

COMMUNICATIONS AND REPORTS

April 24, 2020

The following communications and reports were received, duly noted, and ordered placed on file with the Clerk:

COMMUNICATIONS

- A. Memorandum from the City of Reno Community Development Department notifying the Board of County Commissioners of an application for annexation.
- B. Letter from the Washoe County District Attorney's Office to Nancy Parent, Washoe County Clerk, dated January 31, 2020, summarizing all claims made against the Nevada Tahoe Conservation District for tortious conduct for the 2019 calendar year.
- C. Letter from the Washoe County District Attorney's Office to Nancy Parent, Washoe County Clerk, dated January 31, 2020, summarizing all claims made against the Truckee Meadows Fire Protection District for tortious conduct for the 2019 calendar year.
- D. Letter from the Washoe County District Attorney's Office to Nancy Parent, Washoe County Clerk, dated January 31, 2020, summarizing all claims made against Washoe County for tortious conduct for the 2019 calendar year.
- E. Letter from the Washoe County District Attorney's Office to Nancy Parent, Washoe County Clerk, dated February 3, 2020, summarizing all claims made against the Truckee Meadows Fire Protection District for tortious conduct for the 2019 calendar year.
- F. Letter from the Washoe County Treasurer, dated February 21, 2020, reporting the closure of the Washoe County Public Defender Bank Account ending in 0762.
- G. Letter from the Washoe County District Attorney's Office to Nancy Parent, Washoe County Clerk, dated February 24, 2020, amending the summary of all claims made against the Truckee Meadows Fire Protection District for tortious conduct for the 2019 calendar year.
- H. Letter from the Modoc County Board of Supervisors regarding the Truckee Meadows Public Lands Management Act.

MONTHLY STATEMENTS/REPORTS

- A. Office of the Washoe County Treasurer, Monthly Statement for month ending January 31, 2020.
- B. Office of the Washoe County Clerk of the Court, Monthly Financial Statement for month ending January 2020.

ANNUAL STATEMENTS/REPORTS

- A. Incline Village General Improvement District; Comprehensive Annual Financial Report for year ending June 30, 2019.
- B. Truckee Meadows Water Authority, Comprehensive Annual Financial Report for years ending June 30, 2019 and 2018.



Community Development Department

MEMORANDUM

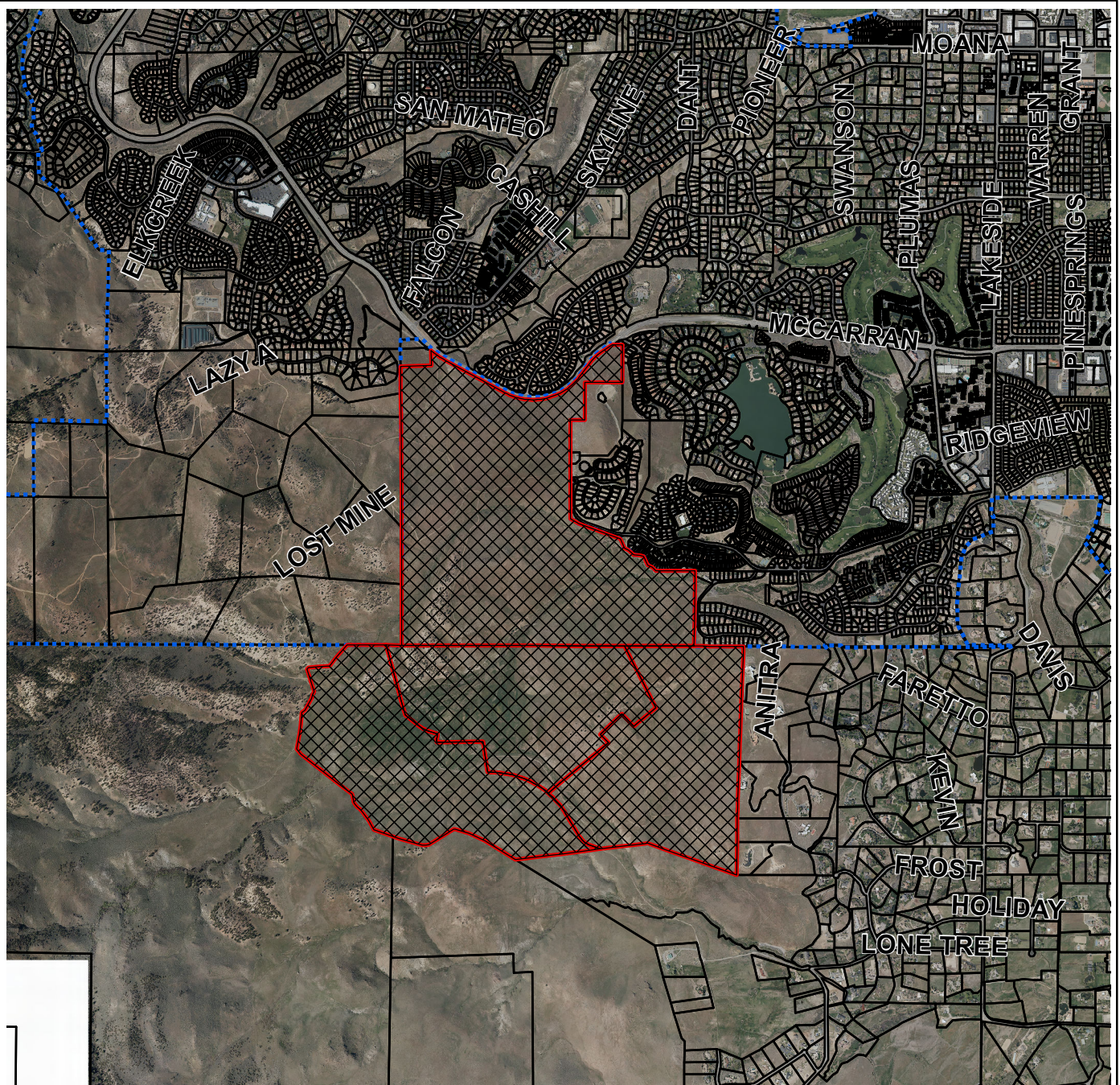
Date: January 30, 2020
To: Nancy Parent, Washoe County Clerk
From: Sienna Reid, Senior Planner
Subject: Notice of receipt of application for annexation

The City of Reno has received an application for annexation under the provisions of NRS 268.670. Pursuant to this statute, City staff is hereby providing notice to the members of the Board of County Commissioners for case ANX20-00003 (Evans Creek Annexation).

I have enclosed a project description and location map for distribution to the County Commissioners. In addition, this application was distributed to Washoe County with the City of Reno development review memo.

Thank you for your assistance.

Attachments



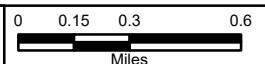
ANX20-00003 (Evans Creek Annexation)



Subject Area



City Limits



The information hereon is approximate and is intended for display purposes only. Reproduction is not permitted. For additional information, please contact the City of Reno Community Development Department
Map Produced: January 2020



Community Development
Department

1 East 1st Street Phone: 321-8309
P.O. Box 1900 Fax: 334-2043
Reno, NV 89505 www.reno.gov

ANX20-00003 (Evans Creek Annexation) – A request has been made for annexation of four parcels totaling ±1,019.11 acres. The subject site is located on the south side of South McCarran Boulevard with frontage spanning ±1,840 feet west and ±1,870 east of the intersection of South McCarran Boulevard and Manzanita Lane. The subject site has City of Reno Master Plan land use designations of Single Family Neighborhood (SF) and Unincorporated Transition (UT) and is located within the City of Reno Sphere of Influence (SOI) but does not have City zoning. The subject site has Washoe County zoning designations of Medium Density Suburban (MDS), Low Density Residential (LDR), and General Rural (GR).

PLANNER: Sienna Reid, AICP, Senior Planner

CONTACT NUMBER: 775-334-4267

EMAIL: reids@reno.gov

APPLICANTS'S REPRESENTATIVE: Frank W. Thompson, Erwin Thompson Failers

CONTACT NUMBER: (775) 786-9494

WARD BOUNDARY: Site is not currently in City limits

APN#: 222-080-10 through -13

WARD 1 NEIGHBORHOOD ADVISORY BOARD MEETING DATE: March 5, 2020

WARD 2 NEIGHBORHOOD ADVISORY BOARD MEETING DATE: February 18, 2020

CITY COUNCIL HEARING DATE: March 25, 2020



Christopher J. Hicks
District Attorney

One South Sierra Street
Reno, Nevada 89501

775.328.3200
washoecounty.us/da

January 31, 2020

Nancy Parent
Washoe County Clerk
Washoe County Complex
Reno, Nevada

Re: Summary of all claims made against the Nevada Tahoe Conservation District for tortious conduct for the calendar year 2019

Dear Ms. Parent:

NRS 41.0385 requires the district attorney to file with the clerk of Washoe County on or before February 1st of each year a summary of all claims made against its clients for tortious conduct for the preceding calendar year. The summary is a public record open to inspection.

