



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2016

PREPARED BY: DEPARTMENT OF FINANCE & ACCOUNTING



**INCLINE  
VILLAGE**

GENERAL IMPROVEMENT DISTRICT  
ONE DISTRICT ~ ONE TEAM



# GREETINGS!

The following pages comprise the Incline Village General Improvement District (IVGID) Comprehensive Annual Financial Report (CAFR) for the Fiscal Year ended June 30, 2016. 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 \$106.5 million.
- Our 2016 expenses have increased almost entirely due to increased activity at our venues, while remaining on average an increase of 2 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 relatively stable, despite recessionary pressures, and occasional unfavorable weather conditions. (For 2016 we saw a record use of our ski resort, while 2015 was a record low.)
- Our governmental revenues (property tax and combined taxes) are no longer subject to litigation refunds and have shown a steady increase over the entire period.
- Our bonded indebtedness has dropped from \$1,829 to \$1,128 per capita.
- Our recreation fee cost to the property owners has remained flat over the entire period.

## **Current Conditions:**

- Our unrestricted net position of \$26 million is 150% greater than our total outstanding indebtedness of \$10.3 million.
- Since 2008, our outstanding indebtedness has dropped from a high of \$27.2 million to \$10.3 million.
- Our outstanding indebtedness is only 1.4% of our statutory debt capacity.
- Our ratio of debt service to total expenditures has dropped to 5.7%.

## **Conclusion**

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

I'd like to personally thank 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 30, 2016

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

The Incline Village General Improvement District (the District) submits to you our Comprehensive Annual Financial Report (the Report) for the year ended June 30, 2016. 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, 2016, 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, 2016, 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 it. The District's MD&A can be found immediately following the report of the independent auditors.

**Profile of the District**

The District was formed in 1961 in accordance with the State of Nevada's Revised Statutes, Chapter 318, pertaining to General Improvement District Law as a body corporate and public and a quasi-municipal corporation in the State of Nevada. The District is located on the northeast corner of Lake Tahoe, in the Sierra Nevada Mountains, and occupies a land area of approximately 15.36 square miles and serves a base population of approximately 9,000 residents. The District provides, in accordance with the enabling legislation, water, waste water, and solid waste services within its boundaries as well as various recreational amenities including downhill skiing, two golf courses, a multi-use recreation center, tennis facilities, meeting facilities, parks, recreation programs, beaches, playgrounds and other recreation-related facilities. The District serves approximately 4,200 water/sewer customers, accommodates over 100,000 skiers, 35,000 golfers, and 150,000 beach users, and oversees a variety of other activities including over 115,000 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.

**SERVICES** – 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.



- 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 new 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 at least six years to 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 six 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, 2015, the Board of Trustees filed a tentative budget with the Nevada Department of Taxation. Public hearings on the tentative budget were held on the third Thursday in May. On or before June 1, 2015, at a public hearing, the Board adopted a final budget for the year ended June 30, 2016. The budget was filed with the Nevada Department of Taxation.

Budgets are adopted on a basis consistent with GAAP for all funds. Formal budgetary integration in the financial records is employed to enhance management control during the year for all funds requiring budgets. Budgets are adopted for all governmental and proprietary fund types. The governmental fund type budgets are adopted on a modified accrual basis and the proprietary funds type budgets are adopted on an accrual basis. The District can amend or augment the budget after following state statutes and public hearing procedures. The District did augment its budget for the General Fund, Community Services Special Revenue and Beach Special Revenue 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 its Long Range Principles that direction provides initiatives for each budget year. For the year ending June 30, 2016 emphasis was placed on developing performance measures, stabilizing planning for capital improvements and enhancing communication at many levels.

Performance measurement through a more appropriate use of fund accounting A major initiative to facilitate demonstration of sources and uses through budgeting and accounting resulted in a change in the application of fund accounting. The District’s parcel owners pay a facility fee that is dedicated to operational, capital improvement and debt

service functions and activities. By using the Special Revenue, Capital Projects and Debt Service Fund types over the previous format of enterprise fund accounting; the District can demonstrate and communicate the relationship of the facility fee paid to how it was used for these very different functions. 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. The change in accounting not only provides a record of accomplishment, but allows for focused planning to meet the strategic objectives of sustainability and 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 2016. Results of the Utility operations exceed budget. The resources intended to be accumulated in this fiscal year, for the effluent project, have been invested.

Hold the combined Recreation and Beach Facility Fee at \$830 The fiscal year 2015-16 marks the sixth year in which the combined fee was held to \$830. The facility fee revenue was realized as planned.

Minimize the year to year changes in the Facility Fee caused by capital expenditures Fiscal year 2015-16 also marks the sixth year for what has become known as "smoothing". This is an initiative used during development of the 5-year capital plan, to schedule projects in a way to provide reasonably level amounts for capital expenditure thus 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 for debt service are now directed toward capital improvement. Results of operations for the Community Services Special Revenue Fund were over budget. The Community Services Special Revenue fund balance continues to be evaluated with a look to several major capital projects that have been identified for many years. The choice to proceed and how may be decided in the next few years.

Workforce and Personnel The job description and classification for each position is considered during the budget process. During 2015-16, the District expected to incur additional costs for implementing the Affordable Health Care Act. A number of positions became eligible for those benefits. The District continues monitoring of the seasonal positions that could be eligible under the 1560-hour rule.

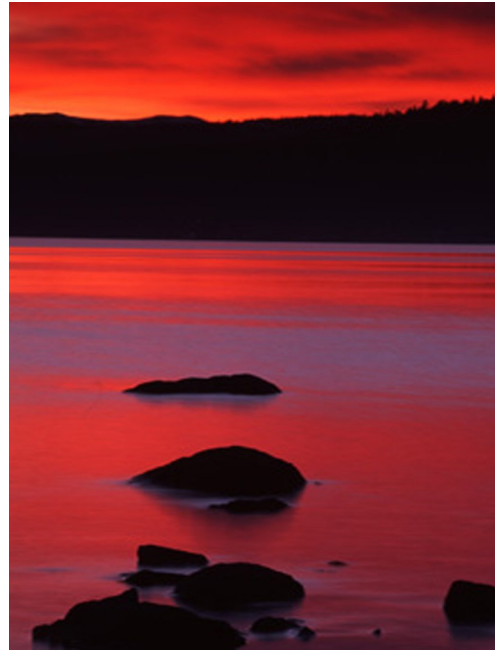
### **Factors Affecting Financial Condition**

Located on the northeast shore of Lake Tahoe, Nevada, near the California border in Washoe County, the District's economy is largely dependent on tourism, centered on summer and winter recreational activities. Due to its location, the region's economy is closely tied to the California/San Francisco Bay Area economy. The Reno-Sparks Convention & Visitors Authority report at June 2016 indicates the combined room occupancy rate is up 11.8% 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 2016. The median housing value at June 30, 2016 for single family residence and condo sales for Incline



Village and Crystal Bay are \$1,122,500 and \$495,000, respectively, representing a 25% increase on residence and a 14% increase on condos over last year. For the entire Washoe County the values were \$386,749 and \$186,000 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 2016 unemployment rate of 5.9% and is slightly under the State at 6.4% and is above the national level at 4.9%.

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 2015-2016 the abatement was \$430,077, based on State of Nevada Department of Taxation formulas. The pre-abated Ad Valorem levy was \$1,883,988.

Beginning in 2010, the District has had a portion of its property tax settlements offset to settle a court ordered tax refund by Washoe County. The General Fund was able to meet this obligation while maintaining service levels while the refund was completed. Over the course of four years the total offset was approximately \$1,200,000. A new action has been taken to the NV Supreme Court to decide if another round of refunds should be ordered. A decision has not been released.

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

The District approves a budget for each fiscal 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 some degree of Budget 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, 2016.

The District has been engaged in a lawsuit for over three years that went to trial and received a final order. When the budget for 2015-2016 was prepared this matter was expected to be settled without trial. Legal costs of a trial were not budgeted. Therefore, on June 8, the Board of Trustees acted to authorize the use of \$60,000 of the General Fund budget contingency line item to increase the budget for those legal expenses.

As a result of the record level of skier visits for the ski resort, a budget augmentation was adopted April 29 which increased Community Service Special Revenue Fund revenues by \$3,400,000 and expenditures by \$1,050,000. This augmentation was largely focused on setting expenditures at a proper level as that is the point of compliance establish by Nevada Revised Statutes. It also allowed for the projection of expected results to facilitate budgeting for the next fiscal year with a realistic opening fund balance.

The District had an unexpected mechanical failure of a boiler system at the Beach swimming pool. The repair had to be made in such a fashion that it became a capital project. In support of that event, on May 25 the Beach Special Revenue Fund budget was augmented for additional revenues of \$20,800 and transfers to capital expenditures of \$12,000. An action also was taken to apply the \$45,000 Beach Special Revenue Fund budget contingency line item to transfers to the Beach Capital Projects Fund for the cost of these capital expenditures. As the work progressed, an insurance claim was filed that resulted in recovery of \$17,008 of the cost.

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 includes \$100,000 to make a provision to that liability. However, in the course of ordering the actuarial study, the actuaries were able to complete the calculations faster than planned and have already identified a liability of \$156,000 as of June 30, 2016. Therefore, the financial statements reflect the \$56,000 provision. No further provision is expected for 2016-17.

The District authorized and reports separate Capital Project Funds for Community Services and the Beach activities as each serves a distinct constituency. However, for fiscal 2015-2016 the budget Form 4404LGF reports the budgeted revenues and expenditures for Capital Projects in a combined total of \$5,050,872 for both revenues and expenditures, with no resulting Fund Balance. A schedule has been included to demonstrate compliance with the budget Form 4404LGF Form 9, 10 and 11 pages 18 through 20 of the filed budget for 2015-2016. Had they been separate the Beach Capital Project Fund would have exceeded its individual budget by \$84,492. However, much of that occurred because project costs of \$80,404 are included in the 2015-2016 as completed, even though they are budgeted for 2016-2017 at \$80,000. Considering these timing issues, the Capital Projects Fund is expected to meet its budgeted Fund Balance at June 30, 2017.

**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, 2015. This was the sixteenth 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.

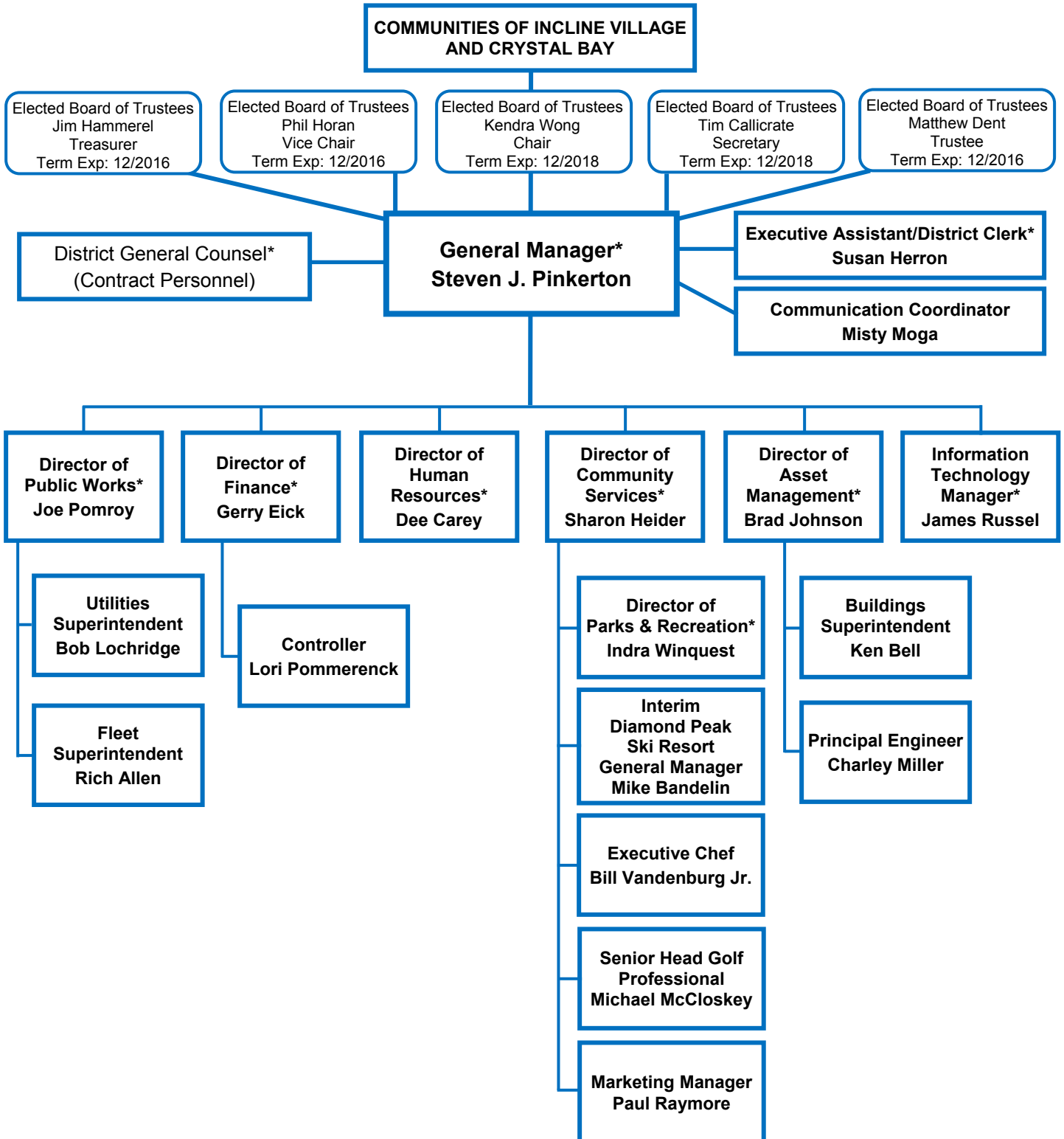
**Steven J. Pinkerton**  
General Manager  
Incline Village General Improvement District

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



# ORGANIZATION CHART

## JUNE 30, 2016



\* 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, 2015**

A handwritten signature in black ink, reading "Jeffrey R. Egan".

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, 2015

## 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**





CPAs & BUSINESS ADVISORS

## 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, 2016, 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.

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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, 2016, 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.

### **Change in Accounting Principle**

As discussed in Note 20 to the financial statements, the District has elected to change its method of accounting for the Funds of the Community Services and Beach activities in the financial statements as of July 1, 2015. This change was made pursuant to GASB Statement No. 34 *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* and GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions*. Our opinions are not modified with respect to this matter.

### **Other Matters**

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 12 through 21 and the schedule of employer required contributions on page 57, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, individual fund statements and 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 statements and 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 financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 statements and schedules including budgetary comparisons and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements taken 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 a report dated November 29, 2016, 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, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

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

Reno, Nevada  
November 30, 2016

## **Incline Village General Improvement District Management's Discussion and Analysis For the Fiscal Year ended June 30, 2016**

As management of the Incline Village General Improvement District (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the Incline Village General Improvement District for the fiscal year ended June 30, 2016. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, financial statements, and notes to the financial statements to gain a more complete picture of the information presented.

### **Financial Highlights**

Effective July 1, 2015 the District began accounting for its Community Services Fund and Beach Fund as governmental fund types. Prior to that date they were reported as Enterprise Funds. This change is considered more appropriate because the nature of these funds includes specific revenue sources dedicated solely to three components of operations. As governmental fund types, the compliance with utilization of these resources can be displayed and readily understood by our constituents, as well as other users of the financial statement. Further the manner of determining the charges that relate to these specific revenue sources is more aligned to concepts of governmental fund types than that of enterprises. All schedules in the Statistical Section have been restated for this change to allow more appropriate comparisons, based on the current classification.

Weather continues to play a key role in financial performance of the District. The Community Services ski venue followed the record low snow year for the winter of 2014-15, by having favorable conditions to allow record skier visits and revenue for that resort in 2015-16. A 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 lake levels, the beach still had average attendance. The Utility services also saw 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 infrastructure at our venues is a high priority. 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 Capital Projects Fund to fund a Master Plan study that will help shape future capital projects.

### **Financial Highlights:**

- The assets of the District exceeded its liabilities, at the close of the most recent fiscal year, by \$132 million (net position). Of this amount, \$26 million (unrestricted net position) may be used to meet the District's ongoing obligations.
- The District's net position increased \$7 million. A significant portion \$5.6 million from Governmental activities serves to provide resources for future capital projects.
- The General Fund's ending fund balance increased to \$1.8 million. Factors were tax collections higher than budgeted and less spent in all functional areas.
- The governmental activities included depreciation of \$2.8 million while making investments in capital assets were \$3.6 million.
- The District retired over \$1.6 million in bond principal during the year.

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

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

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

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

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

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

**Incline Village General Improvement District  
Management's Discussion and Analysis  
For the Fiscal Year ended June 30, 2016  
(Continued)**

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

Both of the government-wide financial statements (*Net Position* and *Statement of Activities*) 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 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 funds all or most of the costs of operations including depreciation and debt service.

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

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

Because the focus of government funds is narrower than that of the government-wide financial statement, it is useful to compare the information presented for *governmental funds* with similar information presented for *government activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*. The District maintains 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. However, Workers Compensation serves the entire District rather than being allocated by department. The Internal Service Fund is classified as governmental-type activities since the governmental funds are the primary users of the services.

