0
	Season/Part Time FTE	140.3	132.2	130.8	131.0	130.3	131.2	129.2	135.2	135.7	138.3
	Full Time FTE	112.2	108.4	102.8	104.8	104.0	108.4	109.6	116.8	115.9	117.5
	<b>Total FTE</b>	<b>252.5</b>	<b>240.6</b>	<b>233.6</b>	<b>235.8</b>	<b>234.3</b>	<b>239.6</b>	<b>238.8</b>	<b>252.0</b>	<b>251.6</b>	<b>255.8</b>

Source: Indine 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	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Water	Locations	4,251	4,243	4,234	4,229	4,223	4,217	4,217	4,216	4,217	4,212
Sewer	Locations	4,160	4,152	4,144	4,139	4,124	4,121	4,118	4,116	4,115	4,109
Refuse	Locations	4,338	4,177	4,162	4,138	4,151	4,149	4,233	4,233	3,671	3,664
Championship Course	Rounds played	21,353	22,881	23,142	23,784	23,744	22,860	20,417	21,841	24,409	25,990
Mountain Course	Rounds played	15,209	15,687	14,983	14,570	13,129	13,556	13,386	15,748	17,820	18,151
Beach	Individual visits	186,146	171,772	172,628	173,963	165,089	165,387	155,671	128,241	159,827	172,296
Tennis	Individual visits	14,683	14,823	14,129	13,337	13,009	14,398	14,080	12,333	14,494	8,381
Skier	Individual visits	160,613	167,064	84,568	93,935	103,397	98,818	131,371	126,867	100,709	127,668
Recreation Center	Individual visits	121,598	115,662	126,799	130,887	125,294	124,356	119,459	125,629	133,153	121,064

SOURCE: Incline Village General Improvement District



**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

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

Program	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Ski	\$ (36)	\$ 13	\$ (27)	\$ (20)	\$ (88)	\$ (35)	\$ 151	\$ 22	\$ 41	\$ 56
Tennis	18	16	9	21	6	18	15	19	12	5
Parks	117	97	108	86	102	200	120	131	136	189
Recreation Center	269	197	241	204	241	112	118	106	104	96
Championship Golf	83	126	81	75	87	47	30	38	6	(3)
Mountain Golf	54	69	31	29	40	20	22	21	45	38
Beaches	100	100	100	100	100	115	100	113	155	150
Youth	26	24	21	20	15	25	22	22	19	20
Seniors	20	19	12	19	16	20	23	26	11	2
Adult Programs	-	-	1	1	2	2	3	4	1	-
Catering	-	-	-	(13)	(8)	26	(2)	(6)	(18)	2
Facilities	57	47	46	52	35	33	48	33	43	22
Reserves for Recreation	-	-	-	49	75	40	-	-	-	46
Golf/Tennis/Ski Bonds	-	-	85	85	85	85	85	85	85	85
Ski Lodge Bond	110	110	110	110	110	110	110	110	110	-
Defensible Space	12	12	12	12	12	12	12	12	-	-
Coverage sales	-	-	-	-	-	-	(27)	-	-	-
Other/Undassified	-	-	-	-	-	-	-	-	10	2
<b>Total</b>	<b>\$ 830</b>	<b>\$ 830</b>	<b>\$ 830</b>	<b>\$ 830</b>	<b>\$ 830</b>	<b>\$ 830</b>	<b>\$ 830</b>	<b>\$ 736</b>	<b>\$ 760</b>	<b>\$ 710</b>
<b>Total Collected (in 1,000's)</b>	<b>\$ 6,747</b>	<b>\$ 6,746</b>	<b>\$ 6,746</b>	<b>\$ 6,742</b>	<b>\$ 6,737</b>	<b>\$ 6,819</b>	<b>\$ 6,850</b>	<b>\$ 5,992</b>	<b>\$ 6,132</b>	<b>\$ 5,764</b>

Bracketed amounts represent a venue that does not collect, but rather puts back an amount per parcel into the total for other venues to use the proceeds for operations.

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

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

SOURCE: Incline Village General Improvement District

## INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

### Water and Sewer Single Family Base Rates Last Ten Fiscal Years (unaudited)

Fiscal Year 6/30	Water Monthly Base Rate	Excess Rate Per 1k gallons	Sewer Monthly Base Rate	Excess Rate Per 1k gallons
2017	\$ 29.82	\$ 0.95	\$ 51.45	\$ 3.00
2016	28.86	0.97	49.83	2.90
2015	28.10	1.35	47.95	2.79
2014	27.03	1.32	41.85	2.68
2013	27.62	1.28	39.31	2.60
2012	27.62	1.28	39.31	2.60
2011	27.89	1.24	37.52	2.50
2010	27.56	1.20	35.03	2.40
2009	26.01	1.17	34.61	2.37
2008	26.01	1.17	34.61	2.37

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

## INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

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

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Fiscal Year	Residential	Commercial	Total
2017	604	256	860
2016	594	255	849
2015	634	258	892
2014	673	292	965
2013	701	300	1,001
2012	626	312	938
2011	620	239	859
2010	636	253	889
2009	701	298	999
2008	720	312	1,032

Source: IVGID Utilities Billing Department

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

**COMPLIANCE SECTION**



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Incline Village General Improvement District (the District) as of and for the year ended June 30, 2017, 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 28, 2017.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Incline Village General Improvement 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 Incline Village General Improvement District’s internal control. Accordingly, we do not express an opinion on the effectiveness of Incline Village General Improvement District’s internal control.

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

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

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**Compliance and Other Matters**

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

**Purpose of this Report**

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



Reno, Nevada  
November 28, 2017



### Auditor's Comments

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

In connection with our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Incline Village General Improvement District (the District) as of and for the year ended June 30, 2017, and the related notes to the financial statements, nothing came to our attention that caused us to believe that the District failed to comply with the specific requirements of Nevada Revised Statutes cited below. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the requirements of Nevada Revised Statutes cited below, insofar as they relate to accounting matters.

#### Current Year Statute Compliance

The required disclosure on compliance with Nevada Revised Statutes and the Nevada Administrative Code is contained in Note 1E to the financial statements.

#### 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, 2016.

#### Prior Year Recommendations

The finding noted for the year ended June 30, 2016 has been corrected.

#### Current Year Recommendations

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

A handwritten signature in black ink that reads "Eide Bailly LLP".

Reno, Nevada  
November 28, 2017

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GENERAL IMPROVEMENT DISTRICT  
ONE DISTRICT ~ ONE TEAM

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