There were no claims filed against the Nevada Tahoe Conservation District for tortious conduct for the calendar year 2019.

Sincerely,

CHRISTOPHER J. HICKS
District Attorney

By


HERBERT B. KAPLAN
Deputy District Attorney

HBK/mc



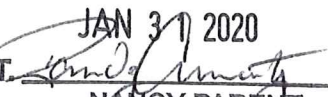
Christopher J. Hicks
District Attorney

One South Sierra Street
Reno, Nevada 89501

775.328.3200
washoecounty.us/da

RECEIVED

January 31, 2020

JAN 31 2020
INT. 
NANCY PARENT
WASHOE COUNTY CLERK

Nancy Parent
Washoe County Clerk
Washoe County Complex
Reno, Nevada

Re: Summary of all claims made against the Truckee Meadows Fire Protection District, Sierra Fire Protection District, or Washoe County Fire Suppression District for tortious conduct for the calendar year 2019

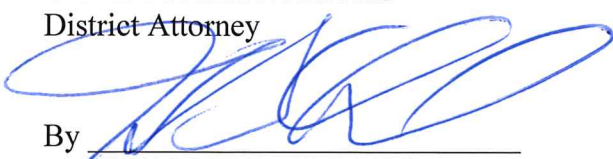
Dear Ms. Parent:

NRS 41.0385 requires the district attorney to file with the clerk of Washoe County on or before February 1st of each year a summary of all claims made against its clients for tortious conduct for the preceding calendar year. The summary is a public record open to inspection.

This office hereby submits to the clerk's office for filing the attached summary of claims made against the Truckee Meadows Fire Protection District for the calendar year 2019, with the one relevant claim against the Truckee Meadows Fire Protection District being identified by an asterisk.

Sincerely,

CHRISTOPHER J. HICKS
District Attorney

By 
HERBERT B. KAPLAN
Deputy District Attorney

HBK/mc
Attachment



Christopher J. Hicks
District Attorney

One South Sierra Street
Reno, Nevada 89501

775.328.3200
washoecounty.us/da

January 31, 2020

Nancy Parent
Washoe County Clerk
Washoe County Complex
Reno, Nevada

Re: Summary of all claims made against Washoe County for tortious conduct for the calendar year 2019


Dear Ms. Parent:

NRS 41.0385 requires the district attorney to file with the clerk of Washoe County on or before February 1st of each year a summary of all claims made against its clients for tortious conduct for the preceding calendar year. The summary includes claims against the Washoe County Health District. The summary is a public record open to inspection.

This office hereby submits to the clerk's office for filing the attached summary of claims for the calendar year 2019.

Sincerely,

CHRISTOPHER J. HICKS
District Attorney

By 
HERBERT B. KAPLAN
Deputy District Attorney

HBK/mc
Attachment

2019 Summary of Claims Against Washoe County

Per NRS 41.0385

Category of Alleged Wrong	Claims Pending	Claims Paid	Judgment Entered No Payment	Claims Closed No Payment	Number of Claims
Automobile	3	15	0	2	20
Assault/Battery	1	0	0	0	1
Bodily Injury	5	4	0	2	11
False Arrest/Imprisonment	0	1	0	0	1
Personal Injury	5	1	0	4	10
Property Damage	2	11	0	10	23
Wrongful Death	1	0	0	0	1
TOTAL	17	32	0	18	67

Report Submitted to the County Clerk in compliance with NRS 41.0385 (reporting of tort claims against the government). This report is prepared under the direction of State Law. Washoe County does not admit liability for any claim listed herein, or the amount requested in the claim.

Personal Injury includes negligent and/or intentional infliction of mental distress, defamation and interference with economic advantage.

Automobile includes anything related to an accident involving a motor vehicle, including bodily injury and property damage.

2019 Detail of Auto Claims Filed Against Washoe County

Per NRS 41.0385

Name of Claimant	Amount Claimed	Judgment Amount	Amount Paid
BARNETT, CAROL	\$707.52		\$693.02
THOMAS, FATIMA	\$3,167.68		\$800.00
GELCO FLEET TRUST	\$12,487.20		\$12,487.20
HERTZ CLAIMS CENTER	\$205.00		\$205.00
NEAR-FLIEGLER, LESLIE	\$14,298.76		\$14,298.76
DELANEY, WILLIAM	\$2,375.64		\$2,375.64
HORAN, JED	\$959.70		\$959.70
ALMANZAR, VIOLENIS	\$691.57		\$691.57
COUNTRY COMPANIES INS.	\$2,517.50		\$2,115.12
ADAMS, JESSICA	\$1,149.75		\$1,047.75
AMERIPRISE INSURANCE	\$5,359.32		\$5,359.32
SAENZ-REYES, PABLO	\$1,862.07		\$1,862.07
ORTEGA, GABRIEL	\$7,978.82		\$7,531.10
USAA CASUALTY	\$4,906.32		\$4,906.32
CLARK, WARREN	\$200.00		\$0.00
STATE FARM	\$2,697.37		
BURCKHARD, DANIEL	\$927.69		
COSSEY, TENNIELLE	\$719.10		\$719.10
RANGEL, FRANCISCO	\$1,407.84		
PASTORINO, SHARON	\$823.49		\$0.00
TOTAL	\$ 65,442.34	\$ -	\$ 56,051.67

2019 Detail of Assault and Battery Claims Filed Against Washoe County

Per NRS 41.0385

Name of Claimant	Amount Claimed	Judgment Amount	Amount Paid
KNIGHT, KARL	\$500,000.00	\$ -	
TOTAL	\$500,000.00	\$ -	\$ -

2019 Detail of Bodily Injury Claims Filed Against Washoe County

Per NRS 41.0385

Name of Claimant	Amount Claimed	Judgment Amount	Amount Paid
CABRERA, JOSE	\$1,000,000.00		\$0.00
BEEBE, MATTHEW	\$0.00		\$2,750.00
GILLESPIE, KEVIN	\$0.00		\$4,600.00
VOLCSKAI, JOSEPH	\$100,000.00		
YOUNG, JACK	\$4,756.00		\$3,567.00
WELCH, CAMERON	\$1,000,000.00		
TORLONE, JAKE RYAN	\$0.00		\$9,500.00
HARRISON, RHONDA	\$29,400.00		\$0.00
LONG, MYRA	\$5,300.00		
GALLEGOS, JOSE	\$0.00		\$0.00
HOWELL, SANDY	\$0.00		
TOTAL	\$ 2,139,456.00	\$ -	\$ 20,417.00

2019 Detail of False Arrest and Imprisonment Claims Filed Against Washoe County

Per NRS 41.0385

Name of Claimant	Amount Claimed	Judgment Amount	Amount Paid
BUTCHER, JANET	\$367.71	\$ -	\$367.71
TOTAL	\$0.00	\$ -	\$0.00

2019 Detail of Personal Injury Claims Filed Against Washoe County

Per NRS 41.0385

Name of Claimant	Amount Claimed	Judgment Amount	Amount Paid
ARMENTROUT, CINDY; KAUFFMAN, ROBERT	\$0.00		
PEREOS, NICHOLAS C.	\$0.00		\$0.00
SURRELL, SR., ALVON SHONEER	\$1,000,000.00		\$0.00
PARENTO, GAUDY	\$0.00		
LOHNES, MARY	\$0.00		
JACKSON, JOHN	\$0.00		
DUNNELLS, CHRISTOPHER	\$30,000.00		\$12,062.10
MOORE, CHARLES	\$2,500.00		\$0.00
MCHENRY, JAIMIE	\$0.00		
STEELE, KATHY	\$750,000.00		\$0.00
TOTAL	\$1,782,500.00	\$ -	\$12,062.10

2019 Detail of Property Damage Claims Filed Against Washoe County

Per NRS 41.0385

Name of Claimant	Amount Claimed	Judgment Amount	Amount Paid
RYAN, DEBORAH	\$1,347.80		\$1,347.80
MCCASKILL, JEFFREY	\$265.00		\$0.00
MALLICK, JOSEPH LAURENCE; HANSEN, JENS	\$15,690.00		\$0.00
LANDA, GARY	\$0.00		\$0.00
ROSA, ALLISON	\$0.00		\$0.00
HAWKINS, JOSHUA	\$300.00		\$40.00
ANGUIANO-VASQUEZ, LUIS	\$200.00		\$200.00
PERRY, CHRISTOPHER	\$450.00		\$300.00
BAILEY, MICHAEL	\$11,223.92		\$0.00
MORGAN, BRIAN	\$2,592.52		\$1,979.20
STERISS, ELLIOT	\$370.90		\$0.00
HOLLY, DAN	\$327.83		\$0.00
PICKARD, HEIDI	\$670.15		\$670.15
CRYER, TEASHA	\$1,599.99		\$0.00
SKAGGS, CHARLES	\$2,500.00		\$50.00
MICHEL, LILIAN	\$150.00		\$150.00
POSATERI, EUGENE	\$485.00		\$0.00
GILLILAND, ROMAIN & ELVA	\$60,000.00		
CASTANEDA, EFRAIN	\$1,450.00		\$0.00
JENNINGS, CHARLES	\$64.75		\$64.75
LIVELY, BOB	\$195.00		\$0.00
LANEY, CHRISTIAN	\$799.00		\$799.00
WOOD, GARY	\$0.00		
TOTAL	\$ 100,681.86	\$ -	\$ 5,600.90

2019 Detail of Wrongful Death Claims Filed Against Washoe County

Per NRS 41.0385

Name of Claimant	Amount Claimed	Judgment Amount	Amount Paid
ESTATE FIDUCIARY SVC LLC	\$0.00		
VANORMAN-WASANO, DONNALYNN	\$0.00		
FINKBOHNER, JOHN JR & ELIZABETH	\$0.00		
TOTAL	\$0.00	\$ -	\$0.00



Christopher J. Hicks
District Attorney

One South Sierra Street
Reno, Nevada 89501

775.328.3200
washoecounty.us/da

Monday, February 3, 2020

Nancy Parent
Washoe County Clerk
1001 E. Ninth Street
Reno, NV 89512

Dear Ms. Parent:

Pursuant to NRS 41.0385:

2. On or before February 1 of each year, for the preceding calendar year, the district attorney, city attorney or other attorney on behalf of each local government shall compile and file with the clerk of its governing body a summary of all claims made against that government for tortious conduct. The summary is a public record open to inspection.