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

**Other Information:** In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning the District. There are 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. The District has prepared a schedule for its Multi-Employer Retirement Plans. 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, 2016  
(Continued)**

**Governmental-wide Financial Analysis**

Net position is a useful indicator of a government's financial position. The District's assets exceeded liabilities by \$133 million at June 30, 2016. The largest portion of net position (80%) reflects net investment in capital assets (e.g., land, buildings, equipment, construction in progress less accumulated depreciation and bonds that are still outstanding). The District uses these capital assets to provide services to citizens; therefore, they are not available for future spending. Although the investment in capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since capital assets cannot be used to liquidate these liabilities.

**Incline Village General Improvement District  
Net Position**

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
<b>Assets</b>						
Current and Other assets	\$ 7,483,694	\$ 6,971,666	\$ 2,268,007	\$ 3,710,355	\$ 9,751,701	\$ 10,682,021
Long Term and Net capital assets	62,881,043	58,046,678	75,522,410	73,232,184	138,403,453	131,278,862
<b>Total Assets</b>	<b>70,364,737</b>	<b>65,018,344</b>	<b>77,790,417</b>	<b>76,942,539</b>	<b>148,155,154</b>	<b>141,960,883</b>
<b>Liabilities</b>						
Current liabilities	4,559,909	3,759,205	1,949,553	2,025,796	6,509,462	5,785,001
Long-term liabilities	3,068,699	4,226,757	5,614,366	6,096,595	8,683,065	10,323,352
<b>Total Liabilities</b>	<b>7,628,608</b>	<b>7,985,962</b>	<b>7,563,919</b>	<b>8,122,391</b>	<b>15,192,527</b>	<b>16,108,353</b>
<b>Deferred Inflows of Resources</b>						
Deferred inflows	27,993	-	-	-	27,993	-
<b>Net Position</b>						
Investment in capital assets	48,555,965	47,729,659	57,974,014	57,365,832	106,529,979	105,095,491
Restricted	178,426	187,825	226,208	225,435	404,634	413,260
Unrestricted	13,973,745	9,114,898	12,026,276	11,228,881	26,000,021	20,343,779
<b>Total 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>

**Incline Village General Improvement District  
Change in Net Position**

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
<b>Revenues</b>						
Program Revenues:						
Charges for services	\$ 20,657,261	\$ 15,119,523	\$ 11,158,119	\$ 10,851,123	\$ 31,815,380	\$ 25,970,646
Operating grants	19,880	17,000	-	-	19,880	17,000
Capital grants and contributions	586,361	235,674	-	329,705	586,361	565,379
General Revenues:						
Ad valorem tax	1,498,519	1,377,337	-	-	1,498,519	1,377,337
Consolidated tax	1,487,986	1,369,950	-	-	1,487,986	1,369,950
Facility Fees	6,772,822	6,796,765	-	-	6,772,822	6,796,765
Unrestricted investment earnings	150,795	124,306	154,162	81,996	304,957	206,302
Other	279,475	120,134	42,764	(61,405)	322,239	58,729
<b>Total Revenues</b>	<b>31,453,099</b>	<b>25,160,689</b>	<b>11,355,045</b>	<b>11,201,419</b>	<b>42,808,144</b>	<b>36,362,108</b>
<b>Expenses</b>						
General Government	3,672,661	3,220,478	-	-	3,672,661	3,220,478
Internal Services	2,972,060	2,503,958	-	-	2,972,060	2,503,958
Utility	-	-	9,948,695	9,596,265	9,948,695	9,596,265
Community Services	17,442,179	15,558,480	-	-	17,442,179	15,558,480
Beach	1,690,445	1,521,090	-	-	1,690,445	1,521,090
<b>Total Expenses</b>	<b>25,777,345</b>	<b>22,804,006</b>	<b>9,948,695</b>	<b>9,596,265</b>	<b>35,726,040</b>	<b>32,400,271</b>
<b>Changes in Net Position</b>	<b>5,675,754</b>	<b>2,356,683</b>	<b>1,406,350</b>	<b>1,605,154</b>	<b>7,082,104</b>	<b>3,961,837</b>
<b>Beginning Net Position</b>	<b>57,032,382</b>	<b>54,675,699</b>	<b>68,820,148</b>	<b>67,214,994</b>	<b>125,852,530</b>	<b>121,890,693</b>
<b>Ending 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>

**Incline Village General Improvement District  
Management's Discussion and Analysis  
For the Fiscal Year ended June 30, 2016  
(Continued)**

**Governmental activities** increased the Districts' net position by \$5,675,754. The majority of this increase is attributed to record operating season for the District's ski resort. However, there is also about \$2,000,000 in resources received for future capital projects.

Total governmental activity revenue overall increased year-on-year. Sales and consolidated taxes, mostly comprised of business and vehicle tax, increased year-on-year. These combined taxes come through an allocation of state-wide collections. Ad valorem taxes saw an increase. During 2005, the Nevada Legislature passed a law to provide property tax relief (Assembly Bill 489) which provided a partial abatement of taxes by applying a 3% cap on the tax bill of the owner's primary residence and a higher cap on other properties beginning with the 2005/2006 tax roll in Washoe County. As of July 1, 2015 that abatement has a value of \$430,077 as a reduction of otherwise eligible ad valorem taxes for the current fiscal year. The large increase in Charges for Services is led by over \$4 million for the ski resort. The banquets and events at the Championship Golf Course increased by \$400,000.

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

	2016		2015	
Property taxes	\$ 1,498,519	5%	\$ 1,377,337	5%
Combined taxes	1,487,986	5%	1,369,950	5%
Charges for Services -Community Services	15,607,324	50%	10,468,799	42%
Charges for Services - Beach	1,004,014	3%	989,602	4%
Charges for Services - Internal Services	4,058,521	13%	3,661,122	15%
Facility Fees - Community Services	5,984,146	19%	6,018,616	24%
Facility Fees- Beach	776,078	2%	778,149	3%
Operating Grants	19,880	0%	17,000	0%
Capital Grants	586,361	2%	235,674	1%
Unrestricted investment earnings	150,795	0%	124,306	0.5%
Miscellaneous revenues	279,475	1%	120,134	0.5%
<b>Total Governmental Activities Revenues</b>	<b>\$31,453,099</b>	<b>100%</b>	<b>\$25,160,689</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 2015-16 the District assessed \$5,972,130 in recreation facility fees and \$774,300 in beach facility fees.

**IVGID Facility Fees**

Fiscal Year	Per Eligible Parcel		Total Assessment Roll		District
	Community		Community		Assessed
	Beach	Services	Beach	Services	Recreation Facility Fees
2015-16	\$ 100	\$ 730	\$ 774,300	\$ 5,972,130	\$ 6,746,430
2014-15	100	730	774,300	5,971,400	6,745,700
2013-14	100	730	773,800	5,967,750	6,741,550
2012-13	100	730	781,100	6,021,040	6,802,140
2011-12	115	715	898,150	5,897,320	6,795,470

**Incline Village General Improvement District  
Management's Discussion and Analysis  
For the Fiscal Year ended June 30, 2016  
(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**

	2016	2015
Manager	\$ 322,337	\$ 330,986
Trustees	173,671	202,788
Accounting	915,338	891,170
Information Services	700,124	549,222
Risk Management	127,565	138,260
Human Resources	513,369	464,161
Health & Wellness	23,125	34,680
Community & Employee Relations	159,260	62,996
Administration	575,458	465,210
Depreciation	162,414	81,005
<b>Total General Government</b>	<b>\$ 3,672,661</b>	<b>\$ 3,220,478</b>
Fleet	995,663	878,266
Engineering	680,620	479,239
Buildings Maintenance	836,444	853,901
Works Compensation	459,333	292,552
<b>Total Internal Services</b>	<b>\$ 2,972,060</b>	<b>\$ 2,503,958</b>
Championship Golf	\$ 4,160,250	\$ 3,786,106
Mountain Golf	937,694	809,163
Facilities	591,449	527,412
Ski	7,670,195	5,921,415
Recreation and Community Programming	2,513,197	2,359,391
Parks	947,304	880,702
Tennis	298,767	272,232
Recreation Administration	323,323	1,002,059
<b>Total Community Services</b>	<b>\$ 17,442,179</b>	<b>\$ 15,558,480</b>
<b>Total Beach</b>	<b>\$ 1,690,445</b>	<b>\$ 1,521,090</b>

**Business-type activities:** Business-type activities increased their net position by \$1,406,350. This is more than the prior year's \$1,275,449 for the same activity, without the effects of capital grants. The Utility Fund has little fluctuation from year to year except for capital grants. It continues to build added resources for a major capital project on the effluent pipeline. Capital expenditures were \$3,068,536 while depreciation expense was \$2,929,425. Principal reduction on bonds was \$469,071.



**Incline Village General Improvement District  
Management's Discussion and Analysis  
For the Fiscal Year ended June 30, 2016  
(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 \$1,151,988 may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At the end of the fiscal year, the District's General Fund balance increased to \$1,819,993, with \$268,005 non-spendable and \$400,000 committed to Community Services.

The District's recreational programming is conducted under two activities; they are Community Services and Beach. As a result of a deed restriction, a different constituency is able to be 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 \$7,854,828. This is excluding the \$400,000 committed to it from the General Fund. This commitment is expected to be transferred during the 2016-2017 fiscal year. The Beach Special Revenue Fund Balance increased to \$1,059,750.

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 Highlight**

General Fund functional expenditures performed better to budget by \$177,722. Savings occurred in all functional areas. General Fund actual expenditures has increased over the prior year, due to a continued emphasis on Information Technology and the addition of a staff position to execute 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 records in attendance and revenue which resulted in over \$4,000,000 additional revenue while only incurring just over \$1,000,000 in additional costs. Our golf courses saw a stable level of play and our banquets and events grew by about \$400,000. The Parks and Recreation venues saw stable use. A substantial schedule of capital projects were begun during the year. Of that, over \$2,000,000 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 despite reduced water levels on Lake Tahoe. Several capital projects were commenced that were unbudgeted to maintain the care and condition of the property. They included a tile replacement and a change in a scheduled installation of flat scape to control sand erosion. A mechanical failure of a boiler, that was particularly covered by insurance caused the budget to be augmented.

**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 \$1,406,350 for the year. Utilities increased rates about 3% to cover its costs of service and to continue to facilitate building resources for the effluent pipeline replacement project.

The Utility Fund saw a year on year increase of \$201,000 in services and supplies mainly for maintenance and equipment, that was partially offset by a reduction in utility expense of \$97,900 largely due to rate decrease for electricity. The last major component is an increase in depreciation of \$63,000 as recent major projects were added to the schedule.

**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 increased due higher overall personnel, especially for the ski resort, while still adjusting for the transition of the self-insured Worker's Compensation claims liability. Expenses for these funds increased about \$460,000, 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, 2016  
(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, 2016 amounts to \$116,818,274 (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	
	2016	2015	2016	2015	2016	2015
Land - Governmental Activities	\$ 16,904,036	\$ 16,070,216	\$ -	\$ -	\$ 16,904,036	\$ 16,070,216
Construction in Progress - Governmental Activities	1,060,726	2,051,305	-	-	1,060,726	2,051,305
Land - Utility Activities	-	-	6,530,358	6,530,358	6,530,358	6,530,358
Construction in Progress - Utility Activities	-	-	3,177,580	1,904,675	3,177,580	1,904,675
Buildings and Improvements	846,899	832,465	-	-	846,899	832,465
Equipment and Vehicles	1,903,173	1,314,500	-	-	1,903,173	1,314,500
Internal services equipment furniture and fixtures	246,777	281,641	-	-	246,777	281,641
Utility service infrastructure	-	-	103,389,486	101,778,376	103,389,486	101,778,376
Utility buildings and improvements	-	-	11,028,062	10,942,534	11,028,062	10,942,534
Utility equipment, furniture and fixtures	-	-	3,233,384	3,152,685	3,233,384	3,152,685
Community services buildings and improvements	57,053,512	56,521,251	-	-	57,053,512	56,521,251
Community services equipment, furniture and fixtures	9,698,888	9,218,500	-	-	9,698,888	9,218,500
Beach buildings and improvements	4,657,809	4,671,194	-	-	4,657,809	4,671,194
Beach equipment, furniture and fixtures	385,267	341,558	-	-	385,267	341,558
<b>Total Cost</b>	<b>92,757,087</b>	<b>91,302,630</b>	<b>127,358,870</b>	<b>124,308,628</b>	<b>220,115,957</b>	<b>215,611,258</b>
Accumulated Depreciation	(40,009,423)	(38,262,214)	(63,288,260)	(60,377,130)	(103,297,683)	(98,639,344)
<b>Capital Assets, Net</b>	<b>\$ 52,747,664</b>	<b>\$ 53,040,416</b>	<b>\$ 64,070,610</b>	<b>\$ 63,931,498</b>	<b>\$ 116,818,274</b>	<b>\$ 116,971,914</b>

The major capital asset events during the fiscal year was 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 \$10,254,595. Of that amount, \$8,522,517 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, \$1,732,078 represents bonds secured solely by specified utility revenue sources.

**Long-term liability activity for the year ended June 30, 2016 was as follows:**

	Beginning Balance	New Issues	Principal Paid	Ending Balance
<b>Governmental Type Activities:</b>				
Bonds Payable;				
Recreation Revenue Supported	\$ 5,242,000	\$ -	\$ 1,084,000	\$ 4,158,000
<b>Business Type Activities:</b>				
Bonds Payable;				
Utility Revenue Supported	6,565,667	-	469,072	6,096,595
<b>Total</b>	<b>\$ 11,807,667</b>	<b>\$ -</b>	<b>\$ 1,553,072</b>	<b>\$ 10,254,595</b>

**Incline Village General Improvement District  
Management's Discussion and Analysis  
For the Fiscal Year ended June 30, 2016  
(Continued)**

Readers desiring more information, with respect to the District's debt, should see Note 7 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 bi-annual 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 last 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. 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 2010-16 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 of part 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 40% of annual expenditures. The 2016-17 budgeted for base wages and salaries, and benefits to increase about 6.6% which included a wage increase, and for health benefits rates and to those covered and increased staffing for increased levels of activity, especially in food and beverage services.
- 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.yourtahoepace.org](http://www.yourtahoepace.org).

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**INCLINE VILLAGE**  
GENERAL IMPROVEMENT DISTRICT

**BASIC FINANCIALS**

# INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

## STATEMENT OF NET POSITION

JUNE 30, 2016

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 5,569,025	\$ 78,920	\$ 5,647,945
Investments	5,870,045	2,009,110	7,879,155
Receivables:			
Accounts receivable, net	110,403	1,268,403	1,378,806
Interest on investments	21,499	20,349	41,848
Taxes and Fees from Washoe County	42,104	-	42,104
Grant receivable	13,483	330,052	343,535
Due from other governments	435,224	-	435,224
Inventories and supplies	512,697	166,966	679,663
Prepaid items	600,833	177,109	777,942
Long term investments	4,263,334	9,442,690	13,706,024
Restricted assets:			
Temporarily restricted investments	178,426	226,208	404,634
Capital assets:			
Land	16,904,036	6,530,358	23,434,394
Construction in progress	1,060,726	3,177,580	4,238,306
Buildings, Structures, Improvements, Infrastructure, Equipment and Vehicles, net of accumulated depreciation	34,782,902	54,362,672	89,145,574
Total assets	70,364,737	77,790,417	148,155,154
<b>LIABILITIES</b>			
Accounts payable	826,303	424,396	1,250,699
Accrued personnel costs	1,304,348	356,139	1,660,487
Accrued interest payable	28,460	82,120	110,580
Due to other governments	9,245	-	9,245
Unearned revenue	1,268,553	603,668	1,872,221
Refundable deposits	-	1,000	1,000
Noncurrent liabilities:			
Due within one year	1,123,000	482,230	1,605,230
Due in more than one year	3,068,699	5,614,366	8,683,065
Total liabilities	7,628,608	7,563,919	15,192,527
<b>DEFERRED INFLOW OF RESOURCES</b>			
Deferred Inflows (Property Tax and Facility Fees)	27,993	-	27,993
<b>NET POSITION</b>			
Net investment in capital assets	48,555,965	57,974,014	106,529,979
Restricted by Third Party Agreement	178,426	226,208	404,634
Unrestricted	13,973,745	12,026,276	26,000,021
Total net position	\$ 62,708,136	\$ 70,226,498	\$ 132,934,634

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



**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2016**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
<b>Primary government:</b>							
Governmental activities:							
General government	\$ 3,672,661	\$ 1,123,000	\$ 1,440	\$ -	\$ (2,548,221)	\$ -	\$ (2,548,221)
Community Services	17,442,179	15,596,222	18,440	586,361	(1,241,156)	-	(1,241,156)
Beach	1,690,445	1,002,518	-	-	(687,927)	-	(687,927)
Internal Services	2,972,060	2,935,521	-	-	(36,539)	-	(36,539)
Total governmental-type activities	<u>25,777,345</u>	<u>20,657,261</u>	<u>19,880</u>	<u>586,361</u>	<u>(4,513,843)</u>	<u>-</u>	<u>(4,513,843)</u>
Business-type activities:							
Utilities	9,901,095	11,158,119	-	-	-	1,257,024	1,257,024
Total primary government	<u>\$ 35,678,440</u>	<u>\$ 31,815,380</u>	<u>\$ 19,880</u>	<u>\$ 586,361</u>	<u>(4,513,843)</u>	<u>1,257,024</u>	<u>(3,256,819)</u>
General revenues:							
Property taxes					1,498,519	-	1,498,519
Combined taxes					1,487,986	-	1,487,986
Facility Fees					6,772,822	-	6,772,822
Unrestricted investment earnings					150,795	154,162	304,957
Gain (loss) on sale of capital assets					75,719	42,764	118,483
Miscellaneous revenues					203,756	-	203,756
Total general revenues					<u>10,189,597</u>	<u>196,926</u>	<u>10,386,523</u>
Extraordinary items:							
Extraordinary expense					-	(47,600)	(47,600)
Changes in net position					5,675,754	1,406,350	7,082,104
Net position - beginning					57,032,382	68,820,148	125,852,530
Net position - ending					<u>\$ 62,708,136</u>	<u>\$ 70,226,498</u>	<u>\$ 132,934,634</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, 2016**

	<u>GENERAL</u>	<u>COMMUNITY SERVICES SPECIAL REV.</u>	<u>BEACH SPECIAL REVENUE</u>	<u>COMMUNITY SERVICES CAP. PROJECTS</u>	<u>BEACH CAPITAL PROJECTS</u>	<u>COMMUNITY SERVICES DEBT SERV.</u>	<u>BEACH DEBT SERVICE</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<b>ASSETS</b>								
Cash and cash equivalents	\$ 931,228	\$ 1,771,255	\$ 159,498	\$ 2,239,715	\$ 39,397	\$ (23,980)	\$ 1,411	\$ 5,118,524
Investments	1,262,368	6,862,370	901,508	-	-	-	-	9,026,246
Accounts receivable, net	36	78,778	27,457	-	-	-	-	106,271
Interest receivable on investments	281	14,097	1,642	-	-	-	-	16,020
Taxes and Fees from Wahsoe County	5,994	31,963	4,147	-	-	-	-	42,104
Grants Receivable	-	13,483	-	-	-	-	-	13,483
Due from other governments	297,054	44,490	12,056	51,514	3,858	26,091	161	435,224
Inventories	-	454,212	-	-	-	-	-	454,212
Prepaid items	268,005	297,428	19,614	-	-	-	-	585,047
Restricted Deposits	-	76,674	-	-	-	-	-	76,674
Total assets	<u>\$ 2,764,966</u>	<u>\$ 9,644,750</u>	<u>\$ 1,125,922</u>	<u>\$ 2,291,229</u>	<u>\$ 43,255</u>	<u>\$ 2,111</u>	<u>\$ 1,572</u>	<u>\$ 15,873,805</u>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities								
Accounts payable	\$ 101,773	\$ 283,935	\$ 27,521	\$ 229,688	\$ 22,876	\$ -	\$ -	\$ 665,793
Accrued personnel costs	837,192	211,963	18,781	-	-	-	-	1,067,936
Due to other governments	-	-	9,245	-	-	-	-	9,245
Deferred Inflow	-	-	-	-	-	-	-	-
Unearned revenue	14	1,262,061	6,478	-	-	-	-	1,268,553
Total liabilities	<u>938,979</u>	<u>1,757,959</u>	<u>62,025</u>	<u>229,688</u>	<u>22,876</u>	<u>-</u>	<u>-</u>	<u>3,011,527</u>
Deferred Inflow of Resources								
Deferred Inflow (Property Taxes and Facility Fees)	5,994	31,963	4,147	-	-	-	-	42,104
Fund balance								
Non-spendable	268,005	751,640	19,614	-	-	-	-	1,039,259
Restricted	-	76,674	-	-	-	-	-	76,674
Committed	400,000	7,026,514	1,040,136	-	-	-	-	8,466,650
Assigned	-	-	-	2,061,541	20,379	2,111	1,572	2,085,603
Unassigned	1,151,988	-	-	-	-	-	-	1,151,988
Total fund balance	<u>1,819,993</u>	<u>7,854,828</u>	<u>1,059,750</u>	<u>2,061,541</u>	<u>20,379</u>	<u>2,111</u>	<u>1,572</u>	<u>12,820,174</u>
Total liabilities and fund balance	<u>\$ 2,758,972</u>	<u>\$ 9,612,787</u>	<u>\$ 1,121,775</u>	<u>\$ 2,291,229</u>	<u>\$ 43,255</u>	<u>\$ 2,111</u>	<u>\$ 1,572</u>	<u>\$ 15,873,805</u>

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
RECONCILIATION OF BALANCE SHEET FOR GOVERNMENTAL FUNDS  
TO THE GOVERNMENT WIDE STATEMENT OF NET POSITION  
JUNE 30, 2016**

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

Total Fund Balance for Governmental Funds (page 24)	\$ 12,820,174
General Fund:	
Taxes and Fees that are collectible, and therefore are not a Deferred Inflow:	
General Fund	1,513
Community Services Special Revenue	11,102
Beach Special Revenue	1,496
Capital Assets, net of accumulated depreciation, and are not financial resources, and therefore are not reported in the fund	3,551,473
Community Services Special Revenue Fund:	
Capital Assets, net of accumulated depreciation, and are not financial resources, and therefore are not reported in the fund	44,348,864
Accrued interest, not to be liquidated from currently available resources	(28,156)
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported in the fund	(4,117,380)
Unamortized Bond Discount, for the remaining bond liability, and therefore not reported in the fund	10,150
Unamortized Bond Premium, for the remaining bond liability, and therefore not reported in the fund	(44,014)
Beach Special Revenue Fund:	
Capital Assets, net of accumulated depreciation, and are not financial resources, and therefore are not reported in the fund	4,762,369
Accrued interest, not to be liquidated from currently available resources	(305)
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported in the fund	(40,620)
Unamortized Bond Discount, for the remaining bond liability, and therefore not reported in the fund	165
Internal Services Fund:	
Total Net Position of this fund, it is reported as a governmental activity since a majority of the services are consumed by the governmental -type activities (page 31)	<u>1,431,305</u>
Net Position of Governmental Activities	<u>\$ 62,708,136</u>

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>GENERAL</u>	<u>COMMUNITY SERVICES SPECIAL REV.</u>	<u>BEACH SPECIAL REVENUE</u>	<u>COMMUNITY SERVICES CAP. PROJECTS</u>	<u>BEACH CAPITAL PROJECTS</u>	<u>COMMUNITY SERVICES DEBT SERV.</u>	<u>BEACH DEBT SERVICE</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<b>REVENUES</b>								
Ad valorem taxes	\$ 1,497,006	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1,497,006
Intergovernmental:								
Consolidated and other taxes	1,487,986	-	-	-	-	-	-	1,487,986
Services	-	15,787	-	-	-	-	-	15,787
Charges for Services	-	15,580,435	1,002,518	-	-	-	-	16,582,953
Facility Fees - Operations	-	2,180,524	582,058	-	-	-	-	2,762,582
Facility Fees - Capital Expenditure	-	2,524,818	186,259	-	-	-	-	2,711,077
Facility Fees - Debt Service	-	1,278,804	7,761	-	-	-	-	1,286,565
Operating Grants	1,440	18,440	-	-	-	-	-	19,880
Capital Grants	-	-	-	586,361	-	-	-	586,361
Investment income	45,989	58,438	11,263	-	-	-	-	115,690
Sale of Capital Assets	-	34,409	-	38,703	2,607	-	-	75,719
Miscellaneous	2,863	474,853	344	-	-	-	-	478,060
Total revenues	<u>3,035,284</u>	<u>22,166,508</u>	<u>1,790,203</u>	<u>625,064</u>	<u>2,607</u>	<u>-</u>	<u>-</u>	<u>27,619,666</u>
<b>EXPENDITURES</b>								
<b>GENERAL GOVERNMENT</b>								
Current:								
Manager	322,337	-	-	-	-	-	-	322,337
Trustees	173,671	-	-	-	-	-	-	173,671
Accounting	915,338	-	-	-	-	-	-	915,338
Information Services	700,124	-	-	-	-	-	-	700,124
Risk Management	127,565	-	-	-	-	-	-	127,565
Human Resources	513,369	-	-	-	-	-	-	513,369
Health & Wellness	23,125	-	-	-	-	-	-	23,125
Community & Employee Relations	159,260	-	-	-	-	-	-	159,260
Administration	575,458	-	-	-	-	-	-	575,458
Central Services Cost Allocation Income	(1,123,000)	-	-	-	-	-	-	(1,123,000)
Capital Outlay	79,331	-	-	-	-	-	-	79,331
<b>RECREATION</b>								
Championship Golf	-	3,526,103	-	-	-	-	-	3,526,103
Mountain Golf	-	937,694	-	-	-	-	-	937,694
Facilities	-	432,187	-	-	-	-	-	432,187
Ski	-	6,441,024	-	-	-	-	-	6,441,024
Community Programming and Recreation Center	-	2,228,727	-	-	-	-	-	2,228,727
Parks	-	715,538	-	-	-	-	-	715,538
Tennis	-	256,359	-	-	-	-	-	256,359
Recreation Administration	-	315,943	-	-	-	-	-	315,943
Beach	-	-	1,493,554	-	-	-	-	1,493,554
Capital Outlay	-	-	-	2,344,198	319,152	-	-	2,663,350
Debt Service:								
Principal	-	-	-	-	-	1,078,784	5,216	1,084,000
Interest	-	-	-	-	-	204,290	973	205,263
Total expenditures	<u>2,466,578</u>	<u>14,853,575</u>	<u>1,493,554</u>	<u>2,344,198</u>	<u>319,152</u>	<u>1,283,074</u>	<u>6,189</u>	<u>22,766,320</u>
Excess of revenues over expenditures	<u>568,706</u>	<u>7,312,933</u>	<u>296,649</u>	<u>(1,719,134)</u>	<u>(316,545)</u>	<u>(1,283,074)</u>	<u>(6,189)</u>	<u>4,853,346</u>
<b>OTHER FINANCING SOURCES:</b>								
Transfers In (Out) - Facility Fees for Capital Expenditure	-	(2,524,818)	(186,259)	2,524,818	186,259	-	-	-
Transfers In (Out) - Facility Fees for Debt Service	-	(1,278,804)	(7,761)	-	-	1,278,804	7,761	-
Transfer In (Out) - From Other Sources	(250,000)	(1,012,238)	(150,665)	1,255,857	150,665	6,381	-	-
Net change in fund balance	318,706	2,497,073	(48,036)	2,061,541	20,379	2,111	1,572	4,853,346
Fund balance, July 1	1,501,287	5,357,755	1,107,786	-	-	-	-	7,966,828
Fund balance, June 30	<u>\$ 1,819,993</u>	<u>\$ 7,854,828</u>	<u>\$ 1,059,750</u>	<u>\$ 2,061,541</u>	<u>\$ 20,379</u>	<u>\$ 2,111</u>	<u>\$ 1,572</u>	<u>\$ 12,820,174</u>

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, 2016**

Amounts reported for governmental activities are different because:

Total Net Change in Fund Balance for Governmental Funds (page 26) \$ 4,853,346

General Fund:

Taxes for periods through June 30 that are collectible or are changes in deferred inflows, received after August 30.	1,513
Capital assets acquired during the year and capitalized	79,331
Depreciation expense for the fiscal year	(162,414)

Community Services Fund:

Facility Fees for periods through June 30 that are collectible or are changes in deferred inflows received after August 30.	11,102
Capital assets acquired during the year and capitalized	2,344,198
Depreciation expense for the fiscal year	(2,424,322)
Net book value of assets sold	(4,266)
Principal paid on long-term liabilities, including bonds payable	1,078,784
Interest accrued since last date of payment or changes in accrued interest	4,924
Amortize bond premium for fiscal year	36,724
Amortize bond discount for fiscal year	(1,640)
Accrued interest at 6/30/15 paid by Debt Service Fund	(33,079)
Recovery of prior year costs in Construction in Progress	(236,615)

Beach Fund:

Facility Fees for periods through June 30 that are collectible or are changes in deferred inflows received after August 30.	1,496
Capital assets acquired during the year and capitalized	319,152
Depreciation expense for the fiscal year	(195,930)
Principal paid on long-term liabilities, including bonds payable	5,216
Interest accrued since last date of payment or changes in accrues interest	39
Amortize bond discount for fiscal year	(27)
Accrued interest at 6/30/15 paid by Debt Service Fund	(344)

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 32)	(1,434)
--	---------

Change in Net Position of Governmental Activities \$ 5,675,754

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016**

	(Form 4404LGF) Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Ad valorem taxes	\$ 1,453,911	\$ 1,453,911	\$ 1,497,006	\$ 43,095
Intergovernmental:				
Consolidated & other tax	1,361,000	1,361,000	1,487,986	126,986
Miscellaneous	28,600	28,600	50,292	21,692
Central Services Revenue	1,123,000	1,123,000	1,123,000	-
Total revenues - (Form 9)	<u>3,966,511</u>	<u>3,966,511</u>	<u>4,158,284</u>	<u>191,773</u>
<b>EXPENDITURES</b>				
Current:				
General Government - All Functions:				
Function Summary - (Form 11)	3,707,300	3,767,300	3,589,578	177,722
Total expenditures	<u>3,707,300</u>	<u>3,767,300</u>	<u>3,589,578</u>	<u>177,722</u>
Excess (deficiency) of revenues over expenditures	<u>259,211</u>	<u>199,211</u>	<u>568,706</u>	<u>369,495</u>
Other Financing Sources (Uses)				
Contingency	(75,000)	(15,000)	-	15,000
Operating Transfers Out	<u>(250,000)</u>	<u>(250,000)</u>	<u>(250,000)</u>	<u>-</u>
Net changes in fund balance	(65,789)	(65,789)	318,706	384,495
Fund balance, July 1	<u>1,467,621</u>	<u>1,467,621</u>	<u>1,501,287</u>	<u>33,666</u>
Fund balance, June 30 - (Form 11)	<u>\$ 1,401,832</u>	<u>\$ 1,401,832</u>	<u>\$ 1,819,993</u>	<u>\$ 418,161</u>

**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, 2016**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Charges for Services				
Championship Golf	\$ 3,014,400	\$ 3,014,400	\$ 3,488,229	\$ 473,829
Mountain Golf	654,450	654,450	645,126	(9,324)
Facilities	301,280	301,280	275,156	(26,124)
Ski	6,498,000	9,898,000	10,202,972	304,972
Community Programming and Recreation Center	1,206,502	1,206,502	1,264,177	57,675
Parks	55,900	55,900	59,421	3,521
Tennis	177,300	177,300	166,533	(10,767)
Recreation Administration	(517,500)	(517,500)	(521,179)	(3,679)
Subtotal Charges for Services	11,390,332	14,790,332	15,580,435	790,103
Facility Fees - Operations	2,176,146	2,176,146	2,180,524	4,378
Facility Fees - Capital Projects	2,519,748	2,519,748	2,524,818	5,070
Facility Fees - Debt service	1,276,236	1,276,236	1,278,804	2,568
Intergovernmental Services	19,400	19,400	15,787	(3,613)
Operating Grants	17,000	17,000	18,440	1,440
Investment income	30,000	30,000	58,438	28,438
Sale of assets	-	-	34,409	34,409
Miscellaneous - recovery of capital costs	-	-	236,615	236,615
Miscellaneous - other	184,100	184,100	238,238	54,138
Total revenues	17,612,962	21,012,962	22,166,508	1,153,546
<b>EXPENDITURES</b>				
<b>CURRENT:</b>				
<b>COMMUNITY SERVICES RECREATION:</b>				
Championship Golf	3,214,726	3,214,726	3,526,103	(311,377)
Mountain Golf	966,386	966,386	937,694	28,692
Facilities	435,308	435,308	432,187	3,121
Ski	5,602,106	6,652,106	6,441,024	211,082
Community Programming and Recreation Center	2,227,819	2,227,819	2,228,727	(908)
Parks	772,894	772,894	715,538	57,356
Tennis	273,055	273,055	256,359	16,696
Recreation Administration	325,226	325,226	315,943	9,283
Total expenditures	13,817,520	14,867,520	14,853,575	13,945
Excess (deficiency) of revenues over expenditures	3,795,442	6,145,442	7,312,933	1,167,491
<b>OTHER FINANCING SOURCES (USES)</b>				
Contingency	(200,000)	(200,000)	-	200,000
Operating Transfers (Out) - Capital Projects	(3,433,212)	(3,433,212)	(3,530,675)	(97,463)
Operating Transfers (Out) - Debt Service	(1,284,091)	(1,284,091)	(1,285,185)	(1,094)
Total other financing sources (uses)	(4,917,303)	(4,917,303)	(4,815,860)	101,443
Net changes in fund balance	(1,121,861)	1,228,139	2,497,073	1,268,934
Fund Balance, July 1	5,294,138	5,294,138	5,357,755	63,617
Fund balance, June 30	\$ 4,172,277	\$ 6,522,277	\$ 7,854,828	\$ 1,332,551