The Washoe County District Attorney's Office represents the Truckee Meadows Fire Protection District ("TMFPD") and hereby provides notice that for the time period from January 1 to December 31, 2019, TMFPD received no new claims for tortious conduct, there were no claims paid, and there were no judgments entered but unpaid. There is a single case pending at the federal Equal Employment Opportunity Commission dating to 2018. By federal and state law the name of the complainant and the facts are confidential, however, the allegations broadly assert discrimination on the basis of sex and retaliation. No specific amount of damages is claimed.

If you have any questions, please let me know.

Sincerely,

CHRISTOPHER J. HICKS
Washoe County District Attorney

By

A handwritten signature in blue ink, which appears to read "David L. Watts-Vial", is written over a horizontal line.

DAVID L. WATTS-VIAL
Chief Deputy District Attorney

DWV/cm

OFFICE OF THE WASHOE COUNTY TREASURER

Tammi Davis, Treasurer

1001 E 9TH St – D140
P O Box 30039
Reno NV 89520-3039

February 21, 2020

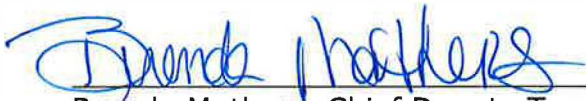
BOARD OF COUNTY COMMISSIONERS
WASHOE COUNTY
RENO, NEVADA

RE: WASHOE COUNTY PUBLIC DEFENDER BANK ACCOUNT ENDING IN 0762

Honorable Commissioners:

The Washoe County Public Defender's office notified the Washoe County Treasurer their bank account at US Bank ending in 0762 was no longer needed. On February 11, 2020 the funds in the amount of \$339.85 were deposited into the Washoe County's main bank account and accounted for in the Washoe County Public Defender account 124100-710852. The Washoe County Public Defender's Bank account was officially closed on February 6, 2020.

Respectfully,



Brenda Mathers, Chief Deputy Treasurer

CC: Valerie Vaughn
Samantha Pierce, Internal Auditor



Christopher J. Hicks
District Attorney

One South Sierra Street
Reno, Nevada 89501

775.328.3200
washoecounty.us/da

Monday, February 24, 2020

Nancy Parent
Washoe County Clerk
1001 E. Ninth Street
Reno, NV 89512

Dear Ms. Parent:

Pursuant to NRS 41.0385:

2. On or before February 1 of each year, for the preceding calendar year, the district attorney, city attorney or other attorney on behalf of each local government shall compile and file with the clerk of its governing body a summary of all claims made against that government for tortious conduct. The summary is a public record open to inspection.

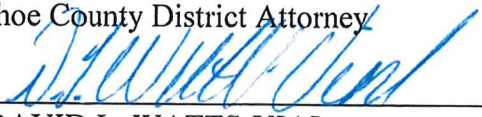
This letter is written to amend the Washoe County District Attorney's Office previous summary of claims to add an additional claim that was filed against the Truckee Meadows Fire Protection District during the period of time from January 1 to December 31, 2019.

In addition to the single case pending at the federal Equal Employment Opportunity Commission dating to 2018, Larry Cothran filed a claim for \$79,524.00 stemming from a motor vehicle accident with a TMFPD vehicle. The claim was paid by Traveler's Insurance in the amount of \$74,889.13.

If you have any questions, please let me know.

Sincerely,

CHRISTOPHER J. HICKS
Washoe County District Attorney

By 
DAVID L. WATTS-VIAL
Chief Deputy District Attorney

DWV/mc

NED COE
1st District

PATRICIA CULLINS
2nd District

KATHIE RHOADS
3rd District

ELIZABETH CAVASSO
4th District

GERI BYRNE
5th District



TIFFANY MARTINEZ
CLERK OF THE
BOARD OF
SUPERVISORS

204 S. COURT STREET
ALTURAS, CALIFORNIA
96101

(530) 233-6201
FAX (530) 233-2434

February 25, 2020

Washoe County Commissioners
Chairman Bob Lucey
1001 E. Ninth St. Building A,
Reno, NV 89512

RE: Truckee Meadows Public Lands Management Act

Dear Chairman Lucey,

The Modoc County Board of Supervisors (County) appreciates the opportunity to provide comments on the proposed Truckee Meadows Public Lands Management Act (Act) being supported by Washoe County and the Cities of Reno and Sparks. The County of Modoc has a long tradition of farming and ranching, and the production of agricultural products, including beef production, has the largest economic contribution to our county. The proposed Act would affect our family ranching constituents who have multi-generational ranching operations in Surprise Valley. These families conduct business in both California and Nevada through Bureau of Land Management (BLM) grazing permits, and many own private ground within Washoe County. Families have held many of these grazing permits for generations, and they take pride in being stewards of the land while promoting the access of public lands for all to enjoy through recreation, hunting, and tourism.

Consequently, the County takes great interest in expressing the concerns of our constituents who have worked tirelessly to advocate for a transparent and collaborative process concerning the original proposed Washoe Public Lands Management Act and the current proposed Truckee Meadows Public Land Management Act. The proposed Act seems to expand the efforts of the original Washoe Public Lands Management Act. This attempt at a land grab for developers is at the expense of our hardworking Modoc County families who will be severely impacted by this proposal and seems to be out of sight and out of mind for the Washoe County Commission.

The County of Modoc directly coordinates with the federal land management agencies as set forth in Public Laws 94-579 and 91-190 as well as other statutes and executive orders. This process allows for early meaningful involvement in plans and policy development and reasonable efforts to resolve differences between the local and federal positions. While we understand that Washoe County does not use this process, because much of the federal land potentially impacted by the Act lies within Modoc County's sphere of influence, the County

would like to propose the engagement of the Bureau of Land Management (BLM) on any projects triggered by the implementation of the proposed Act.

Additional concerns include the fact that the 1991 Wilderness Study Area (WSA) report clearly separates those WSA's that should be managed for multiple use from those WSA's that are suitable for wilderness. This report mirrors the recommendations provided to BLM by the Modoc-Washoe Experimental Stewardship Program (ESP) steering committee. The ESP represents a wide spectrum of federal land users including grazers, recreationist, university professionals, and environmental representatives who make decisions by consensus. Consequently, the BLM recommendations for WSA's management has had extensive public participation and review. We understand that there are reasons for small deviations given the change over the past thirty years, but the Act should be similar to the 1991 recommendations, which do not include NCA's.

Furthermore, the proposed Act bypasses the traditional proven process for designating land as an NCA. The current process to designate a NCA requires extensive stakeholder engagement through BLM policy. The County would oppose any designations of NCA's due to the lack of stakeholder involvement and transparency conducted under the proposed Act. NCA's are not managed for multiple use. The Black Rock High Rock NCA is an example where permitted uses have become significantly curtailed to the detriment of both the Washoe County and Modoc County constituents.

The Commission is aware that grazing, even though allowed by the Wilderness Act or other legislation implementing a new wilderness designation, universally suffers when wilderness is created. This happens regardless of efforts which are made to prevent this. Many wilderness designations since the writing of House Report 101-405 have included this report in the creation of legislation. Modoc County continues to support including the report in the Act. However, wilderness grazing throughout the West continues to come under heavy pressure and recommends strengthening the House Report. Therefore, the County urges you to include the grazing protection developed in Public Law 111-11, the "Owyhee Initiative" in the Act.

Modoc County encourages the Commission to return to the language of the original proposal, where a portion of the revenue is designated for conservation and resource enhancement projects. Modoc County would also like to recommend an advisory committee be appointed to provide recommendations on the best use of the funds. Two such Congressionally created committees already exist within the impacted area; a BLM Resource Advisory Council and the Modoc-Washoe Experimental Stewardship Program. Both groups would have such duties within their job descriptions. We also encourage that the Act direct the funding toward those areas in Washoe County, where the negative impacts from the proposed Act are going to occur.