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, 2016**

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	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Charges for Services				
Beach	\$ 967,200	\$ 988,000	\$ 1,002,518	\$ 14,518
Facility Fees - Operations	580,725	580,725	582,058	1,333
Facility Fees - Capital Projects	185,832	185,832	186,259	427
Facility Fees - Debt service	7,743	7,743	7,761	18
Investment earnings	9,000	9,000	11,263	2,263
Miscellaneous	-	-	344	344
Total revenues	<u>1,750,500</u>	<u>1,771,300</u>	<u>1,790,203</u>	<u>18,903</u>
<b>EXPENDITURES</b>				
<b>CURRENT:</b>				
<b>BEACH RECREATION:</b>				
Beach	<u>1,548,495</u>	<u>1,548,495</u>	<u>1,493,554</u>	<u>54,941</u>
Excess (deficiency) of revenues over expenditures	<u>202,005</u>	<u>222,805</u>	<u>296,649</u>	<u>73,844</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Contingency	(45,000)	-	-	-
Operating Transfers (Out) - Capital Projects	(234,660)	(291,660)	(336,924)	(45,264)
Operating Transfers (Out) - Debt Service	(6,200)	(6,200)	(7,761)	(1,561)
Total other financing sources (uses)	<u>(285,860)</u>	<u>(297,860)</u>	<u>(344,685)</u>	<u>(46,825)</u>
Net changes in fund balance	(83,855)	(75,055)	(48,036)	27,019
Fund Balance, July 1	<u>1,302,486</u>	<u>1,302,486</u>	<u>1,107,786</u>	<u>(194,700)</u>
Fund balance, June 30	<u>\$ 1,218,631</u>	<u>\$ 1,227,431</u>	<u>\$ 1,059,750</u>	<u>\$ (167,681)</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, 2016**

	<b>Business - type Activities Enterprise Utility Fund</b>	<b>Governmental Activities Internal Service Funds</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 78,920	\$ 450,501
Investments	7,827,467	11
Accounts receivable	1,268,403	4,135
Interest receivable	20,349	5,479
Grants receivable	330,052	-
Inventories	166,966	58,485
Prepaid expenses	177,109	15,786
Total current assets	9,869,266	534,397
Noncurrent assets:		
Investments - long-term	3,624,333	1,107,122
Restricted for debt service reserve	215,126	-
Restricted for TRPA Deposits	11,082	-
Restricted State of Nevada Work Comp Deposit	-	101,752
	3,850,541	1,208,874
Capital Assets		
Land	6,530,358	-
Construction in progress	3,177,580	-
Buildings and structures	11,028,062	-
Improvements and Infrastructure	103,389,486	-
Equipment and vehicles	3,233,384	246,777
Total capital assets	127,358,870	246,777
Less: accumulated depreciation	(63,288,260)	(161,821)
Total capital assets (net)	64,070,610	84,956
Total noncurrent assets	67,921,151	1,293,830
Total assets	77,790,417	1,828,227
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	424,396	160,510
Accrued personnel costs	356,139	236,412
Accrued interest payable	82,120	-
Unearned revenue	603,668	-
Refundable deposits	1,000	-
Current maturities of long-term debt	482,230	-
Total current liabilities	1,949,553	396,922
Non-current liabilities:		
Non-current long term debt	5,614,366	-
Total liabilities	7,563,919	396,922
<b>NET POSITION</b>		
Net investment in capital assets	57,974,014	408,598
Restricted by Third Party Agreement	226,208	101,752
Unrestricted	12,026,276	920,955
Total net position	\$ 70,226,498	\$ 1,431,305

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, 2016**

---

	<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>Service Funds</b>
	<hr/>	<hr/>
<b>OPERATING REVENUES</b>		
Sales and fees	\$ 10,993,153	\$ 50
Interfund services	164,966	2,935,471
Total operating revenues	<hr/> 11,158,119	<hr/> 2,935,521
 <b>OPERATING EXPENSES</b>		
Wages and benefits	3,511,549	1,800,109
Cost of goods sold	8,964	-
Services and supplies	1,843,940	694,290
Defensible Space	39,078	-
Central Services Cost	304,400	-
Insurance	137,563	455,083
Utilities	886,533	-
Legal and audit	72,113	10,690
Depreciation	2,929,425	11,888
Total operating expenses	<hr/> 9,733,565	<hr/> 2,972,060
Operating income	<hr/> 1,424,554	<hr/> (36,539)
 <b>NONOPERATING REVENUES (EXPENSES)</b>		
Investment earnings	154,162	35,105
Gain (loss) on sales of assets	42,764	-
Interest on bond debt	(167,530)	-
Total nonoperating revenues (expenses)	<hr/> 29,396	<hr/> 35,105
Income before extraordinary items	<hr/> 1,453,950	<hr/> (1,434)
 Extraordinary expense	<hr/> (47,600)	<hr/> -
 Changes in net position	1,406,350	(1,434)
Total net position, July 1	<hr/> 68,820,148	<hr/> 1,432,739
Total net position, June 30	<hr/> <hr/> \$ 70,226,498	<hr/> <hr/> \$ 1,431,305

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, 2016**

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	<b>Business - type Activities Enterprise Utility Fund</b>	<b>Governmental Activities Internal Service Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers and users	\$ 11,009,263	\$ 50
Receipts from interfund services provided	164,966	2,935,471
Payments to suppliers	(3,502,608)	(1,105,110)
Payments to employees	(3,448,590)	(1,734,290)
Extraordinary expense	(47,600)	-
Net cash provided (used) by operating activities	4,175,431	96,121
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Due to (from) other funds	227,972	330,367
Net cash provided (used) by non-capital financing activities	227,972	330,367
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition of capital assets	(3,068,536)	-
Proceeds (costs) from sale of assets	42,765	-
Payments on capital debt	(469,071)	-
Capital contributions	210,610	-
Interest expense	(174,063)	-
Net cash provided (used) by capital and related financing activities	(3,458,295)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Restricted investments released (increased)	(773)	(348)
Investments purchased	(6,350,000)	(1,095,000)
Long-term investments sold	4,973,450	1,068,732
Investment earnings	170,570	38,750
Net cash provided (used) by investing activities	(1,206,753)	12,134
Net change in cash and cash equivalents	(261,645)	438,622
Cash and cash equivalents, July 1	340,565	11,879
Cash and cash equivalents, June 30	\$ 78,920	\$ 450,501

(Continued)

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2016**

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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>Service Funds</b>
	<hr/>	<hr/>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	\$ 1,424,554	\$ (36,539)
Non-cash adjustments -		
Depreciation and amortization	2,929,425	11,888
Extraordinary expense	(47,600)	
Increase (decrease) in cash from changes in:		
Accounts receivable	(24,984)	-
Inventory	1,090	18,065
Prepaid expenses	(24,186)	(10,780)
Accounts payable	(186,921)	47,668
Accrued personnel costs	62,959	65,819
Unearned revenue and customer deposits	41,094	-
Total adjustments	<hr/> 2,750,877	<hr/> 132,660
Net cash provided (used) by operating activities	<hr/> <u>\$ 4,175,431</u>	<hr/> <u>\$ 96,121</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, 2016**

### **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 - and 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**

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, 2015, the Board of Trustees filed a tentative budget with the Nevada Department of Taxation. Public hearings on the tentative budget were held on the third Thursday in May 2015. On May 21, 2015, at a public hearing, the Board adopted a final budget. On or before June 1, 2015 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 and re-appropriate its budget for the 2015-16 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 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, 2016:

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 \$22,415. The District may file a tax lien for uncollected utility service fees.

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

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

#### **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 technology, human resources, risk management, the General Manager's office, Community Relations and 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 Technology (IT) 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 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>Depreciable Life</u>	<u>Capitalization Threshold</u>
Buildings and Structures	30 - 40 years	\$10,000
Improvements and Infrastructure	20-50 years	\$10,000
Equipment and Vehicles	3-20 years	\$ 5,000

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

**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 charges. Bond discounts are amortized using the straight-line method. Bond premiums are being amortized using the effective interest method. All are amortized over the term of the related debt.

#### **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 with the expense category to reflect District-wide expenses at net.

**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 current fee structure, this is generally 88% to Community Services Special Revenue Fund and 12% to the Beach Special Revenue Fund.

**U. Implementation of GASB Statement No. 72**

As of July 1, 2015, the District adopted GASB Statement No. 72, *Fair Value Measurement and Application*. The implementation of this standard requires governments to measure investments at fair value. The additional disclosures required by this statement are included in Note 2.

**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 \$5,132,526, while the bank balance was \$5,445,892. 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, 2016 consist of:

Operating Checking Accounts	\$5,132,526
Petty cash and change funds	66,407
US Government Money Market	<u>449,012</u>
Total	<u>\$5,647,945</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 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.

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. The District’s investment in the LGIP is reported at fair value. Fair value is determined on a daily basis.

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.

Fair Value Measurements as of June 30, 2016:	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Certificates of Deposit	\$10,543,004	\$ -	\$10,543,004
US Agencies	5,013,234	-	5,013,234
Local Government Investment Pool	-	6,427,500	<u>6,427,500</u>
	Total Interest Bearing Amounts		<u>\$21,983,738</u>

Investment Maturities by type as of June 30 are:

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020 &amp; after</u>	<u>Total</u>
Certificates of Deposit	\$1,353,023	\$6,572,898	\$1,762,120	\$ 854,963	\$10,543,004
US Agencies	497,191	1,405,266	2,860,040	250,737	5,013,234
Nevada Treasurer's Local Government Investment Pool (average weighted maturity of 142 days)					
General Account	\$6,028,941	\$ -	\$ -	\$ -	\$ 6,028,941
EPA SRF Reserve	215,126	-	-	-	215,126
TRPA Project Reserve	81,681	-	-	-	81,681
Workers Comp Reserve	101,752	-	-	-	<u>101,752</u>
Subtotal interest bearing					21,983,738
State of Nevada Deposit	6,075	-	-	-	<u>6,075</u>
All Investment Types					<u>\$ 21,989,813</u>

Investment Maturities by Activity as of June 30, 2016:

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Short term	\$ 5,870,045	\$ 2,009,110	\$ 7,879,155
Long term	4,263,334	9,442,690	13,706,024
Restricted	<u>178,426</u>	<u>226,208</u>	<u>404,634</u>
Total Investment Types	<u>\$10,311,805</u>	<u>\$11,678,008</u>	<u>\$ 21,989,813</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 23% of total investments. Individual CD's are held with a number of banks at or under the FDIC insured limited calculated by those institutions. LGIP is an unrated external investment pool administered by the State Treasurer, with oversight by the State of Nevada Board of Finance.

### 3. RESTRICTED ASSETS

The assets of the EPA State Revolving Fund (SRF) Reserve account may be used only to service the Nevada SRF Sewer Bond of 2002. These restricted assets are pledged to provide a measure of security for the Nevada State Water Pollution Control Revolving Fund. The pledge is for \$213,000, interest earned is not pledged, and is invested in the LGIP totaling \$215,126. The assets in the TRPA (Tahoe Regional Planning Authority) Reserve may be used only to satisfy performance obligation on projects authorized by the TRPA. These usually cover several years for construction and inspection phases. The total required deposits are \$78,855, interest earned is not pledged and remains in the account. It is invested in the LGIP totaling \$81,681. The amounts identified for the Workers Comp Reserve is established according to Nevada Revised Statutes for an amount designated by the Insurance Commissioner. The amount is set aside in the event the State has to meet claims in excess of available reserves. The amount is re-evaluated each year. The amount of the pledge is \$100,000 and interest earned is allowed to stay in the account at the District's discretion. It is invested in the LGIP totaling \$101,752.

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.

Cash deposit with State of Nevada	\$ 6,075
LGIP Restricted Deposits (SRF, TRPA & Work Comp)	<u>398,559</u>
Total Temporarily Restricted Deposits	<u>\$ 404,634</u>

### 4. CAPITAL ASSETS

Capital Asset activity for the year ended June 30, 2016:	Balance			Balance
	July 1, 2015	Increases	Decreases	June 30, 2016
<b>Governmental Activities:</b>				
Capital assets, not being depreciated				
Land - General Government	\$ 2,658,030	\$ 11,874	\$ -	\$ 2,669,904
Land - Community Services	11,107,336	821,946	-	11,929,282
Land - Beach	2,304,850	-	-	2,304,850
Construction in Progress - General Government	666,143	79,331	(744,477)	997
Construction in Progress - Community Services	1,319,556	2,344,198	(2,741,982)	921,772
Construction in Progress - Beach	65,606	319,152	(246,801)	137,957
Construction in Progress - Internal Services	-	-	-	-
Total capital assets, not being depreciated	<u>18,121,521</u>	<u>3,576,501</u>	<u>(3,733,260)</u>	<u>17,964,762</u>
Capital assets, being depreciated				
Buildings and Structures - General Government	832,465	21,865	(7,431)	846,899
Buildings and Structures - Community Services	28,883,620	177,596	(112,565)	28,948,650
Buildings and Structures - Beach	2,596,454	110,264	(10,501)	2,696,218
Venue Improvements - Community Services	27,637,631	469,738	(2,508)	28,104,860
Venue Improvements - Beach	2,074,740	91,349	(204,498)	1,961,591
Equipment and Vehicles - General Government	1,314,500	710,738	(122,065)	1,903,173
Equipment and Vehicles - Community Services	9,218,500	1,036,087	(555,699)	9,698,888
Equipment and Vehicles - Beach	341,558	45,187	(1,478)	385,267
Equipment and Vehicles - Internal Services	281,641	-	(34,864)	246,777
Total capital assets, being depreciated	<u>73,181,109</u>	<u>2,662,824</u>	<u>(1,051,608)</u>	<u>74,792,325</u>

Continued

#### 4. CAPITAL ASSETS

Capital Asset activity for the year ended June 30, 2016:	Balance			Balance
	July 1, 2015	Increases	Decreases	June 30, 2016
Less accumulated depreciation for:				
Buildings and Structures - General Government	(763,762)	(12,415)	7,431	(768,746)
Buildings and Structures - Community Services	(11,348,532)	(869,080)	112,565	(12,105,047)
Buildings and Structures - Beach	(1,283,260)	(86,019)	10,501	(1,358,778)
Venue Improvements - Community Services	(16,411,976)	(903,179)	2,508	(17,312,647)
Venue Improvements - Beach	(1,286,878)	(84,628)	204,498	(1,167,008)
Equipment and Vehicles - General Government	(1,072,819)	(149,999)	122,065	(1,100,754)
Equipment and Vehicles - Community Services	(5,736,268)	(652,063)	551,436	(5,836,894)
Equipment and Vehicles - Beach	(173,923)	(25,283)	1,478	(197,728)
Equipment and Vehicles - Internal Services	(184,797)	(11,888)	34,864	(161,821)
Total accumulated depreciation	(38,262,214)	(2,794,554)	1,047,346	(40,009,423)
Total capital assets being depreciated, net	34,918,895	(131,730)	(4,263)	34,782,902
<b>Governmental Activities Capital Assets, net</b>	<b>\$53,040,416</b>	<b>\$ 3,444,771</b>	<b>\$ (3,737,522)</b>	<b>\$52,747,664</b>
<b>Business-Type Activities</b>				
Utility Capital assets not being depreciated				
Land	\$ 6,530,358	\$ -	\$ -	\$ 6,530,358
Construction in Progress	1,904,675	3,068,536	(1,795,631)	3,177,580
Total utility capital assets, not being depreciated	8,435,033	3,068,536	(1,795,631)	9,707,938
Utility Capital assets, being depreciated				
Buildings and structures	10,942,534	85,528	-	11,028,062
Service infrastructure	101,778,376	1,628,298	(17,188)	103,389,486
Equipment and vehicles	3,152,685	81,806	(1,106)	3,233,384
Total utility capital assets at historical cost	115,873,595	1,795,631	(18,294)	117,650,932
Less accumulated depreciation for:				
Buildings and structures	(6,560,034)	(221,762)	-	(6,781,796)
Service infrastructure	(51,602,582)	(2,504,880)	17,188	(54,090,274)
Equipment and vehicles	(2,214,514)	(202,782)	1,106	(2,416,190)
Total accumulated depreciation	(60,377,130)	(2,929,425)	18,294	(63,288,260)
Total utility capital assets being depreciated, net	55,496,465	(1,133,794)	-	54,362,672
<b>Business-Type Activities Capital Assets, net</b>	<b>\$63,931,498</b>	<b>\$ 1,934,743</b>	<b>\$ (1,795,631)</b>	<b>\$64,070,610</b>



The District has a number of Construction in Progress projects open as of June 30, 2016. Community Services includes \$156,030 for the Diamond Peak Master Plan, and \$168,572 for the Incline Creek Culvert Rehabilitation. Beach includes \$107,790 for the Incline Beach Facility Study. The Utility Fund includes \$238,657 for the Equipment Storage Building, and \$1,868,073 for the design phase of the Effluent Export Line that will be ongoing through at least 2018. 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, 2016 were charged to functions as follows:

Governmental Activities:	
General Government	\$ 162,414
Recreation	2,424,322
Beach	195,930
Internal Services	<u>11,888</u>
Total Depreciation Expense	<u>\$ 2,794,554</u>

Business-Type Activities:	
Utility Fund Water and Sewer	<u>\$ 2,929,425</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 from June 30 was paid July 8th. The employee benefits earned through June 30 are also funded in the following month. At any given point the District has an obligation to its employees for the value of vacation time earned and not taken. The obligation is measured by the value due as if the employee terminated. The District allows retiring employees with in excess of 20 years of service, and that have accrued sick leave, to have it converted to Medical Retiree Benefit for reimbursing post employment health related costs. The District has no 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, 2016 the Accrued Personnel Costs were comprised of:

	Governmental	Business-type	Total
Current Payroll Liabilities:			
Accrued Payroll	\$481,748	\$ 35,000	\$ 516,748
Taxes Withheld	35,186	-	35,186
Accrued Benefits	30,592	-	30,592
Deferred Comp	6,172	-	6,172
Pension	32,388	-	32,388
Ongoing Benefit Liabilities:			
Health Reimbursement Accounts	119,302	-	119,302
Sick Leave Retirement Benefit	113,056	156,292	269,348
Workers Comp unpaid losses and expenses	156,275	-	156,275
Accrued Vacation	<u>329,629</u>	<u>164,847</u>	<u>494,476</u>
Total Government-wide	<u>\$1,304,348</u>	<u>\$ 356,139</u>	<u>\$1,660,487</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:

	Balance	Provisions		Balance
Ongoing Benefit Liabilities	<u>June 30, 2015</u>	<u>Additions</u>	<u>Payments</u>	<u>June 30, 2016</u>
Health Reimbursement	\$ 108,542	\$ 56,535	\$ 45,775	\$ 119,302
Sick Leave Retirement	235,124	37,000	2,776	269,348
Work Comp unpaid losses	100,560	56,440	725	156,275
Accrued Vacation	456,230	521,848	483,602	494,476

## 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:

	General	Community Services Special Rev.	Beach Special Rev.	Utility	Total
Billed in advance	\$ 14	\$ 712,267	\$ 6,478	\$603,668	\$1,322,427
Unexpired season passes	-	226,131	-	-	226,131
External Gift Cards	-	240,385	-	-	240,385
Internal Gift Cards	<u>-</u>	<u>83,278</u>	<u>-</u>	<u>-</u>	<u>83,278</u>
Total	<u>\$ 14</u>	<u>\$1,262,061</u>	<u>\$ 6,478</u>	<u>\$603,668</u>	<u>\$1,872,221</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 are settled monthly through pooled cash and therefore there are no open balances as of June 30, 2016.

Transfers reported on the financial statements as of June 30, 2016 are as follows:

	<b>Fund Transfer In:</b>				Total Out
	Community Services Capital Projects	Beach Capital Projects	Community Services Debt Service	Beach Debt Service	
<b>Fund Transfer Out:</b>					
General Fund	\$250,000	\$ -	\$ -	\$ -	\$ 250,000
Community Services					
Special Revenue	\$3,530,675	\$ -	\$1,285,185	\$ -	\$4,815,860
Beach					
Special Revenue	\$ _____	\$ 336,924	\$ _____	\$ 7,761	\$ 344,685
<b>Total In</b>	<b>\$3,780,675</b>	<b>\$ 336,924</b>	<b>\$1,285,185</b>	<b>\$7,761</b>	<b>\$5,410,545</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 collected in the General Fund 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, 2016**

**Governmental Activities:**

Issue	Issue Date	Maturity Date	Interest Rate	Amount Issued	Principal Outstanding	Due 2016-17
<b>Medium-Term General Obligation Bonds Recreation</b>						
Recreation Impr. (Ski) 2008	06/18/08	06/01/18	3.5-7%	\$7,000,000	\$1,635,000	\$790,000
<b>General Obligation Revenue Bonds Recreation</b>						
Recreation Facilities and Recreation Refunding 2012	07/18/12	03/01/23	2.25%	3,475,000	<u>2,523,000</u>	<u>333,000</u>
<b>Total Recreation Revenue Supported Debt</b>					<b><u>\$4,158,000</u></b>	<b><u>\$1,123,000</u></b>

**Business Type Activities:**

<b>Utility</b>						
State of Nevada						
Sewer C32-0204	10/28/02	01/01/23	3.144%	\$1,720,380	\$ 802,271	\$ 104,169
Water IVGID-1	09/01/04	07/01/25	3.082%	1,687,282	929,807	85,646
Sewer CS32-0404 (G.O.)	08/01/06	09/01/26	2.73%	3,000,000	1,805,943	159,403
Water DW-1201 (G.O.)	03/16/12	01/01/32	2.39%	3,000,000	<u>2,558,574</u>	<u>133,012</u>
<b>Total Utility Revenue Supported Debt</b>					<b><u>\$6,096,595</u></b>	<b><u>\$ 482,230</u></b>
<b>Total Debt – All Activities</b>					<b><u>\$10,254,595</u></b>	<b><u>\$1,605,230</u></b>

**Long-Term bonded debt activity for the year ended June 30, 2016**

	<u>Beginning</u> <u>Balance</u>	<u>New</u> <u>Issues</u>	<u>Principal</u> <u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Due Within</u> <u>One Year</u>
General Obligation Revenue	\$ 9,891,552	\$ -	\$1,369,035	\$ 8,522,517	\$1,415,415
	<u>1,916,115</u>	<u>-</u>	<u>184,037</u>	<u>1,732,078</u>	<u>189,815</u>
Total	11,807,667	-	1,553,072	10,254,595	<u>\$1,605,230</u>
Bond discounts	(11,981)	-	(1,666)	(10,315)	
Bond Premiums	<u>80,738</u>	<u>-</u>	<u>36,724</u>	<u>44,014</u>	
Long-term Debt, net	<u>\$11,876,424</u>	<u>\$ -</u>	<u>\$1,588,130</u>	<u>\$ 10,288,294</u>	

**Future Debt Service Requirements as of June 30, 2016**

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Debt Supported by</u> <u>Utility Revenue</u>		<u>Debt Supported by</u> <u>Recreation Revenue</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
	2017	\$ 482,230	\$ 160,903	\$ 1,123,000
2018	495,762	147,372	1,187,000	104,577
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 to 2026	2,471,314	301,800	769,000	17,449
2027 to 2031	884,959	81,900	-	-
2032	<u>189,957</u>	<u>3,412</u>	<u>-</u>	<u>-</u>
Total	<u>\$6,096,595</u>	<u>\$1,052,417</u>	<u>\$ 4,158,000</u>	<u>\$ 378,224</u>

At June 30, 2016, principal and interest to maturity in 2032, to be paid from pledged future revenues, totaled \$11,685,236. For the year ended June 30, 2016 the net pledged revenue was \$2,416,242.

**9. CAPITAL GRANTS**

The District planned to receive a \$228,000 capital grant for the water and sewer infrastructure, in the Utility Fund. While it was not received in this fiscal year, the grant is available for a future project. The Community Services Capital Projects Fund received a capital grant for creek restoration of \$586,361.

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

The District's Money Purchase Pension (Section 401b) 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 and is administered by Associated Third Party Administrators (ATPA). 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 covered by the collective bargaining agreements, with only 5 electing to do so. The District is not a party to this defined benefit plan. The District's liability under the union contract is limited to making monthly contributions based on union employees' hours worked. Consequently, the District is not liable for any funding shortage of the defined benefit plan. Each year the District makes contributions to the plan equal to 100% of the District's liability under the plan agreement. The Pension Trust Fund for Operating Engineers issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Pension Trust Fund for Operating Engineers, 1620 South Loop Road, Alameda, California 94502-7089 or by calling (510) 748-7438.

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>(401b) Money Purchase</u>	<u>Operating Engineers</u>	<u>Employer Section 457</u>	<u>Employee Section 457</u>
2016	\$796,148	\$42,559	\$179,873	\$349,945
2015	731,354	33,929	161,521	272,151
2014	752,073	42,656	168,321	271,398

## 12. SCHEDULE OF INSURANCE COVERAGE AND RISK MANAGEMENT

Insurance Coverage on June 30, 2016 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
Auto Liability	NV Public Agency Pool	10,000,000
Ski Resort Gen. Liability	Granite State Insurance	1,000,000
Ski Resort Excess Liability	Granite State Insurance	7,000,000
Boiler & Machinery	NV Public Agency Pool	60,000,000
Money & Securities	NV Public Agency Pool	500,000
General Liability	NV Public Agency Pool	10,000,000
Workers Compensation	NV Public Agency Comp. Trust	2,000,000

The District has elected to participate in the Nevada Public Agency Insurance Pool. The Pool secures insurance coverage for all its members. The Pool 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 pay member 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 made by NVPACT for the amounts needed to pay claims as member of the risk sharing pool.

For fiscal year ended June 30, 2016, the Internal Services Fund billed other District funds a total of \$391,015 and made member assessment payments for coverage of \$372,083. 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 and resulted in the general provision by \$56,000, and reductions of \$79,201, and \$36,623 respectively. The District's Third Party Administrator monitors open claims. As of June 30, 2016 the District carries \$156,000 as the total 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.

Following is a reconciliation of Workers Comp total claims liability as of June 30, 2016, for claims incurred prior to July 1, 2013.

	Beginning Claims <u>Liability</u>	Claims <u>Made</u>	Claims <u>Payments</u>	General <u>Provision</u>	Ending Claims <u>Liability</u>
June 30, 2016	\$100,000	\$ -	\$ -	\$ 56,000	\$156,000
June 30, 2015	255,000	-	75,799	( 79,201)	100,000
June 30, 2014	323,000	-	31,377	( 36,623)	255,000

### 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 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 focus of delaying a transfer under this commitment was to meet the obligation under the Washoe County Tax Refund first. Full determination of that initial obligation occurred during the year ending June 30, 2014. The District budgeted to make the transfer in fiscal year ending June 30, 2015, but then decided not to make it, to allow another transaction in the General Fund for that fiscal year. The Commitment remains in place to be executed later. The District's budget for the year ending June 30, 2017 includes making the transfer.

As of July 1, 2015 the Board of Trustees established Special Revenue, Capital Project and Debt Service funds for its 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, 2016, \$38,176 was paid for Golf Carts used at the Mountain Golf Course and \$55,886 was paid for Golf Carts at the Championship Golf Course. These payments are included under Services and Supplies in the Community Services Fund.

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 electric carts is expected during the year ended June 30, 2017.

**Future Minimum Lease Obligations:**

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

	<u>Community Services Fund</u>	
	Lease for Use <u>58 Gas Carts</u>	Lease for Use <u>75 Electric Carts</u>
June 30, 2017	\$ 38,176	\$ 109,092
June 30, 2018	<u>74,893</u>	<u>-</u>
Total	<u>\$ 113,069</u>	<u>\$ 109,092</u>

**16. SETTLEMENT OF LAWSUIT**

The District initiated a claim for recovery of costs relative to water damage at the Diamond Peak Ski Resort. The 2012 claim involved issues of workmanship and installation that is covered by insurance for the contractor(s). The District filed litigation with the contractor(s), their insurance company and others if

necessary, to recover the costs. The District's Construction in Progress for the Community Services Fund carried \$236,616 as the cost of this claim. The claim was settled October 22, 2015 in an amount to cover those costs. This recovery of capital costs is part of the increase to unrestricted fund balance in the Community Services Special Revenue Fund.

**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:

	Charges for Services	<u>Amounts included in Charges for Services</u>	
		Paid with Punch Cards	Punch Cards Value Utilized
Golf Facilities	\$ 4,133,355	\$ 47,000	\$ -
Ski	275,156	-	-
Community Programming	10,202,972	114,000	-
Parks	1,264,177	149,000	-
Tennis	59,421	-	-
Recreation Administration	166,533	-	-
Total	<u>(521,179)</u>	<u>-</u>	<u>(540,000)</u>
	<u>\$ 15,580,435</u>	<u>\$310,000</u>	<u>\$(540,000)</u>
Beach	<u>\$ 1,002,518</u>	<u>\$303,000</u>	<u>\$ (73,000)</u>
District Total		<u>\$613,000</u>	<u>\$(613,000)</u>

**18. COMMITMENTS**

**General Fund:**

The District entered into an unemployment insurance contract with First Nonprofit Companies for total premiums of \$200,000 for calendar year 2016 services. As of June 30, 2016 \$100,000 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 resources become part of Unrestricted Net Position in its Enterprise Funds.

**Utility Fund:**

As of June 30, 2016 there is \$10,967,144 of identified projects included in the carryover. The most significant portion is \$7,942,937 for the Effluent Export Line and \$1,119,693 for the Public Works Equipment Storage Building.

On March 30, 2016, the Board of Trustees authorized the purchase for \$185,000 of a 2.08 acres parcel of land adjacent to the District Waste Water Treatment Plant. On September 1, 2016 the transaction reached a point where a definitive purchase agreement could be executed, pending further action to complete a land boundary adjustment. Closing is expected prior to June 30, 2017.



**Community Services Fund:**

As of June 30, 2016 there is \$2,248,500 of identified projects in the carryover. The most significant portion is \$248,564 for the Incline Creek Culvert Rehabilitation and \$395,858 for the Diamond Peak Master Plan Implementation and \$250,000 for the Community Services Master Plan.

**Beach Fund:**

As of June 30, 2016 there is \$155,000 of identified projects in the carryover.

As a part of the budgeting for the fiscal year ending June 30, 2017, the District reported \$751,000 of capital expenditures for the Community Services Fund and \$343,000 of capital expenditures for Beach Fund as coming from operating transfers from those Funds to the Capital Projects Fund. The source of those transfers is presumably fund balance which is reported as Unrestricted Net Position.

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

	<u>Contract Award</u>	<u>Completed at June 30, 2016</u>	<u>Remaining Commitment</u>
Utility Fund			
Water Disinfection Plant			
CH2M Hill	\$124,853	\$ 59,533	\$ 65,320
Wastewater Treatment Plant			
FARR Construction Corp	111,155	11,235	99,920
Community Services Fund			
Incline Creek Culvert Restoration			
CH2M Hill	259,278	1,327	257,951
Creek Restoration			
Cardo, Inc.	442,727	338,075	104,652
Ski Rental Shop Equipment			
Amer. Sports Winter & Outdoor	187,000	-	187,000
Incline Beach Facility			
Bull Stockwell Allen	222,000	14,261	207,739

**19. EXTRAORDINARY EXPENSE FOR UTILITY FUND**

In April 2014, a leak occurred in the District's effluent pipeline that results in damage to an area highway. Leaks of this magnitude and consequence are not expected in the normal course of operations and thus the repairs costs have been reported as an extraordinary expense. In July 2014 the District incurred repair costs to complete paving of the State highway affected by the leak. In September 2015 the final paving repairs were made for \$47,600.

**20. CHANGE IN FUND TYPE AND APPLICATION OF ACCOUNTING PRINCIPLES**

Effective July 1, 2015, with a new fiscal and budget year, the District began utilizing Special Revenue, Capital Project and Debt Service governmental fund accounting for the Community Services Fund and the Beach Fund. Through June 30, 2015, they were accounted for as enterprise funds. The District changed its approach to the pricing of services and in particular the change recognizes that the use of the facility fee revenue includes providing resources for capital expenditure and debt service, that were not being displayed in a readily understandable fashion under enterprise accounting, for its constituents.

The Board of Trustees approved a 2015-2016 budget, which was filed with the State of Nevada Department of Taxation, reflecting this change. The State required the Board of Trustees to authorize the new funds and to approve the transfer of the Fund Balance of the Community Services Fund and the Beach Fund as of July 1, 2015. The amounts were authorized based upon the prior year audit and the acceptance of that report. The budget document filed with the State estimated Fund Balance to be \$5,294,138 for the Community Services Fund, and \$1,302,486, for the Beach Fund. No Net Position was considered directly related to either the capital projects funds or debt service funds at July 1, 2015.