We remain concerned that the Act sufficiently protects the management options needed to address the various resource concerns within the Acts boundaries. These issues would include achieving and maintaining appropriate management level (AML) for wild horses, enhancing greater sage grouse habitat, aggressively treating juniper encroachment, and providing suitable latitude for the Nevada Department of Wildlife to accomplish the appropriate predator control.

Due to the immense impact the Act will create, many Modoc County ranching families attended the public hearing held on January 24th and February 18th in Reno. Strong opposition was exhibited not only from these ranching families but included tribal members, geologists, outdoor

enthusiast, and citizens concerned about the process overall. Washoe County Commissioner, Jeanne Herman, who represents the area of Washoe County that will be impacted, also provided her opposition to the proposal.

Within the Washoe County Commissions Resolution of Support adopted on May 10, 2016 you state the following “that the Washoe County Board of Commissioner are committed to partnering with our Nevada Congressional Delegation and **other diverse stakeholders to develop a well-balanced approach** to comprehensive public land management legislation for Washoe County to facilitate job creation”. The Modoc County Board of Supervisors ask that you consider the unintended consequences the proposed Act would have upon Modoc County constituents and our county’s perilous economic viability. District I, Supervisor Coe, stands ready and willing to meet regarding this issue and is hopeful that the voice of constituents who represent both Modoc and Washoe County are represented in this important matter.

We appreciate your consideration of our input.
Sincerely,



Elizabeth Cavasso
Chair, Modoc County Board of Supervisors

*CC: City of Reno
City of Sparks
Nevada Department of Wildlife
Congressman Doug LaMalfa
Congressman Mark Amodei*

OFFICE OF THE WASHOE COUNTY TREASURER

Tammi Davis, Treasurer

1001 E 9TH St - D140

P O Box 30039

Reno NV 89520-3039

**MONTHLY STATEMENT OF WASHOE COUNTY TREASURER FOR
MONTH ENDING JANUARY 31, 2020**

**BOARD OF COUNTY COMMISSIONERS
WASHOE COUNTY
RENO, NEVADA**

RE: NRS 354.280

Honorable Commissioners:

I hereby submit this summary record of the source and amount of all receipts, apportionments to, payments from and balances in all funds and separate accounts as required by referenced statute. Detail information for these funds is available in my office.

CASH ON DEPOSIT	OUTSTANDING CHECKS	BOOK BALANCE
\$11,643,171.06	\$615,707.03	\$11,027,464.03

INVESTMENTS (Reported at Market - All Groups)
\$581,535,763.39

Unapportioned Funds (Secured & Unsecured)	Washoe County	Other Agencies	Restricted Funds	Total
	\$2,351,791.26	\$4,931,354.40	\$701,831.72	\$7,984,977.38



Brenda Mathers, Chief Deputy Treasurer

CLERK OF THE COURT
MONTHLY FINANCIAL STATEMENT
STATE OF NEVADA, COUNTY OF WASHOE
Month Ending JANUARY 2020

Jacqueline Bryant, Clerk of the Court, in compliance with NRS 19.090, and being first duly sworn, and under penalty of perjury, deposes and says that the following is a full and correct statement of all fees, percentages or compensation received in my official capacity during the preceding three months:

Clerk of the Court	Law Library Fund	\$	5,361.00
	Additional Divorce Filing Fee	\$	145.00
	*County General Fund	\$	141,188.00
	State Civil Fee	\$	17,164.00
	Legal Aid Filing Fee	\$	21,468.00
	TOTAL		<u>\$185,326.00</u>



Jacqueline Bryant
District Court Administrator/Clerk of Court

* Included in County General Fund are the following fees: balance of civil action, certified copies of all miscellaneous.

CASH REGISTER
READOUT

T.R. Rec.No.
(Doc. No)

UNIT ID. CLERK - JUDICIAL
Date: February 12, 2020

FOR AUDIT AND CONTROL PURPOSES PLEASE INDICATE THE REASON FOR THIS COLLECTION.
(Attach any additional document if this would help to clarify the collection.)

DISTRICT COURT FEES COLLECTED FOR JANUARY 2020

ACCOUNTS TO BE CREDITED					AMOUNT		
CR/GF/OP	ACCOUNT DESCRIPTION	ACCOUNTING CODE NUMBERS					
		ORDER	COST CENTER	ACCOUNT			
OP	Legal Aid (Washoe Legal Services) (01)		990023	441007	11,410.50	legalaidd	\$ 21,468.00
OP	Legal Aid (Elderly Indigent) Sr. Center (02)		250411	460720	3,872.50		
OP	State Civil (03)		990019	441022	11,264.00	state civil	\$ 17,164.00
GF	Law Library (04)		123100	460222	5,355.00	law library	\$ 5,361.00
GF	Clerk Fees (05,6,7)		120101	460210	29,294.00	general	\$ 141,188.00
CR	DC Technology SB106 (06)	20038	120105	460210	352.00		
OP	Legal Aid (Washoe Legal Services) (08)		990023	441078	6,185.00		
GF	Additional Divorce Answer Fee (09)		120231	460220	145.00	add'l div	\$ 145.00
GF	Mediation (10)		120331	471205	2,455.00		
OP	Neighborhood Justice Center (10J)		270710	460225	2,455.00		
GF	Arbitration (11)		120111	471215	210.00	TOTAL:	\$ 185,326.00
OP	Displaced Homemakers (12)		990019	441021	3,930.00		
GF	Divorce Training (13)		120231	460223	655.00		
GF	Family Mediation Fee (14)		120331	471210	4,220.00		
GF	CD Recording/Record on CD (15,17)		120311	485300	1,200.00		
OP	Vital Statistics (State of NV) (18)		990019	441004	1,310.00		
OP	State of NV (OAC / Tech) (19)		990019	441020	440.00		
OP	State of NV (OAC / Judges) (20)		990019	441019	220.00		
CR	Court Expansion Fees AB65 (21)	20326		460211	57,776.00		
CR	Court Security Fees AB65 (22)	20335		460213	9,820.00		
CR	Mtn to Modify Div SB388	20408		460214	616.00		
CR	Opp Mtn to Mod Div SB388	20409		460215	82.00		
GF	eFile Subscription		120106	460212	31,200.00		
GF	Attorney ID Badge Fee		120101	485320	850.00		
GF	Attorney ID Badge Fee PW		160100	485100	-		
GF	Law Library Fine/Fee		123100	485100	6.00		
OP	Foreclosure Mediation State (34)		990019	460121	-		
GF	Foreclosure Mediator (35)	20444		460220	-		
GF	Over/Short (Filing Office)		120231	711300	3.00		
Credit Card WM:							
Fee Bank Total:							
Currency:							
TOTAL:					\$ -	TOTAL	\$ 185,326.00

Prepared By: H. Potts

ACCEPTED BY: TAMMI DAVIS
Washoe County Treasurer

Jan-20		TOTAL
Legal Aid (WLS)	01	\$11,410.50
Legal Aid Sr. Center	02	\$3,872.50
State Civil	03	\$11,264.00
Law Library	04	\$5,355.00
Clerk Fees	05,6,7	\$29,294.00
DC Technology SB106	06	\$352.00
Legal Aid (WLS)	08	\$6,185.00
Add'l Divorce Answer	09	\$145.00
Mediation	10	\$2,455.00
Neighborhood Justice	10J	\$2,455.00
Arbitration	11	\$210.00
Displaced Homemakers	12	\$3,930.00
Divorce Training	13	\$655.00
Family Mediation Fee	14	\$4,220.00
Video Tapes	15,17	\$1,200.00
Vital Statistics	18	\$1,310.00
State of NV AOC/Tech	19	\$440.00
State of NV AOC/Judge	20	\$220.00
Court Expansion Fees AB65	21	\$57,776.00
Court Security Fee AB65	22	\$9,820.00
Mtn to Mod Div SB388	22JP	\$616.00
Opp Mtn to Mod Div SB388	22OP	\$82.00
eFile Subscription	30	\$31,200.00
Attorney ID Badge Fee	31	\$850.00
Attorney ID Badge Fee PW	32	\$0.00
Law Library Fine	33	\$6.00
Foreclosure State	34	
Foreclosure Mediator	35	
Over/Short Filing Office		\$3.00
		\$185,326.00

NRS 19.090 Monthly financial statements of clerks.

1. The clerk of the court shall, on or before the 15th day of each month, make out and file with the county official designated by the board of county commissioners a full and correct statement under oath of all fees, percentage or compensation, of whatever nature or kind, received in his or her official capacity during the preceding month. In the statement, the clerk of the court shall set forth the cause in which and the services for which such compensations were received.

2. Nothing in this section shall be so construed as to require personal attendance in filing the statements, and such statements may be transmitted by mail, express or otherwise directed to the county official designated by the board of county commissioners.

[19:49:1883; BH § 2360; C § 2484; RL § 2021; NCL § 2952] — (NRS A 1963, 5; 2015, 2564)



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2019

PREPARED BY: DEPARTMENT OF FINANCE & ACCOUNTING



WELCOME!