Reconciliation of Net Position of Enterprise Funds as of June 30, 2015 to Special Revenue Funds, versus amounts estimated for the State of Nevada (under their definition of Residual Fund Equity Transfer) as of July 1, 2015:

	Community Services Fund	Beach Fund
<b>As previously reported at June 30, 2015:</b>		
Net Invested in Capital Assets, to be reported as reconciling items for District-wide Statement of Net Position	<u>\$39,404,756</u>	<u>\$4,593,502</u>
Restricted by Third Party	\$ 86,421	\$ -
Unrestricted Net Position	<u>5,271,334</u>	<u>1,107,786</u>
Fund Balance, July 1 (Special Revenue)	5,357,755	1,107,786
<b>Other reconciling items:</b>		
Grants receivable collected after 60 day modified accrual period	(203,764)	-
Retirement sick leave accrual which is not a liability expected to be paid from current resources	<u>52,500</u>	<u>2,500</u>
District approved Residual Equity Transfer	<u>\$5,206,491</u>	<u>\$1,110,286</u>
Budgeted Residual Equity Transfer	<u>\$5,294,138</u>	<u>\$1,302,486</u>

**INCLINE VILLAGE**  
GENERAL IMPROVEMENT DISTRICT

**REQUIRED  
SUPPLEMENTARY  
INFORMATION**

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

For the year ending June 30:	<u>401b Money Purchase</u>			<u>Operating Engineers</u>			<u>457 Employer Portion</u>		
	Number of Participants	Covered Payroll	Required Contributions	Number of Participants	Covered Payroll	Required Contributions	Number of Participants	Covered Payroll	Required Contributions
2016	97	\$ 6,472,748	\$ 796,148	5	\$ 346,008	\$ 42,559	99	8,993,650	\$ 179,873
2015	92	5,945,967	731,354	4	275,846	33,929	91	8,076,050	161,521
2014	90	6,114,415	752,073	5	346,797	42,656	88	8,416,050	168,321
2013	95	5,934,439	729,936	5	377,293	46,407	91	9,831,200	196,624
2012	97	6,049,829	744,129	7	395,512	48,648	96	9,270,000	185,400
2011	102	6,482,260	797,318	7	463,862	57,055	99	9,409,300	188,186
2010	106	6,133,951	754,476	8	477,382	58,718	102	12,367,600	247,352
2009	116	6,305,970	630,597	8	677,050	67,705	107	16,341,550	326,831
2008	94	5,865,810	586,581	8	590,550	59,055	96	8,433,850	168,677
2007	92	5,142,340	514,234	9	618,680	61,868	92	8,088,950	161,779

**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, 2016**

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	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Sales of Assets	\$ -	\$ -	\$ 38,703	\$ 38,703
Federal - Capital Grants	1,133,000	1,133,000	586,361	(546,639)
Total revenues	<u>1,133,000</u>	<u>1,133,000</u>	<u>625,064</u>	<u>(507,936)</u>
<b>EXPENDITURES</b>				
<b>CAPITAL OUTLAY:</b>				
<b>COMMUNITY SERVICES RECREATION:</b>				
Championship Golf	816,555	816,555	415,868	400,687
Mountain Golf	305,723	305,723	235,009	70,714
Facilities	182,480	182,480	138,070	44,410
Ski	1,646,340	1,646,340	707,467	938,873
Community Programming and Recreation Center	190,962	190,962	101,437	89,525
Parks	1,349,675	1,349,675	685,776	663,899
Tennis	48,977	48,977	46,482	2,495
Recreation Administration	275,500	275,500	14,089	261,411
Total expenditures	<u>4,816,212</u>	<u>4,816,212</u>	<u>2,344,198</u>	<u>2,472,014</u>
Excess (deficiency) of revenues over expenditures	<u>(3,683,212)</u>	<u>(3,683,212)</u>	<u>(1,719,134)</u>	<u>1,964,078</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers In (Out)	3,683,212	3,683,212	3,780,675	97,463
Total other financing sources (uses)	<u>3,683,212</u>	<u>3,683,212</u>	<u>3,780,675</u>	<u>97,463</u>
Net changes in fund balance	-	-	2,061,541	2,061,541
Fund Balance, July 1	-	-	-	-
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,061,541</u>	<u>\$ 2,061,541</u>

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
 BEACH CAPITAL PROJECT FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2016**

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	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Sales of Assets	\$ -	\$ -	\$ 2,607	\$ 2,607
Total revenues	-	-	2,607	2,607
<b>EXPENDITURES</b>				
<b>CAPITAL OUTLAY:</b>				
<b>BEACH RECREATION:</b>				
Beach	234,660	234,660	319,152	(84,492)
Excess (deficiency) of revenues over expenditures	(234,660)	(234,660)	(316,545)	(81,885)
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers In (Out)	234,660	234,660	336,924	102,264
Total other financing sources (uses)	234,660	234,660	336,924	102,264
Net changes in fund balance	-	-	20,379	20,379
Fund Balance, July 1	-	-	-	-
Fund balance, June 30	\$ -	\$ -	\$ 20,379	\$ 20,379

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
COMMUNITY SERVICES DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016**

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	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Total revenues	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>				
<b>DEBT SERVICE:</b>				
COMMUNITY SERVICES RECREATION				
Principal	1,078,783	1,078,783	1,078,784	(1)
Interest	204,263	204,263	204,290	(27)
Fiscal Agent Fees	1,045	1,045	-	1,045
Total expenditures	<u>1,284,091</u>	<u>1,284,091</u>	<u>1,283,074</u>	<u>1,017</u>
Excess (deficiency) of revenues over expenditures	<u>(1,284,091)</u>	<u>(1,284,091)</u>	<u>(1,283,074)</u>	<u>1,017</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers In (Out)	1,284,091	1,284,091	1,285,185	1,094
Total other financing sources (uses)	<u>1,284,091</u>	<u>1,284,091</u>	<u>1,285,185</u>	<u>1,094</u>
Net changes in fund balance	-	-	2,111	2,111
Fund Balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,111</u>	<u>\$ 2,111</u>



**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
 BEACH DEBT SERVICE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2016**

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	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Total revenues	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>				
<b>DEBT SERVICE</b>				
<b>BEACH RECREATION:</b>				
Beach				
Principal	5,216	5,216	5,216	-
Interest	934	934	973	39
Fiscal Agent Fees	50	50	-	(50)
Total expenditures	6,200	6,200	6,189	(11)
Excess (deficiency) of revenues over expenditures	(6,200)	(6,200)	(6,189)	11
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers In (Out)	6,200	6,200	7,761	1,561
Total other financing sources (uses)	6,200	6,200	7,761	1,561
Net changes in fund balance	-	-	1,572	1,572
Fund Balance, July 1	-	-	-	-
Fund balance, June 30	\$ -	\$ -	\$ 1,572	\$ 1,572

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016**

	(Form 4404LGF) Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Ad valorem taxes	\$ 1,453,911	\$ 1,453,911	\$ 1,497,006	\$ 43,095
Intergovernmental:				
Consolidated & other tax	1,361,000	1,361,000	1,487,986	126,986
Miscellaneous	28,600	28,600	50,292	21,692
Central Services Revenue	1,123,000	1,123,000	1,123,000	-
Total revenues - (Form 9)	<u>3,966,511</u>	<u>3,966,511</u>	<u>4,158,284</u>	<u>191,773</u>
<b>EXPENDITURES</b>				
Current:				
General Government - All Functions:				
Function Summary - (Form 11)	3,707,300	3,767,300	3,589,578	177,722
Total expenditures	<u>3,707,300</u>	<u>3,767,300</u>	<u>3,589,578</u>	<u>177,722</u>
Excess (deficiency) of revenues over expenditures	<u>259,211</u>	<u>199,211</u>	<u>568,706</u>	<u>369,495</u>
Other Financing Sources (Uses)				
Contingency	(75,000)	(15,000)	-	15,000
Operating Transfers Out	<u>(250,000)</u>	<u>(250,000)</u>	<u>(250,000)</u>	<u>-</u>
Net changes in fund balance	(65,789)	(65,789)	318,706	384,495
Fund balance, July 1	<u>1,467,621</u>	<u>1,467,621</u>	<u>1,501,287</u>	<u>33,666</u>
Fund balance, June 30 - (Form 11)	<u>\$ 1,401,832</u>	<u>\$ 1,401,832</u>	<u>\$ 1,819,993</u>	<u>\$ 418,161</u>

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016**

	(Form 4404LGF)			
	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>EXPENDITURES</b>				
Current:				
General government:				
General Administration				
Salaries and Wages	\$ 28,379	\$ 28,379	\$ 37,396	\$ (9,017)
Employee Benefits	17,724	17,724	12,100	5,624
Services and Supplies	490,710	550,710	525,962	24,748
Capital Outlay	70,000	70,000	79,331	(9,331)
Subtotal General Administration	<u>606,813</u>	<u>666,813</u>	<u>654,789</u>	<u>12,024</u>
General Manager				
Salaries and Wages	231,225	231,225	226,780	4,445
Employee Benefits	95,780	95,780	86,360	9,420
Services and Supplies	13,300	13,300	9,197	4,103
Subtotal General Manager	<u>340,305</u>	<u>340,305</u>	<u>322,337</u>	<u>17,968</u>
Trustees				
Salaries and Wages	95,975	95,975	95,394	581
Employee Benefits	27,987	27,987	27,391	596
Services and Supplies	98,800	98,800	50,886	47,914
Subtotal Trustees	<u>222,762</u>	<u>222,762</u>	<u>173,671</u>	<u>49,091</u>
Accounting				
Salaries and Wages	575,087	575,087	581,591	(6,504)
Employee Benefits	278,154	278,154	271,033	7,121
Services and Supplies	63,000	63,000	62,714	286
Subtotal Accounting	<u>916,241</u>	<u>916,241</u>	<u>915,338</u>	<u>903</u>
Information Services				
Salaries and Wages	244,893	244,893	273,973	(29,080)
Employee Benefits	126,053	126,053	112,950	13,103
Services and Supplies	357,745	357,745	313,201	44,544
Subtotal Information Services	<u>728,691</u>	<u>728,691</u>	<u>700,124</u>	<u>28,567</u>
Risk Management				
Salaries and Wages	73,237	73,237	73,492	(255)
Employee Benefits	41,732	41,732	40,181	1,551
Services and Supplies	15,600	15,600	13,892	1,708
Subtotal Risk Management	<u>130,569</u>	<u>130,569</u>	<u>127,565</u>	<u>3,004</u>
Human Resources				
Salaries and Wages	306,241	306,241	310,979	(4,738)
Employee Benefits	176,991	176,991	165,813	11,178
Services and Supplies	46,100	46,100	36,577	9,523
Subtotal Human Resources	<u>529,332</u>	<u>529,332</u>	<u>513,369</u>	<u>15,963</u>
Health and Wellness				
Salaries and Wages	26,170	26,170	12,063	14,107
Employee Benefits	5,725	5,725	5,184	541
Services and Supplies	12,900	12,900	5,878	7,022
Subtotal Health and Wellness	<u>44,795</u>	<u>44,795</u>	<u>23,125</u>	<u>21,670</u>
Community Relations and Communications				
Salaries and Wages	98,340	98,340	71,541	26,799
Employee Benefits	51,452	51,452	38,226	13,226
Services and Supplies	38,000	38,000	49,493	(11,493)
Subtotal Comm. Relations	<u>187,792</u>	<u>187,792</u>	<u>159,260</u>	<u>28,532</u>
Function Subtotal - (Form 10)	<u>\$ 3,707,300</u>	<u>\$ 3,767,300</u>	<u>\$ 3,589,578</u>	<u>\$ 177,722</u>

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
COMMUNITY SERVICES SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016**

	(Form 4404LGF)			
	Budgeted Amounts			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>				
Charges for Services				
Culture and Recreation:				
Championship Golf	\$ 4,045,206	\$ 4,045,206	\$ 4,521,108	\$ 475,902
Mountain Golf	1,250,139	1,250,139	1,210,751	(39,388)
Facilities	685,787	685,787	660,437	(25,350)
Ski	7,579,263	10,979,263	11,212,699	233,436
Community Programming	2,303,394	2,303,394	2,363,242	59,848
Parks	946,757	946,757	870,362	(76,395)
Tennis	308,196	308,196	297,693	(10,503)
Recreation Administration	464,220	464,220	462,516	(1,704)
Investment Earnings	30,000	30,000	58,438	28,438
Sale of Assets	-	-	34,409	34,409
Miscellaneous	-	-	474,853	474,853
Total revenues - (Form 9)	<u>17,612,962</u>	<u>21,012,962</u>	<u>22,166,508</u>	<u>1,153,546</u>
<b>EXPENDITURES</b>				
Current:				
Culture and Recreation - All Functions:				
Function Summary - (Form 11)	<u>13,817,520</u>	<u>14,867,520</u>	<u>14,853,575</u>	<u>13,945</u>
Total expenditures	<u>13,817,520</u>	<u>14,867,520</u>	<u>14,853,575</u>	<u>13,945</u>
Excess (deficiency) of revenues over expenditures	<u>3,795,442</u>	<u>6,145,442</u>	<u>7,312,933</u>	<u>1,167,491</u>
Other Financing Sources (Uses)				
Contingency	(200,000)	(200,000)	-	200,000
Operating Transfers Out - Capital Projects	(3,433,212)	(3,433,212)	(3,530,675)	(97,463)
Operating Transfers Out - Debt Service	<u>(1,284,091)</u>	<u>(1,284,091)</u>	<u>(1,285,185)</u>	<u>(1,094)</u>
Net changes in fund balance	(1,121,861)	1,228,139	2,497,073	1,268,934
Fund balance, July 1	<u>5,294,138</u>	<u>5,294,138</u>	<u>5,357,755</u>	<u>63,617</u>
Fund balance, June 30 - (Form 11)	<u>\$ 4,172,277</u>	<u>\$ 6,522,277</u>	<u>\$ 7,854,828</u>	<u>\$ 1,332,551</u>

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
COMMUNITY SERVICES SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016**

	(Form 4404LGF)			
	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>EXPENDITURES</b>				
Current:				
Community Services:				
Championship Golf				
Salaries and Wages	\$ 1,061,511	\$ 1,061,511	\$ 1,201,286	\$ (139,775)
Employee Benefits	330,954	330,954	327,158	3,796
Services and Supplies	1,822,261	1,822,261	1,997,659	(175,398)
Subtotal Championship Golf	<u>3,214,726</u>	<u>3,214,726</u>	<u>3,526,103</u>	<u>(311,377)</u>
Mountain Golf				
Salaries and Wages	346,395	346,395	330,347	16,048
Employee Benefits	103,303	103,303	87,943	15,360
Services and Supplies	516,688	516,688	519,404	(2,716)
Subtotal Mountain Golf	<u>966,386</u>	<u>966,386</u>	<u>937,694</u>	<u>28,692</u>
Facilities				
Salaries and Wages	103,082	103,082	83,752	19,330
Employee Benefits	65,159	65,159	40,672	24,487
Services and Supplies	267,067	267,067	307,763	(40,696)
Subtotal Facilities	<u>435,308</u>	<u>435,308</u>	<u>432,187</u>	<u>3,121</u>
Ski				
Salaries and Wages	2,077,530	2,602,530	2,484,346	118,184
Employee Benefits	780,556	780,556	784,639	(4,083)
Services and Supplies	2,744,020	3,269,020	3,172,039	96,981
Subtotal Ski	<u>5,602,106</u>	<u>6,652,106</u>	<u>6,441,024</u>	<u>211,082</u>
Community Programming				
Salaries and Wages	982,948	982,948	1,041,817	(58,869)
Employee Benefits	360,995	360,995	303,739	57,256
Services and Supplies	883,876	883,876	883,171	705
Subtotal Community Programming	<u>2,227,819</u>	<u>2,227,819</u>	<u>2,228,727</u>	<u>(908)</u>
Parks				
Salaries and Wages	284,328	284,328	289,079	(4,751)
Employee Benefits	73,125	73,125	75,242	(2,117)
Services and Supplies	415,441	415,441	351,217	64,224
Subtotal Parks	<u>772,894</u>	<u>772,894</u>	<u>715,538</u>	<u>57,356</u>
Tennis				
Salaries and Wages	147,427	147,427	135,631	11,796
Employee Benefits	30,241	30,241	26,030	4,211
Services and Supplies	95,387	95,387	94,698	689
Subtotal Tennis	<u>273,055</u>	<u>273,055</u>	<u>256,359</u>	<u>16,696</u>
Recreation Administration				
Salaries and Wages	109,729	109,729	146,947	(37,218)
Employee Benefits	46,597	46,597	50,267	(3,670)
Services and Supplies	168,900	168,900	118,729	50,171
Subtotal Recreation Administration	<u>325,226</u>	<u>325,226</u>	<u>315,943</u>	<u>9,283</u>
Function Subtotal - (Form 10)	<u>\$ 13,817,520</u>	<u>\$ 14,867,520</u>	<u>\$ 14,853,575</u>	<u>\$ 13,945</u>

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
 BEACH SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2016**

	(Form 4404LGF) Budgeted Amounts			
	Original	Final	Actual	Variance
<b>REVENUES</b>				
Charges for Services				
Culture and Recreation:				
Beach	\$ 1,741,500	\$ 1,762,300	\$ 1,778,596	\$ 16,296
Investment Earnings	9,000	9,000	11,263	2,263
Fund liabilities paid by other funds	-	-	344	344
Total revenues - (Form 9)	<u>1,750,500</u>	<u>1,771,300</u>	<u>1,790,203</u>	<u>18,903</u>
<b>EXPENDITURES</b>				
Current:				
Beach:				
Salaries and Wages	701,430	701,430	680,845	20,585
Employee Benefits	207,980	207,980	182,539	25,441
Services and Supplies	639,085	639,085	630,170	8,915
Total expenditures - (Form 10)	<u>1,548,495</u>	<u>1,548,495</u>	<u>1,493,554</u>	<u>54,941</u>
Excess (deficiency) of revenues over expenditures	202,005	222,805	296,649	73,844
Other Financing Sources (Uses)				
Contingency	(45,000)	-	-	-
Operating Transfers Out - Capital Projects	(234,660)	(291,660)	(336,924)	(45,264)
Operating Transfers Out - Debt Service	(6,200)	(6,200)	(7,761)	(1,561)
Net changes in fund balance	<u>(83,855)</u>	<u>(75,055)</u>	<u>(48,036)</u>	<u>27,019</u>
Fund balance, July 1	<u>1,302,486</u>	<u>1,302,486</u>	<u>1,107,786</u>	<u>(194,700)</u>
Fund balance, June 30 - (Form 11)	<u>\$ 1,218,631</u>	<u>\$ 1,227,431</u>	<u>\$ 1,059,750</u>	<u>\$ (167,681)</u>