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

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

Current Conditions:

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

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

Indra S. Winquest
Interim General Manager



TABLE OF CONTENTS



COMPREHENSIVE FINANCIAL REPORT FISCAL YEAR ENDED JUNE 30, 2019

INTRODUCTORY SECTION

Letter of Transmittal.....	1
List of Elected Officials	8
Organization Chart	8
GFOA Certificate of Achievement FYE June 30, 2018.....	9

FINANCIAL SECTION

Independent Auditor's Report	10
Management's Discussion and Analysis	13

BASIC FINANCIAL STATEMENTS

Government-wide Statements:

Statement of Net Position.....	21
Statement of Activities.....	22

Fund Financial Statements:

Governmental Funds Balance Sheet	23
Reconciliation of Balance Sheet for Governmental Funds to the Government-wide Statement of Net Position	24
Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances	25
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances for Government Funds to the Government-wide Statement of Activities	26
General Fund - Statement of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual.....	27
Community Services Special Revenue Fund – Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	28
Beach Special Revenue Fund – Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.....	29
Proprietary Funds Statement of Net Position	30
Proprietary Funds Statement of Revenues, Expenses and Changes in Net Position	31
Proprietary Funds Statement of Cash Flows	32
Notes to Financial Statements.....	34

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Employer Required Contributions to Defined Contribution Multi-Employer Plans.....	57
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INDIVIDUAL FUND SCHEDULES

Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
General Fund.....	58
Community Services Special Revenue Fund	60
Beach Special Revenue Fund.....	62

TABLE OF CONTENTS



COMPREHENSIVE FINANCIAL REPORT FISCAL YEAR ENDED JUNE 30, 2019

INDIVIDUAL FUND SCHEDULES (continued)

Schedules of Revenues, Expenses and Changes in Net Position
– Budget and Actual:

Community Services Capital Projects Fund.....	63
Beach Capital Projects Fund.....	64
Community Services Debt Service Fund.....	65
Beach Debt Service Fund	66
Utility Fund	67
Internal Services Fund.....	68

STATISTICAL SECTION (UNAUDITED)

Net Position (by Activity Type).....	70
Changes in Net Position (by Activity Type)	71
Fund Balances of Governmental Funds	72
Changes in Fund Balances of Governmental Funds.....	73
Assessed and Estimated Actual Value of	
Taxable Property	74
Direct and Overlapping Tax Districts	75
Principal Property Taxpayers	76
Tax Levies, Collections and Delinquencies—Washoe County as a whole	77
Ratios of Outstanding Debt by Type	78
Outstanding Overlapping General Obligation Indebtedness.....	79
Utility Fund Net Pledged Revenues.....	80
Community Services and Beach Fund	
Net Pledged Revenues.....	81
Ratio of Annual Debt Service Expenditures to Governmental and Business Type Expenditures/Expenses.....	82
Statutory Debt Limitation.....	83
Demographic Statistics.....	84
Principal Employers	85
Position and Full Time Equivalent	
Personnel Summary	86
User Statistics.....	87
Budgeted Facility Fees per parcel.....	88
Water and Sewer Single Family Base Rates	89
Water Sold by Customer Type.....	90

COMPLIANCE SECTION

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	91
Auditor's Comments.....	93



INTRODUCTION



November 18, 2019

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

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

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

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

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

Profile of the District

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

IVGID's Vision Statement

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

IVGID's Mission Statement

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

IVGID's Value Statement

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

IVGID's Mantra Statement

One District • One Team

IVGID's Long Range Principles

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

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

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

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

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

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

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

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

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

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

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

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

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

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

District Management

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

The District adheres to the Local Government Budget Act incorporated within Nevada Revised Statutes, which includes prescribed procedures to establish the budgetary data reflected in these financial statements. On or before April 15, 2018, the Board of Trustees filed a tentative budget with the Nevada Department of Taxation. Public hearings on the budget and Facility Fees were held on May 23, 2018. On or before June 1, 2018, the Board adopted final budget for the year ended June 30, 2019 was filed with the Nevada Department of Taxation.

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

District Financial Initiatives and Accomplishments

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

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

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

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

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

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

Capital Project and Debt Service Funds Net Position Closes

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

Factors Affecting Financial Condition

Located on the northeast shore of Lake Tahoe, Nevada, near the California border in Washoe County, the District's economy is largely dependent on tourism, centered on summer and winter recreational activities. Due to its location, the region's economy is closely tied to the California/San Francisco Bay Area economy. The Reno-Sparks Convention & Visitors Authority report at June 2019 indicates the combined room occupancy rate increased 6.3% from last year.

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

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

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

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

The 2004 Legislature passed Assembly Bill 489 to provide property tax relief which provides a partial abatement of taxes by applying a 3% cap on the tax bill of the owner's primary residence and a higher cap on the tax bill of other properties beginning with the 2005/2006 tax roll in Washoe County. For the fiscal year 2018-2019 the abatement was \$428,437, based on State of Nevada Department of Taxation formulas. The pre-abated Ad Valorem levy was \$2,040,175.

Beginning in 2010, the District has had a portion of its property tax settlements offset to settle a court ordered tax refund by Washoe County. The General Fund was able to meet this obligation while maintaining service levels while the refund was completed. Over the course of four years the total offset was approximately \$1,200,000. A new action has been taken to the Nevada Supreme Court, which referred the matter to the Washoe County District Court to decide if another round of refunds should be ordered. A District Court order was issued in October 2019 that is being appealed to the Nevada Supreme Court. A final decision has not been reached, nor is the outcome and possible affect determinable as of June 30, 2019.

Budget Highlights

General Fund

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

Community Services Special Revenue Budgetary Highlights

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

Beach Budgetary Highlights

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

Utility Budgetary Highlights

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

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

Internal Services Budgetary Highlights

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

Budget Augmentation, application of budget contingency and other budget reconciliations

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

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

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

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

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

Awards

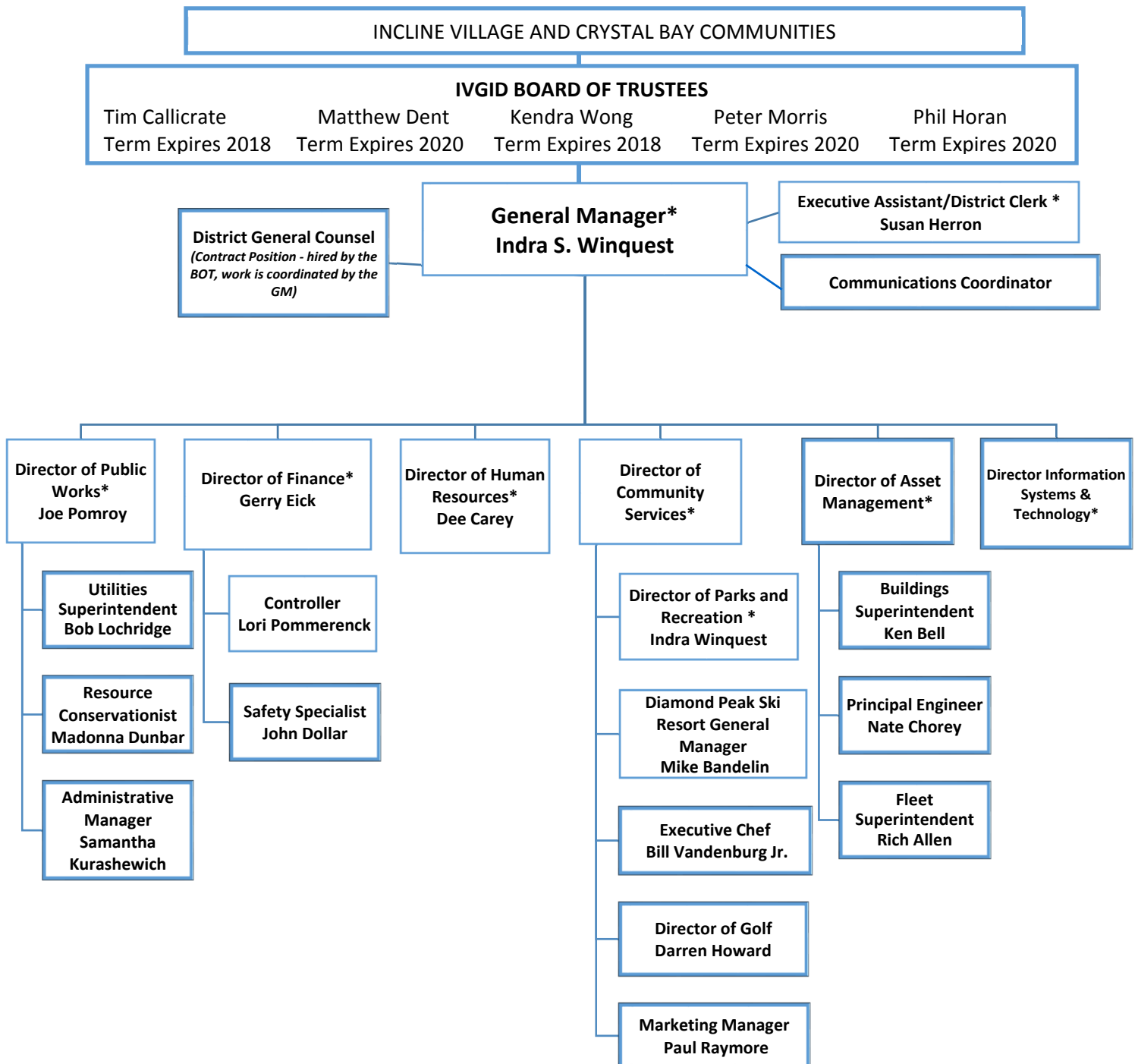
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Incline Village General Improvement District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2017. This was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