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
CAPITAL PROJECTS FUND - BUDGETARY BASIS  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016**

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		(Form 4404LGF) Budgeted Amounts			
		<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>					
Sales of Assets		\$ -	\$ -	\$ 41,310	\$ 41,310
Federal - Capital Grants		1,133,000	1,133,000	586,361	(546,639)
Total revenues - (Form 9)		<u>1,133,000</u>	<u>1,133,000</u>	<u>627,671</u>	<u>(505,329)</u>
<b>EXPENDITURES</b>					
<b>CAPITAL OUTLAY:</b>					
<b>COMMUNITY SERVICES RECREATION:</b>					
Championship Golf	New projects	649,650	649,650	333,512	316,138
	Carryover projects	166,905	166,905	82,356	84,549
Mountain Golf	New projects	285,000	285,000	235,009	49,991
	Carryover projects	20,723	20,723	-	20,723
Facilities	New projects	75,000	75,000	59,881	15,119
	Carryover projects	107,480	107,480	78,190	29,290
Ski	New projects	1,025,946	1,025,946	629,407	396,539
	Carryover projects	620,394	620,394	78,060	542,334
Community Programming	New projects	82,000	82,000	88,845	(6,845)
	Carryover projects	108,962	108,962	12,593	96,369
Parks	New projects	1,304,200	1,304,200	678,321	625,879
	Carryover projects	45,475	45,475	7,453	38,022
Tennis	New projects	35,000	35,000	46,482	(11,482)
	Carryover projects	13,977	13,977	-	13,977
Recreation Administration	New projects	275,500	275,500	14,089	261,411
	Carryover projects	-	-	-	-
Beach	New projects	203,000	203,000	287,492	(84,492)
	Carryover projects	31,660	31,660	31,660	-
Total expenditures - (Form 10)		<u>5,050,872</u>	<u>5,050,872</u>	<u>2,663,350</u>	<u>2,387,522</u>
Excess (deficiency) of revenues over expenditures		<u>(3,917,872)</u>	<u>(3,917,872)</u>	<u>(2,035,679)</u>	<u>1,882,193</u>
<b>OTHER FINANCING SOURCES</b>					
Operating Transfers In - General Government		250,000	250,000	250,000	-
Operating Transfers In - Community Services		3,433,212	3,433,212	3,530,675	97,463
Operating Transfers In - Beach		234,660	234,660	336,924	102,264
Total other financing sources - (Form 9)		<u>3,917,872</u>	<u>3,917,872</u>	<u>4,117,599</u>	<u>199,727</u>
Net changes in fund balance - (Form 11)		-	-	2,081,920	2,081,920
Fund Balance, July 1		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30		<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,081,920</u>	<u>\$ 2,081,920</u>

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
DEBT SERVICE FUND - BUDGETARY BASIS  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016**

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	(Form 4404LGF)		<u>Actual</u>	<u>Variance</u>
	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>		
<b>EXPENDITURES</b>				
Community Services				
Principal	\$ 1,078,783	\$ 1,078,783	\$ 1,078,784	\$ (1)
Interest	204,263	204,263	204,290	(27)
Fiscal Agent Charges	1,045	1,045	-	1,045
Beach				
Principal	5,216	5,216	5,216	-
Interest	934	934	973	(39)
Fiscal Agent Charges	50	50	-	50
Total expenditures - (Form 16)	<u>1,290,291</u>	<u>1,290,291</u>	<u>1,289,263</u>	<u>1,028</u>
Excess (deficiency) of revenues over expenditures	<u>(1,290,291)</u>	<u>(1,290,291)</u>	<u>(1,289,263)</u>	<u>(1,028)</u>
<b>OTHER FINANCING SOURCES</b>				
Operating Transfers In - Community Services	1,284,091	1,284,091	1,285,185	1,094
Operating Transfers In - Beach	6,200	6,200	7,761	1,561
Total other financing sources - (Form 15)	<u>1,290,291</u>	<u>1,290,291</u>	<u>1,292,946</u>	<u>2,655</u>
Net changes in fund balance - (Form 16)	-	-	3,683	3,683
Fund Balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,683</u>	<u>\$ 3,683</u>



**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
UTILITY FUND  
WATER, SEWER AND SOLID WASTE ACTIVITIES  
SCHEDULE OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION -BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016**

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<b>(Budget Form 4404LGF Form 19)</b>	<b>Original &amp; Final Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>			
Sales and service fees	\$ 11,143,852	\$ 11,158,119	\$ 14,267
Investment earnings	60,000	154,162	94,162
Total revenues	<u>11,203,852</u>	<u>11,312,281</u>	<u>108,429</u>
<b>EXPENSES</b>			
Wages	2,445,087	2,422,084	23,003
Benefits	1,199,188	1,089,465	109,723
Services and supplies	1,657,842	1,990,467	(332,625)
Defensible Space	100,000	39,078	60,922
Central Services cost	304,400	304,400	-
Utilities	1,121,700	886,533	235,167
Depreciation	2,975,000	2,929,425	45,575
Legal and audit	97,000	72,113	24,887
Debt service interest	167,532	167,530	2
Total expenses	<u>10,067,749</u>	<u>9,901,095</u>	<u>166,654</u>
Gain (loss) on sale of assets	-	42,764	42,764
Capital Grants	228,000	-	(228,000)
Extraordinary expense	<u>-</u>	<u>(47,600)</u>	<u>(47,600)</u>
Changes in Net Position (GAAP basis and per Budget 4404LGF Form 19)	<u>\$ 1,364,103</u>	<u>\$ 1,406,350</u>	<u>\$ 42,247</u>

**CASH FLOWS FROM CAPITAL AND RELATED  
FINANCING ACTIVITIES**

**(Budget 4404LGF Form 20)**

Acquisition of Capital Assets	<u>\$ (4,573,387)</u>	<u>\$ (3,068,536)</u>	<u>\$ 1,504,851</u>
Payments of Capital Debt	<u>\$ (469,072)</u>	<u>\$ (469,071)</u>	<u>\$ 1</u>

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
INTERNAL SERVICES FUND  
(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, 2016**

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(Budget Form 4404LGF Form 19)	<u>Original &amp; Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Services provided by:			
Fleet	\$ 991,700	\$ 1,021,820	\$ 30,120
Engineering	680,000	689,606	9,606
Buildings Maintenance	808,087	833,080	24,993
Workers Compensation	319,500	391,015	71,515
Interfund Services (per Form 19)	2,799,287	2,935,521	136,234
Miscellaneous	3,000	-	(3,000)
Operating Revenue (per Form 19)	2,802,287	2,935,521	133,234
Investment earnings	25,400	35,105	9,705
 Total Revenues	 <u>2,827,687</u>	 <u>2,970,626</u>	 <u>142,939</u>
<b>EXPENSES</b>			
Wages	1,239,841	1,227,203	12,638
Benefits	612,151	572,906	39,245
Services and Supplies	921,968	1,137,089	(215,121)
Utilities	6,980	12,284	(5,304)
Legal & Audit	9,000	10,690	(1,690)
Depreciation	10,200	11,888	(1,688)
 Total expenses	 <u>2,800,140</u>	 <u>2,972,060</u>	 <u>(171,920)</u>
 Changes in Net Position (GAAP basis and per Budget Form 4404LGF - Form 19)	 <u>\$ 27,547</u>	 <u>\$ (1,434)</u>	 <u>\$ (28,981)</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.

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

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

	Fiscal Years									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Governmental Activities</b>										
Net invested in capital assets	\$ 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	\$ 26,728,903
Restricted	178,426	187,825	246,604	270,359	955,415	869,013	341,784	339,193	-	-
Unrestricted	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	6,520,933
Total governmental activities net position	\$ 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	\$ 33,249,836
<b>Business-type activities</b>										
Net invested in capital assets	\$ 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	\$ 45,060,601
Restricted	226,208	225,435	225,185	224,951	226,777	231,514	558,563	497,371	213,000	242,993
Unrestricted	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	11,677,578
Total business-type activities net position	\$ 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	\$ 56,981,172
<b>Primary government</b>										
Net invested in capital assets	\$ 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	\$ 71,789,504
Restricted	404,634	413,260	471,789	495,310	1,182,192	1,100,527	900,347	836,564	213,000	242,993
Unrestricted	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	18,198,511
Total primary government net position	\$ 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	\$ 90,231,008

Source: District Comprehensive Annual Financial Report Government-wide Statement of Net Position, restated to align classifications for all years to governmental activities effective July 1, 2015.

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Expenses</b>										
Governmental activities:										
General government	\$ 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	\$ 2,824,638
Community Services	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	14,809,509
Beach	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	1,130,531
Internal services	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	2,284,770
Interest on long-term debt	205,263	201,882	252,324	371,938	476,635	437,360	592,288	686,854	468,223	462,135
Total governmental activities expenses	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	21,511,583
Business-type activities:										
Utilities	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	7,846,996
Interest on long-term debt	167,530	180,505	193,123	186,608	178,631	207,139	234,416	260,604	289,900	279,598
Total business-type activities expenses	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	8,126,594
Total primary government expenses	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	29,638,177
<b>Program Revenues</b>										
Governmental activities:										
Central Services Costs (equivalent pre-2012)	1,123,000	1,101,000	1,068,996	1,000,200	1,074,000	924,154	1,267,842	863,532	462,952	389,322
Changes for services										
Community Services	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	11,106,554
Beach	1,002,518	989,602	1,032,621	980,240	568,277	445,307	600,280	750,076	724,124	722,552
Internal Services	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	1,797,762
Total governmental activities revenues	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	14,016,190
Business-type activities:										
Changes for services										
Utilities	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	8,166,379
Operating Grants and Contributions	-	-	-	-	-	-	-	-	199,500	-
Total business-type activities revenue	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	8,166,379
Total primary government revenue	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	22,182,569
<b>Net (Expense)/Revenue</b>										
Governmental activities	(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)	(7,495,393)
Business-type activities	1,209,424	1,227,952	1,211,320	1,099,913	544,974	(289,993)	(998,179)	(859,662)	(77,661)	39,785
Total primary government net (expense)/revenue	(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)	(7,455,608)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities										
Taxes										
Property taxes	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	1,017,055
Combined taxes	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	1,572,497
Facility Fees - Community Services	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	4,736,187
Facility Fees - Beach	777,574	778,149	780,716	775,102	899,565	783,029	865,540	1,210,476	1,163,310	856,130
Investment earnings	150,795	124,306	103,106	88,116	193,562	102,384	212,096	313,576	411,860	354,004
Miscellaneous	299,355	120,134	170,981	63,692	127,338	306,352	730,666	595,355	383,269	38,587
Capital Grants and contributions	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	10,795,838	10,024,166	9,503,614	10,539,370	10,941,727	13,368,149	8,867,983	9,476,758	8,993,671	8,574,460
Business-type activities										
Investment earnings	154,162	81,996	61,007	55,666	86,010	151,646	189,786	236,935	373,613	432,982
Capital Grants and contributions	-	329,705	461,994	2,013,853	912,933	1,220,938	1,476,174	663,597	813,896	5,854,308
Miscellaneous	42,764	(34,499)	(4,712)	17,856	381	7,756	(223,785)	19,443	15,407	30,800
Transfers	-	-	-	-	-	-	-	800,000	-	-
Accounting Adjustments	-	-	(81,501)	-	-	334,217	-	-	-	-
Total business-type activities other changes	196,926	377,202	436,788	2,087,375	999,324	1,714,557	1,442,175	1,719,975	1,202,916	6,318,090
<b>Change in Net Position</b>										
Governmental activities	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	1,079,067
Business-type activities	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	6,357,875
Total primary government	\$ 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	\$ 7,436,942

Source: District Comprehensive Annual Financial Report Government-wide Statement of Activities, restated all years to align with the classifications of governmental activities effective July 1, 2015.

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

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

	Fiscal Year ended June 30									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>General Fund</b>										
Non-spendable	\$ 268,005	\$ 218,623	\$ 237,021	\$ 191,780	\$ 174,157	\$ 504,077	\$ 154,087	\$ 143,088	\$ 322,349	\$ 63,987
Restricted	-	-	-	-	52,000	-	129,000	-	-	-
Committed	400,000	400,000	400,000	400,000	400,000	-	-	-	-	-
Unassigned	1,151,988	882,664	754,000	294,887	357,734	111,697	332,687	472,686	293,425	551,787
<b>Total General Fund</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>\$ 615,774</b>
<b>Community Services</b>										
Special Revenue Fund										
Non-spendable	\$ 751,640	\$ 660,409	\$ 658,053	\$ 705,131	\$ 685,798	\$ 474,069	\$ 439,059	\$ 412,430	\$ 414,919	\$ 591,051
Restricted	76,674	86,421	86,332	87,261	101,617	130,467	232,434	339,193	250,593	353,795
Committed - operations	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	3,747,312
Capital Projects - Assigned	2,061,541	-	-	-	-	-	-	-	-	-
Debt Service - Assigned	2,111	-	-	-	-	-	-	-	-	-
<b>Total Comm. Services</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>\$ 4,692,158</b>
<b>Beach</b>										
Special Revenue Fund										
Non-spendable	\$ 19,614	\$ 23,520	\$ 19,328	\$ 17,222	\$ 18,265	\$ -	\$ 5,068	\$ -		
Committed - operations	1,040,136	1,084,266	1,652,877	1,514,417	1,467,463	1,177,762	1,475,139	1,400,671		
Capital Projects - Assigned	20,379	-	-	-	-	-	-	-		
Debt Service - Assigned	1,572	-	-	-	-	-	-	-		
<b>Total Beach</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>		

Beach is included in Community Services prior to July 1, 2008.

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									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Revenues</b>										
Taxes	\$ 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	\$ 2,589,552
Charges for Services	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	11,611,499
Facility Fees	6,760,224	6,796,765	6,805,280	6,737,486	6,819,272	6,850,050	5,992,256	6,132,310	5,763,959	5,592,317
Central Services Charges	1,123,000	1,101,000	1,068,996	1,000,200	1,074,000	924,154	1,267,842	863,532	462,952	389,322
Operating Grants	19,880	17,000	106,238	97,123	77,700	84,000	87,000	193,488	196,848	217,607
Investment Earnings	115,690	99,634	78,855	65,199	54,112	66,872	183,300	269,340	338,415	274,242
Bond Proceeds	-	-	-	-	-	-	-	-	7,512,025	-
Miscellaneous	516,763	116,224	111,315	72,307	75,468	29,818	479,521	655,057	376,162	5,806
Total Revenues	<u>28,119,289</u>	<u>22,336,311</u>	<u>22,302,482</u>	<u>22,268,536</u>	<u>21,457,980</u>	<u>22,140,443</u>	<u>21,878,206</u>	<u>22,250,712</u>	<u>30,910,259</u>	<u>20,680,345</u>
<b>Expenditures</b>										
<b>General Government:</b>										
General Fund - current	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	2,697,415
Capital Outlay	79,331	644,383	84,849	46,452	9,953	211,657	450,907	237,075	126,706	111,167
<b>Recreation:</b>										
Community Services - current	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	12,542,507
Community Services - Capital Projects	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	1,464,403
Community Services - Debt Service	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	1,711,232
Beach - current	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	921,888
Beach - Capital Projects	319,152	695,822	167,375	550,397	7,196	138,173	122,173	80,587	46,947	34,392
Beach - Debt Service	6,189	276,005	277,192	133,177	133,893	245,237	274,998	276,018	276,877	288,743
Total Expenditures	<u>23,889,320</u>	<u>23,737,353</u>	<u>21,583,120</u>	<u>21,455,696</u>	<u>21,688,127</u>	<u>27,282,236</u>	<u>23,236,154</u>	<u>28,231,605</u>	<u>21,665,173</u>	<u>19,771,747</u>
<b>Other Financing Sources (Uses)</b>										
Sale of assets	37,016	3,910	67,213	(8,615)	51,531	273,969	179,333	(68,774)	7,107	32,710
Capital Grants	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)	-	-	-
Total Other Sources (Uses)	<u>623,377</u>	<u>239,584</u>	<u>66,806</u>	<u>433,838</u>	<u>1,141,007</u>	<u>2,400,717</u>	<u>(90,769)</u>	<u>962,555</u>	<u>7,107</u>	<u>32,710</u>
<b>Net Changes in Fund Balance</b>	<u>\$ 4,853,346</u>	<u>\$ (1,161,458)</u>	<u>\$ 786,168</u>	<u>\$ 1,246,678</u>	<u>\$ 910,860</u>	<u>\$ (2,741,076)</u>	<u>\$ (1,448,717)</u>	<u>\$ (5,018,338)</u>	<u>\$ 9,252,193</u>	<u>\$ 941,308</u>



## 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
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%
2007	1,559,038,953	0.0687	4,454,397,009	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