Acknowledgments

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

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

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



* Members of the Senior Team

ACHIEVEMENT



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

**Incline Village General
Improvement District, Nevada**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrell

Executive Director/CEO

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

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

NATIONAL AWARD

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

INCLINE VILLAGE
GENERAL IMPROVEMENT DISTRICT

FINANCIALS



Independent Auditor's Report

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Correction of an Error

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

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2019 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Reno, Nevada
November 18, 2019

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

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

Financial Highlights

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

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

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

Overview of the Basic Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Governmental-wide Financial Analysis

Net position is a useful indicator of a government's financial position. The District's assets exceeded liabilities and deferred inflows of resources by \$153 million at June 30, 2019. The largest portion of net position (79%) reflects net investment in capital assets (e.g., land, buildings, equipment, construction in progress less accumulated depreciation and bonds that are still outstanding). The District uses these capital assets to provide services to citizens; therefore, they are not available for future spending. Although the investment in capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since capital assets cannot be used to liquidate these liabilities.

**Incline Village General Improvement District
Net Position**

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

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

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

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

Governmental-wide Financial Analysis (continued)

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

Total governmental activity revenue overall increased year-on-year in the area of charges for services. The increase in Charges for Services is attributed to the ski resort and increases for banquets and events. The significant increase in investment income is an increase in rates and changes in market values from a loss to a gain. Sales and consolidated taxes, mostly comprised of business and vehicle tax, and increased year-on-year. These combined taxes come through an allocation of state-wide collections. Ad valorem taxes saw an increase. During 2005, the Nevada Legislature passed a law to provide property tax relief (Assembly Bill 489) which provided a partial abatement of taxes by applying a 3% cap on the tax bill of the owner's primary residence and a higher cap on other properties beginning with the 2005/2006 tax roll in Washoe County. For the fiscal year the abatement has a value of \$428,437 as a reduction of otherwise eligible ad valorem taxes.

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

Incline Village General Improvement District Governmental Activities Revenues

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

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

IVGID Facility Fees

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

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

Governmental-wide Financial Analysis (continued)

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

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

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

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

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

Financial Analysis at the Fund Level

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

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

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

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

General Fund Budgetary Highlights

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

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

Capital Asset and Debt Administration

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

Incline Village General Improvement District Capital Assets, Net

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

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

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

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

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

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

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

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

Economic Factors and Next Year's Budgets and Rates

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

Request of Information

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

INCLINE VILLAGE
GENERAL IMPROVEMENT DISTRICT

BASIC FINANCIALS

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2019

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

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

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2019

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

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

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

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

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

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

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

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

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

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

	GENERAL	COMMUNITY SERVICES SPECIAL REV.	BEACH SPECIAL REVENUE	COMMUNITY SERVICES CAP. PROJECTS	BEACH CAPITAL PROJECTS	COMMUNITY SERVICES DEBT SERV.	BEACH DEBT SERVICE	TOTAL GOVERNMENTAL FUNDS
REVENUES								
Ad valorem taxes	\$ 1,615,540	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1,615,540
Personal Property Tax	17,871	-	-	-	-	-	-	17,871
Intergovernmental:								
Consolidated taxes	1,440,607	-	-	-	-	-	-	1,440,607
Local Government Tax Act	249,615	-	-	-	-	-	-	249,615
Services	-	14,570	-	-	-	-	-	14,570
Charges for Services	-	17,648,014	1,492,687	-	-	-	-	19,140,701
Interfund Services	-	86,060	-	-	-	-	-	86,060
Facility Fees - Operations	-	2,984,399	774,928	-	-	-	-	3,759,327
Facility Fees - Capital Expenditure	-	2,508,528	198,558	-	-	-	-	2,707,086
Facility Fees - Debt Service	-	329,848	1,635	-	-	-	-	331,483
Operating Grants	-	17,000	-	-	-	-	-	17,000
Capital Grants	-	-	-	31,958	-	-	-	31,958
Investment income	327,815	199,322	36,188	-	-	-	-	563,325
Miscellaneous	2,002	112,777	-	-	-	-	-	114,779
Total revenues	3,653,450	23,900,518	2,503,996	31,958	-	-	-	30,089,922
EXPENDITURES								
GENERAL GOVERNMENT								
Manager	418,829	-	-	-	-	-	-	418,829
Trustees	175,882	-	-	-	-	-	-	175,882
Accounting	884,240	-	-	-	-	-	-	884,240
Information Services	828,368	-	-	-	-	-	-	828,368
Risk Management	137,019	-	-	-	-	-	-	137,019
Human Resources	682,394	-	-	-	-	-	-	682,394
Health & Wellness	28,816	-	-	-	-	-	-	28,816
Community & Employee Relations	194,398	-	-	-	-	-	-	194,398
Administration	583,203	-	-	-	-	-	-	583,203
Central Services Cost Allocation Income	(1,169,400)	-	-	-	-	-	-	(1,169,400)
Capital Outlay	121,257	-	-	-	-	-	-	121,257
RECREATION								
Championship Golf	-	4,285,423	-	-	-	-	-	4,285,423
Mountain Golf	-	960,442	-	-	-	-	-	960,442
Facilities	-	482,527	-	-	-	-	-	482,527
Ski	-	7,830,948	-	-	-	-	-	7,830,948
Community Programming and Recreation Center	-	2,296,972	-	-	-	-	-	2,296,972
Parks	-	815,439	-	-	-	-	-	815,439
Tennis	-	253,544	-	-	-	-	-	253,544
Recreation Administration	-	363,285	-	-	-	-	-	363,285
Beach	-	-	1,906,516	-	-	-	-	1,906,516
Capital Outlay	-	-	-	6,043,500	284,298	-	-	6,327,798
Debt Service								
Principal	-	-	-	-	-	344,365	5,635	350,000
Interest	-	-	-	-	-	37,036	606	37,642
Total expenditures	2,885,006	17,288,580	1,906,516	6,043,500	284,298	381,401	6,241	28,795,542
Excess revenues (expenditures)	768,444	6,611,938	597,480	(6,011,542)	(284,298)	(381,401)	(6,241)	1,294,380
OTHER FINANCING SOURCES:								
Sale of Capital and Intangible Assets	-	34,567	-	5,592	-	-	-	40,159
Insurance Proceeds	-	50,300	-	-	-	-	-	50,300
Transfers In (Out) - Facility Fees for Capital Expenditure	-	(2,508,528)	(198,558)	2,508,528	198,558	-	-	-
Transfers In (Out) - Facility Fees for Debt Service	-	(329,848)	(1,635)	-	-	329,848	1,635	-
Transfers In (Out) - From (to) Other Sources	(325,644)	(524,945)	35,000	1,169,945	-	-	-	354,356
Net change in fund balance	442,800	3,333,484	432,287	(2,327,477)	(85,740)	(51,553)	(4,606)	1,739,195
Fund balance, July 1, as previously reported	2,522,786	10,645,469	1,413,091	2,327,477	85,740	51,553	4,606	17,050,722
Prior period adjustment	800,000	(645,000)	(35,000)	-	-	-	-	120,000
Fund balance, July 1, as adjusted	3,322,786	10,000,469	1,378,091	2,327,477	85,740	51,553	4,606	17,170,722
Fund balance, June 30	\$ 3,765,586	\$ 13,333,953	\$ 1,810,378	\$ -	\$ -	\$ -	\$ -	\$ 18,909,917

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
FUND BALANCES FOR THE GOVERNMENTAL FUNDS
TO THE GOVERNMENT WIDE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

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

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

Community Services Fund:

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

Beach Fund:

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

Internal Services Fund:

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

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

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

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

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

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

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

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

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

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2019**

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

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

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019

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

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

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

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

(Continued)