Fiscal Year Ended June 30,	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Indine Village GID-Direct	\$ 0.1269	\$ 0.1157	\$ 0.1105	\$ 0.1153	\$ 0.1129	\$ 0.0806	\$ 0.0755	\$ 0.0741	\$ 0.0711	\$ 0.0687
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	0.6414	0.5525	0.5389	0.5275	0.5226	0.5142	0.5070
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>\$ 3.4562</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>	<b>\$ 3.2759</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	2015 - 2016		2006 - 2007		
		Taxable Assessed Value	% of Total Assessed Value	Taxable Assessed Value	% of Total Assessed Value	Rank
Hyatt Equities LLC	Hotel/Casino	\$ 24,271,194	1.63%	\$ 21,004,419	1.36%	1
Ponderosa Ranch LLC	Residential Property	11,293,058	0.76%	-		
Nevada Pacific Devel Corp	Development	11,263,138	0.76%	17,204,389	1.11%	2
Tahoe Estates LLC	Residential Property	10,694,819	0.72%	-		
1145 Lakeshore Boulevard	Residential Property	10,000,496	0.67%	-		
SF Pacific LLC	Residential Property	8,388,960	0.57%	-		
Lakeshore Trust	Residential Property	7,894,111	0.53%	-		
HTS Ground Lake Tahoe INC	Residential Property	5,743,602	0.39%	8,433,300	0.55%	4
KWS Nevada Residential LLC	Residential Property	5,646,189	0.38%			
Ten-Four-One Realty Trust	Residential Property	5,552,840	0.37%			
David A Duffield Trust	Residential Property			9,486,876	0.61%	3
Richard V. Sandler	Residential Property			7,736,620	0.50%	5
Sierra Nevada College	Educational Facility			7,522,947	0.49%	6
Robert Wong	Residential Property			7,125,615	0.46%	7
Indine Creek LLC	Residential Property			6,355,149	0.41%	8
Kern W Schumacher	Residential Property			6,205,475	0.40%	9
Dorothy L Lamelson	Residential Property			5,819,062	0.38%	10
		<u>\$ 100,748,407</u>	<u>6.79%</u>	<u>\$ 96,893,852</u>	<u>6.26%</u>	
Total IVGID Community		<u>\$ 1,484,624,556</u>		<u>\$ 1,547,081,848</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)

Fiscal Year Ending June 30,	Net Levy Roll	Current Tax Collected	Percent of Levy Collected	Delinquent Tax Collected	Total Cumulative Taxes Collected	Total Taxes Collected as a % of Net Levy Roll
2016	\$ 440,185	\$ 438,074	99.52%	\$ -	\$ 438,074	99.52%
2015	424,115	421,125	99.30%	2,401	423,526	99.86%
2014	411,260	407,469	99.08%	3,280	410,749	99.88%
2013	411,058	405,977	98.76%	4,657	410,634	99.90%
2012	422,799	416,849	98.59%	5,121	421,970	99.80%
2011	458,717	451,994	98.53%	6,687	458,681	99.99%
2010	504,823	495,281	98.11%	9,514	504,795	99.99%
2009	514,531	504,268	98.01%	10,247	514,515	100.00%
2008	480,945	472,860	98.32%	8,078	480,938	100.00%
2007	446,362	442,446	99.12%	3,916	446,362	100.00%

## INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

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

Fiscal Year Ended	Governmental Type Activities	Business-Type Activities			Gross Bonded Debt	Percentage Payable by Property Taxes	Percentage Payable by Enterprise Revenues	Population	Debt	
		Revenue Pledged	General Obligation	Total					Per Capita	
2016	\$ -	\$ 1,732,078	\$ 8,522,517	\$ 10,254,595	\$ 10,254,595	0%	100%	9087	\$	1,128
2015	-	1,916,115	9,891,552	11,807,667	11,807,667	0%	100%	9087		1,299
2014	-	2,094,548	11,953,395	14,047,943	14,047,943	0%	100%	9087		1,546
2013	-	2,267,548	13,948,228	16,215,776	16,215,776	0%	100%	9087		1,785
2012	-	2,435,281	14,185,379	16,620,660	16,620,660	0%	100%	9087		1,829
2011	-	2,597,909	16,048,477	18,646,386	18,646,386	0%	100%	9087		2,052
2010	-	2,755,584	18,817,174	21,572,758	21,572,758	0%	100%	9087		2,374
2009	-	2,908,459	21,500,867	24,409,326	24,409,326	0%	100%	10500		2,325
2008	-	3,096,322	24,075,453	27,171,775	27,171,775	0%	100%	10500		2,588
2007	-	3,200,388	19,003,333	22,203,721	22,203,721	0%	100%	10500		2,115

SOURCE: Incline Village General Improvement District Annual Debt Management Reports

Note: All outstanding bonds carry a revenue pledge, all but three 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, 2016 Applicable Net Debt
Washoe County	\$ 153,136,000	\$ 41,744,000	9.93313%	\$ 11,064,709
Washoe County School District	464,146,000	-	9.93313%	46,104,214
State of Nevada	1,469,655,000	329,895,000	1.44844%	16,508,754
<b>Total</b>	<b>2,086,937,000</b>	<b>371,639,000</b>		<b>73,677,678</b>
Indine Village GID	10,254,595	10,254,595		-
<b>Total</b>	<b>\$ 2,097,191,595</b>	<b>\$ 381,893,595</b>		<b>\$ 73,677,678</b>

Applicable Net Debt June 30:

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
2007	72,305,551

\*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
2016	\$ 11,158,119	\$ 6,804,140	\$ 47,600	\$ 4,401,579	\$ 636,808	6.91
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
2007	8,166,379	5,193,842	452,180	3,424,717	917,164	3.73

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
2016	\$ 20,666,327	\$ 16,347,129	\$ 59,601	\$ 4,378,799	\$ 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
2007	17,421,423	13,263,457	254,113	4,412,079	1,795,456	2.46

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 Debt Service Expenditures	Business Type Debt Service Expenditures	Total District Debt Service Expenditures	Total Governmental Type Expenditures	Total Business Type Expenses	Ratio Debt Service to Governmental Type Expenditures	Ratio Debt Service to Business Type Expenses
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%
2007	1,795,456	917,164	2,712,620	19,771,747	7,846,996	9.08%	11.69%

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
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
2007	1,559,038,953	779,519,477	22,203,721	757,315,756
2006	1,445,782,050	722,891,025	19,594,172	703,296,853

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>
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%
2007	10500						4.4%
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

#### Current Fiscal Year and Past Five (unaudited)

Employer	2016 Employee Count	Rank 2015	Rank 2014	Rank 2013	Rank 2012	Rank 2011
HYATT LAKE TAHOE RESORT	400 to 499	1	1	1	1	1
INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT	400 to 499	2	2	2	2	2
SIERRA NEVADA COLLEGE	100 to 199	3	3	3	3	4
GAMING ENTERTAINMENT (Grand Lodge Casino)	100 to 199	5	4	5	4	5
ACE TOTAL SERVICES INC (Excel)	80 to 89	4	5	6	6	8
RALEY'S	80 to 89	6	6	7	5	6
KELLY BROTHERS PAINTING INC.	70 to 79	8	8	> 10	> 10	> 10
NORTH LAKE TAHOE FIRE PROTECTION DISTRICT	60 to 69	9	9	8	7	7
TAHOE FOREST HOSPITAL HEALTH	40 to 49	10	10	10	8	9
WODACO INC	40 to 49	> 10	> 10	> 10	10	10
Single Residence Project Employers:						
BOC-NEVADA, INC.			7	4	9	3
GREENWOOD HOMES				9		
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>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>	<u>2007</u>	<u>2006</u>
Golf	Seasonal/Part Time Positions	105.2	107.2	97.5	103.5	72.3	68.5	68.0	67.0	70.5	70.5	78.0
	Season/Part Time FTE	35.0	37.0	35.3	36.8	27.4	29.1	28.8	29.4	29.4	31.4	34.7
	Full Time FTE	7.9	7.2	6.7	6.8	6.99	8.1	9.6	10.5	13.4	13.4	9.0
	Total FTE	42.9	44.2	42.0	43.6	34.39	37.16	38.4	39.9	42.8	44.7	43.7
Facilities	Seasonal/Part Time Positions	1.7	1.7	16.5	2.0	1.8	1.5	0.5	2.0	1.5	11.5	9.0
	Season/Part Time FTE	1.2	1.2	3.6	1.0	1.0	0.7	0.1	0.4	0.7	4.8	1.5
	Full Time FTE	1.1	1.1	3.4	2.0	1.1	1.0	2.5	2.0	1.0	1.0	4.0
	Total FTE	2.3	2.3	7.0	3.0	2.1	1.8	2.6	2.4	1.7	5.8	5.5
Ski	Seasonal/Part Time Positions	254.0	254.0	247.0	193.0	216.0	225.0	218.0	218.0	212.0	208.0	235.5
	Season/Part Time FTE	46.7	46.0	49.6	33.6	41.8	39.3	39.7	39.6	40.6	40.0	40.6
	Full Time FTE	14.5	14.4	11.7	9.8	12.8	9.6	10.5	10.6	10.6	10.6	10.1
	Total FTE	61.2	60.4	61.3	43.4	54.6	48.9	50.2	50.2	51.2	50.6	50.7
Parks & Recreation	Seasonal/Part Time Positions	102.3	103.4	94.3	101.8	100.9	103.3	106.5	108.6	196.0	182.0	192.5
	Season/Part Time FTE	25.0	25.5	25.9	27.7	28.4	28.6	29.8	30.4	42.5	39.8	37.1
	Full Time FTE	10.1	9.8	9.0	11.8	11.8	12.3	14.5	14.3	17.0	14.8	15.4
	Total FTE	35.1	35.3	34.9	39.5	40.4	40.9	44.4	44.6	59.5	54.6	52.5
Marketing	Seasonal/Part Time Positions	2.0	2.0	0.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
	Season/Part Time FTE	0.3	0.3	0.0	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
	Full Time FTE	2.9	2.9	3.0	2.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
	Total FTE	3.2	3.2	3.0	2.7	3.7	3.7	3.7	3.7	3.7	3.7	3.7
Food & Beverage	Seasonal/Part Time Positions		Included		57.0	59.0	53.0	59.0	59.0	58.0	68.0	59.0
	Season/Part Time FTE			in Ski	14.4	14.3	18.1	18.9	18.8	21.5	18.6	15.8
	Full Time FTE				4.0	5.0	5.3	5.6	5.6	6.0	6.0	6.0
	Total FTE				18.4	19.3	23.4	24.5	24.4	27.5	24.6	21.8
Other Recreation	Seasonal/Part Time Positions	4.8	2.8	0.8	3.1	3.2	3.2	Prior to 2011 Other Recreation were				
	Season/Part Time FTE	1.8	1.4	0.1	1.1	1.6	1.6	included in Parks and Recreation.				
	Full Time FTE	1.0	1.6	1.6	1.8	2.4	1.4					
	Total FTE	2.8	3.0	1.7	2.9	4.0	3.0					
Total Community Service	Seasonal/Part Time Positions	467.9	469.0	456.1	462.4	456.1	459.5	454.5	455.6	540.0	542.0	576.0
	Season/Part Time FTE	109.6	111.1	114.5	115.3	116.4	116.1	118.2	119.3	135.4	135.3	130.4
	Full Time FTE	34.7	34.1	35.4	38.2	41.7	41.2	46.4	46.1	51.0	48.7	47.5
	Total FTE	144.3	145.2	149.9	153.5	158.1	157.2	164.5	165.4	186.3	184.0	177.9
Beach	Seasonal/Part Time Positions	96.9	94.0	89.0	88.1	90.6	86.6	95.6	93.5	Prior to 2009 Beach were		
	Season/Part Time FTE	18.0	17.3	14.3	13.2	12.4	11.2	14.4	13.8	included in Parks & Recreation.		
	Full Time FTE	4.0	3.0	2.8	2.1	2.5	3.1	3.7	3.1			
	Total FTE	22.0	20.3	17.1	15.3	14.9	14.3	18.1	16.9			
Administration	Seasonal/Part Time Positions	1.0	1.0	2.0	2.0	3	4.0	4.0	4.0	4.0	3.0	2.0
	Season/Part Time FTE	0.5	0.4	0.4	0.3	0.9	1.2	1.2	1.2	1.5	1.5	1.5
	Full Time FTE	22.7	20.7	22.6	20.7	20.2	21.2	21.2	21.2	21.0	21.0	21.0
	Total FTE	23.2	21.1	23.0	21.0	21.1	22.4	22.4	22.4	22.5	22.5	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	1.0
	Season/Part Time FTE	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.1
	Full Time FTE	3.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.9
	Total FTE	4.1	3.1	3.1	3.1	3.1	3.0	3.0	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	1.0	0.0
	Season/Part Time FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.0
	Full Time FTE	7.0	6.0	6.0	6.0	6.0	6.0	7.0	7.0	7.0	7.0	6.0
	Total FTE	7.0	6.0	6.0	6.0	6.0	6.0	7.0	7.0	7.0	7.5	6.0
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	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	0.5
	Full Time FTE	5.0	5.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
	Total FTE	5.5	5.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5
Utilities	Seasonal/Part Time Positions	5.0	3.0	3.0	2.0	2.0	1.0	2.0	2.0	20.0	2.0	3.0
	Season/Part Time FTE	3.3	1.2	1.0	0.7	0.7	0.0	0.7	0.7	0.7	0.7	1.3
	Full Time FTE	31.2	31.2	31.2	30.2	31.2	31.3	31.7	31.7	31.7	30.7	29.7
	Total FTE	34.5	32.4	32.2	30.9	31.9	31.3	32.4	32.4	32.4	31.4	31.0
District Wide	Seasonal/Part Time Positions	572.8	569.0	552.1	556.5	553.7	561.1	558.1	557.1	548.0	549.0	583.0
	Season/Part Time FTE	132.2	130.8	131.0	130.3	131.2	129.2	135.2	135.7	138.3	138.7	133.8
	Full Time FTE	108.4	102.8	104.8	104.0	108.4	109.6	116.8	115.9	117.5	114.2	111.1
	<b>Total FTE</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>	<b>252.9</b>	<b>244.9</b>

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

## INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

### User Statistics, Last Ten Fiscal Years

#### Total number of users (unaudited)

Program	Unit Measured	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Water	Locations	4,243	4,234	4,229	4,223	4,217	4,217	4,216	4,217	4,212	4,204
Sewer	Locations	4,152	4,144	4,139	4,124	4,121	4,118	4,116	4,115	4,109	4,108
Refuse	Locations	4,177	4,162	4,138	4,151	4,149	4,233	4,233	3,671	3,664	3,650
Championship Course	Rounds played	22,881	23,142	23,784	23,744	22,860	20,417	21,841	24,409	25,990	27,536
Mountain Course	Rounds played	15,687	14,983	14,570	13,129	13,556	13,386	15,748	17,820	18,151	20,336
Beach	Individual visits	171,772	172,628	173,963	165,089	165,387	155,671	128,241	159,827	172,296	137,937
Tennis	Individual visits	14,823	14,129	13,337	13,009	14,398	14,080	12,333	14,494	8,381	13,239
Skier	Individual visits	167,064	84,568	93,935	103,397	98,818	131,371	126,867	100,709	127,668	91,056
Recreation Center	Individual visits	115,662	126,799	130,887	125,294	124,356	119,459	125,629	133,153	121,064	109,951

SOURCE: Incline Village General Improvement District

## INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

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

Program	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Ski	\$ 13	\$ (27)	\$ (20)	\$ (88)	\$ (35)	\$ 151	\$ 22	\$ 41	\$ 56	\$ 70
Tennis	16	9	21	6	18	15	19	12	5	22
Parks	97	108	86	102	200	120	131	136	189	103
Recreation Center	197	241	204	241	112	118	106	104	96	96
Championship Golf	126	81	75	87	47	30	38	6	(3)	24
Mountain Golf	69	31	29	40	20	22	21	45	38	-
Beaches	100	100	100	100	115	100	113	155	150	110
Youth	24	21	20	15	25	22	22	19	20	22
Seniors	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	47	46	52	35	33	48	33	43	22	51
Reserves for Recreation	-	-	49	75	40	-	-	-	46	46
Golf/Tennis/Ski Bonds	-	85	85	85	85	85	85	85	85	85
Ski Lodge Bond	110	110	110	110	110	110	110	110	-	-
Indine Lake Property Purchase	-	-	-	-	-	-	-	-	-	31
Beach Litigation	-	-	-	-	-	-	-	-	-	30
Defensible Space	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>\$ 736</b>	<b>\$ 760</b>	<b>\$ 710</b>	<b>\$ 690</b>
<b>Total Collected (in 1,000's)</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>	<b>\$ 5,592</b>

Bracketed amounts represent a venue that does 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: Indine 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
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
2007	24.51	1.17	33.65	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
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
2007	721	252	973

Source: IVGID Utilities Billing Department

**INCLINE VILLAGE**  
GENERAL IMPROVEMENT DISTRICT

**COMPLIANCE SECTION**



CPAs & BUSINESS ADVISORS

**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, 2016, 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 30, 2016.

**Internal Control over Financial Reporting**

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

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

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

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**Compliance and Other Matters**

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

**Purpose of this Report**

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



Reno, Nevada  
November 30, 2016



### 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, 2016, 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, 2015.

#### **Prior Year Recommendations**

There were no findings for the year ended June 30, 2015.

#### **Current Year Recommendations**

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

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

Reno, Nevada  
November 30, 2016

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INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT



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GENERAL IMPROVEMENT DISTRICT  
ONE DISTRICT ~ ONE TEAM

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INCLINE VILLAGE, NEVADA