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

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

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

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS – INDEX

Note 1	Summary of Significant Accounting Policies
A	Reporting Entity
B	Basic Financial Statements - Government-wide Statements
C	Basic Financial Statements – Fund Financial Statements
D	Measurement Focus/Basis of Accounting
E	Budgets and Budgetary Accounting
F	Cash, Cash Equivalents and Investments
G	Receivables
H	Inventory and Prepaid Items
I	Restricted Assets
J	Capital Assets
K	Amortization of Bond Discounts and Premiums
L	Compensated Absences and Accrued Personnel Costs
M	Deferred Outflows/Inflows of Resources
N	Unearned Revenue and Refundable Deposits
O	Long-Term Debt
P	Fund Balance
Q	Net Position
R	Estimates
S	Central Services Cost Allocation
T	Punch Cards Utilized
U	Implementation of GASB Statement No. 88
Assets:	
Note 2	Cash, Cash Equivalents and Investments
Note 3	Restricted Assets
Note 4	Capital Assets
Liabilities and Fund Equity:	
Note 5	Accrued Personnel Costs
Note 6	Unearned Revenue
Note 7	Interfund Accounts and Transfers
Note 8	Long-Term Debt
Other:	
Note 9	Deferred Inflow of Resources
Note 10	Capital Grants
Note 11	Deferred Compensation Plan
Note 12	District Retirement Benefit Plans
Note 13	Schedule of Insurance Coverage and Risk Management
Note 14	Contingencies
Note 15	Assigned Fund Balance
Note 16	Lease Obligations
Note 17	Due to Other Governments
Note 18	Segment Information for Community Services and Beach Special Revenue Funds
Note 19	Commitments Affecting Future Periods
Note 20	Restricted Deposit Held in Lawsuit
Note 21	State of Nevada Tax Abatements Affecting District Revenues
Note 22	Prior Period Adjustment and Subsequent Transactions Affecting the Fiscal Years June 30, 2018, 2019, and 2020

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

B. Basic Financial Statements - Government-wide financial statements

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

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

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

C. Basic Financial Statements - Fund financial statements

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

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

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

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

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

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

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

Governmental Funds -

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

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

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

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

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

Proprietary Funds -

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

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

E. Compliance with Nevada Revised Statutes and Nevada Administrative Code

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

1. On or before April 15, 2018, the Board of Trustees filed a tentative budget with the Nevada Department of Taxation. Public hearings on the tentative budget were held after the third Monday in May. On May 23, 2018, at a public hearing, the Board adopted a final budget. On or before June 1, 2018 the final budget was filed with the Nevada Department of Taxation.
2. Budgets are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP) for all funds. Formal budgetary integration in the financial records is employed to enhance management control during the year for all funds requiring budgets. Budgets are adopted for all governmental and proprietary fund types. The governmental fund type budgets are adopted on a modified accrual basis and the proprietary funds types budgets are adopted on an accrual basis. The District can amend or augment the budget after following State Statutes and, if necessary, public hearing procedures. The District did augment its budget for the 2018-19 fiscal year.
3. The legal level of budgetary control is at the fund level. Appropriations are adopted at the function level. Management has no amendment authority without the District's Board approval. Generally the expenses in the proprietary funds also may not exceed appropriations. Management is free to change the operating budgets of the proprietary funds but in practice rarely does so. Statutes do not require that enterprise fund capital outlay, debt service payments and other non-operating cash transactions, normally reflected in the balance sheet of the proprietary funds, to be limited by the budget.
4. The District also presents select cash flow information in order to reflect all resources being used to provide for capital outlay, debt service payments and other transactions particularly in proprietary funds. This supplemental disclosure allows the District to identify the extent of current year items that are being paid from previously funded resources. The presentation includes items according to character and object. It also provides the Nevada Department of Taxation with requested information that compares to amounts reported on their budget forms.

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

F. Cash, Cash Equivalents and Investments

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

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

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

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

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

Funds on deposit with LGIP are considered cash and cash equivalents. Even though the weighted average maturity of the underlying investments in the LGIP are greater than 90 days, the District can liquidate its deposits within a few days. The District has reported these deposits as cost plus accrued interest which approximates fair value.

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

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

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

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

G. Receivables

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

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

The District has been granted resources to finance the construction of various utility infrastructures, restoration of a creek zone and to upgrade a ballfield. These funds are earned when requisite construction costs are incurred. The District has recognized funds earned but not collected by a Grants Receivable. The District also has an operating grant from Washoe County, received monthly in arrears. The uncollected balance of this grant is carried in Due from Other Governments.

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

H. Inventory and Prepaid Items

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

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

I. Restricted Assets

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

J. Capital Assets

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

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

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

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

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

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

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

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

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

K. Amortization of Bond Discounts and Premiums

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

L. Compensated Absences and Accrued Personnel Costs

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

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

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

M. Deferred Outflows/Inflows of Resources

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

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

N. Unearned Revenue and Refundable Deposits

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

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

O. Long-Term Debt

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

P. Fund Balance

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

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

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

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

Q. Net Position

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

R. Estimates

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

S. Central Services Cost Allocation

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

T. Punch Cards Utilized

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

U. Implementation of GASB Statement No. 88

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

DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

2. CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

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

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

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

Fair Value Measurements as of June 30, 2019:

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

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

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

Investment Maturities by Activity as of June 30, 2019:

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

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

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

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

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

3. RESTRICTED ASSETS

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

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

The assets of the EPA State Revolving Fund (SRF) Reserve may be used to service the Nevada SRF Sewer Bond of 2002. These restricted assets are pledged to provide a measure of security for the Nevada State Water Pollution Control Revolving Fund. The pledge is for \$213,000, interest earned is in the account at the District's discretion. The EPA SRF Reserve is in the LGIP Account totaling \$224,761. The assets in the TRPA (Tahoe Regional Planning Authority) Reserve may be used to satisfy performance obligations on projects authorized by the TRPA. These usually cover several years for construction and inspection phases. The total required deposits are \$211,778, interest earned is in the account at the District's discretion. The TRPA Project Reserve is in the LGIP Account totaling \$222,668.

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

4. CAPITAL ASSETS

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

Continued

Capital Asset activity for the year ended June 30, 2019:

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

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

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

Governmental Activities:

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

Business-Type Activities:

Utility Fund Water and Sewer	<u>\$ 3,153,809</u>
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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 bank accounts specific for payment of benefits except for those accumulated for Workers Compensation claims under the Internal Service Fund.

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

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

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

Accrued Personnel Costs as of June 30, 2019:

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

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

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

6. UNEARNED REVENUE

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

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

7. INTERFUND ACCOUNTS AND TRANSFERS

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

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

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

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

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

8. LONG-TERM DEBT

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

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

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

Long-Term Debt changes for the year:

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

Future Debt Service Requirements as of June 30, 2019:

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

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

9. DEFERRED INFLOW OF RESOURCES

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

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

10. CAPITAL GRANTS

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

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

11. DEFERRED COMPENSATION PLAN

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

12. DISTRICT RETIREMENT BENEFIT PLANS

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

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

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

The District's Deferred Compensation (Section 457) Plan is a defined contribution plan. The plan is administered by third party administrators. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate immediately after the first day of a month of employment. Employee contributions are subject to Internal Revenue Service regulations for Section 457 plans. The District provides a matching contribution up to 4%. Both employee and District contributions are fully vested 100% as made.

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

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

13. SCHEDULE OF INSURANCE COVERAGE AND RISK MANAGEMENT

Insurance Coverage on June 30, 2019 consists of the following:

Type	Carrier/Provider	Amount
Property Liability on buildings & contents	NV Public Agency Pool	\$ 300,000,000
Earthquake & Flood	NV Public Agency Pool	150,000,000
Boiler & Machinery	NV Public Agency Pool	100,000,000
General Liability	NV Public Agency Pool	10,000,000
Cyber Security Event	NV Public Agency Pool	2,000,000
Money & Securities	NV Public Agency Pool	500,000
Site Pollution Incident	NV Public Agency Pool	2,000,000
Ski Resort Gen. Liability	Nova Casualty Company	1,000,000
Ski Resort Excess Liability	Nova Casualty Company	6,000,000
Workers Compensation	NV Public Agency Comp. Trust	2,000,000

The District has elected to participate in the Nevada Public Agency Insurance Pool. The risk-sharing Pool secures insurance coverage for all its members. The Pool agreement provides coverage for the equivalent of errors and omissions and directors and officers acts. The Pool does not offer general or excess liability coverage for the Diamond Peak Ski Resort. Therefore, separate coverage is purchased.

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

The Pool pays all losses from the Loss Fund per occurrence, less the member's maintenance deductible. The District has a \$5,000 deductible. Excess insurance above the Pool's self-funded amount, is provided by secondary markets based on arrangements made with the Pool, including a Pool owned captive.

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

Ski Liability Insurance is not covered by the Nevada Public Agency Insurance Pool. A separate insurance program, less the District's \$10,000 deductible, provides coverage.

Workers Compensation Coverage

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

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

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

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

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

14. CONTINGENCIES

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

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

15. ASSIGNED FUND BALANCE

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

16. LEASE OBLIGATIONS

Revenue:

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

Expenses:

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

17. DUE TO OTHER GOVERNMENTS

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

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

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

	Charges for Services	Paid with Punch Cards	Punch Cards Value Utilized
Community Services Fund:			
Championship Golf	\$ 3,952,989	\$ 25,000	\$ -
Mountain Golf	690,668	56,000	-
Facilities	392,246	-	-
 Ski	11,778,871	200,000	-
Community Programming	1,364,044	1,000	-
Parks	46,580	-	-
Tennis	153,435	-	-
Recreation Administration	<u>(730,819)</u>	<u>7,000</u>	<u>(757,000)</u>
Total	<u>\$ 17,648,014</u>	<u>\$282,000</u>	<u>\$(757,000)</u>
 Beach Fund	<u>\$ 1,492,687</u>	<u>\$590,000</u>	<u>\$(122,000)</u>
 District Total		<u>\$879,000</u>	<u>\$(879,000)</u>

19. COMMITMENTS AFFECTING FUTURE PERIODS

General Fund:

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

Capital Improvement Project Budget Carryover:

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

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

Budgeting for the Fiscal Year Ending June 30, 2020:

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

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

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

20. RESTRICTED DEPOSIT HELD IN LAWSUIT

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

21. STATE OF NEVADA TAX ABATEMENTS AFFECTING DISTRICT REVENUES

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

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

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

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

Prior Period Adjustment as of June 30, 2018

District-wide	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>District-wide</u>
Net Position as previously Reported	\$71,073,766	\$74,778,034	\$145,851,800
Worker Compensation Transfer	<u>120,000</u>	<u>(120,000)</u>	<u>-</u>
Net Position at June 30, 2018	<u>\$71,193,766</u>	<u>\$74,658,034</u>	<u>\$145,851,800</u>

Fund Level	<u>General Fund</u>	<u>Utility Fund</u>	<u>Community Services Spec. Rev.</u>	<u>Beach Spec. Rev.</u>
Fund Balance/Net Position				
as previously Reported	\$2,522,786	\$74,778,034	\$10,645,469	\$1,413,091
Worker Compensation Transfer	<u>800,000</u>	<u>(120,000)</u>	<u>(645,000)</u>	<u>(35,000)</u>
Fund Balance/Net Position				
at June 30, 2018	<u>\$3,322,786</u>	<u>\$74,658,034</u>	<u>\$10,000,469</u>	<u>\$1,378,091</u>

INCLINE VILLAGE
GENERAL IMPROVEMENT DISTRICT

REQUIRED
SUPPLEMENTARY
INFORMATION

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

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

INCLINE VILLAGE
GENERAL IMPROVEMENT DISTRICT

**SUPPLEMENTARY
INFORMATION**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

INCLINE VILLAGE
GENERAL IMPROVEMENT DISTRICT

STATISTICAL SECTION
(UNAUDITED)

STATISTICAL SECTION (UNAUDITED)

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

CONTENTS

District-wide Net Position	70
District-wide Changes in Net Position.....	71
Fund Balances of Governmental Funds	72
Changes in Fund Balances of Governmental Funds.....	73
Assessed and Estimated Actual Value of Taxable Property.....	74
Direct and Overlapping Tax Districts	75
Principal Property Taxpayers.....	76
Tax Levies, Collections and Delinquencies—Washoe County as a whole.....	77
Ratios of Outstanding Debt by Type	78
Outstanding Overlapping General Obligation Indebtedness	79
Utility Fund Net Pledged Revenues	80
Community Services and Beach Fund Net Pledged Revenues.....	81
Ratio of Annual Debt Service Expenditures to Governmental and Business Type Expenditures/Expenses.....	82
Statutory Debt Limitation.....	83
Demographic Statistics	84
Principal Employers.....	85
Position and Full Time Equivalent Personnel Summary	86
User Statistics.....	87
Budgeted Facility Fees per parcel.....	88
Water and Sewer Single Family Base Rates	89
Water Sold by Customer Type	90

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

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

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

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

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Expenses										
Governmental activities:										
General government	\$ 4,194,237	\$ 3,828,917	\$ 3,814,458	\$ 3,672,661	\$ 3,220,478	\$ 3,189,596	\$ 2,929,928	\$ 3,265,830	\$ 3,882,904	\$ 3,067,477
Community Services	20,310,745	18,947,246	18,599,633	17,237,889	15,359,833	15,036,116	14,704,572	14,936,896	15,609,165	15,237,986
Beach	2,141,695	1,848,969	1,802,103	1,689,472	1,517,855	1,363,778	1,144,073	1,145,077	1,267,913	1,252,753
Internal services	3,306,507	3,053,400	2,947,302	2,972,060	2,503,958	2,267,111	1,792,260	1,949,861	1,979,196	1,766,735
Interest on long-term debt	35,017	97,083	160,366	205,263	201,882	252,324	371,938	476,635	437,360	592,288
Total governmental activities expenses	29,988,201	27,775,615	27,323,862	25,777,345	22,804,006	22,108,925	20,942,771	21,774,299	23,176,538	21,917,239
Business-type activities:										
Utilities	10,428,137	10,113,371	9,729,775	9,781,165	9,442,666	9,029,675	8,480,954	8,404,350	8,568,015	8,815,457
Interest on long-term debt	126,351	140,463	154,186	167,530	180,505	193,123	186,608	178,631	207,139	234,416
Total business-type activities expenses	10,554,488	10,253,834	9,883,961	9,948,695	9,623,171	9,222,798	8,667,562	8,582,981	8,775,154	9,049,873
Total primary government expenses	40,542,689	38,029,449	37,207,823	35,726,040	32,427,177	31,331,723	29,610,333	30,357,280	31,951,692	30,967,112
Program Revenues										
Governmental activities:										
Central Services Costs (& equivalent pre-2012)	1,169,400	1,094,000	1,177,200	1,123,000	1,101,000	1,068,996	1,000,200	1,074,000	924,154	1,267,842
Charges for services										
Community Services	17,765,644	14,743,788	16,820,165	15,596,222	10,485,799	10,634,172	10,900,298	10,435,232	11,629,020	11,151,940
Beach	1,492,687	1,266,613	1,065,015	1,002,518	989,602	1,032,621	980,240	568,277	445,307	600,280
Internal Services	3,304,862	3,190,849	3,114,747	2,935,521	2,560,122	2,280,296	2,045,412	1,891,200	1,964,322	1,814,349
Total governmental activities revenues	23,732,593	20,295,250	22,177,127	20,657,261	15,136,523	15,016,085	14,926,150	13,968,709	14,962,803	14,834,411
Business-type activities:										
Charges for services										
Utilities	12,785,742	11,925,557	11,813,169	11,158,119	10,851,123	10,434,118	9,767,475	9,127,955	8,485,161	8,051,694
Operating Grants and Contributions	1,440	-	-	-	-	-	-	-	-	-
Total business-type activities revenue	12,787,182	11,925,557	11,813,169	11,158,119	10,851,123	10,434,118	9,767,475	9,127,955	8,485,161	8,051,694
Total primary government revenue	36,519,775	32,220,807	33,990,296	31,815,380	25,987,646	25,450,203	24,693,625	23,096,664	23,447,964	22,886,105
Net (Expense)/Revenue										
Governmental activities	(6,255,608)	(7,480,365)	(5,146,735)	(5,120,084)	(7,667,483)	(7,092,840)	(6,016,621)	(7,805,590)	(8,213,735)	(7,082,828)
Business-type activities	2,232,694	1,671,723	1,929,208	1,209,424	1,227,952	1,211,320	1,099,913	544,974	(289,993)	(998,179)
Total primary government net (expense)/revenue	(4,022,914)	(5,808,642)	(3,217,527)	(3,910,660)	(6,439,531)	(5,881,520)	(4,916,708)	(7,260,616)	(8,503,728)	(8,081,007)
General Revenues and Other Changes in Net Position										
Governmental activities										
Taxes										
Property taxes	1,622,486	1,546,575	1,476,148	1,498,519	1,377,337	1,293,676	1,307,715	1,325,436	1,094,166	796,482
Combined taxes	1,690,222	1,637,250	1,484,830	1,487,986	1,369,950	1,277,567	1,205,091	1,106,183	1,101,055	1,136,483
Facility Fees - Community Services	5,787,078	5,799,206	5,973,914	5,995,248	6,018,616	6,024,564	5,962,384	5,919,707	6,067,022	5,126,716
Facility Fees- Beach	969,332	972,316	775,337	777,574	778,149	780,716	775,102	899,565	783,029	865,540
Investment earnings	563,685	175,122	83,842	150,795	124,306	103,106	88,116	193,562	102,384	212,096
Miscellaneous	204,245	190,578	310,425	299,355	120,134	170,981	63,692	127,338	306,352	730,666
Capital Grants and contributions	267	558,128	132,055	586,361	235,674	(407)	1,137,270	1,369,936	2,126,748	-
Transfers	(120,000)	-	-	-	-	-	-	-	-	-
Accounting Adjustments	-	-	-	-	-	(146,589)	-	-	1,787,393	-
Total governmental activities other changes	10,717,315	10,879,175	10,236,551	10,795,838	10,024,166	9,503,614	10,539,370	10,941,727	13,368,149	8,867,983
Business-type activities										
Investment earnings	282,484	77,280	60,132	154,162	81,996	61,007	55,666	86,010	151,646	189,786
Capital Grants and contributions	-	199,934	425,509	-	329,705	461,994	2,013,853	912,933	1,220,938	1,476,174
Miscellaneous	15,066	50,020	17,730	42,764	(34,499)	(4,712)	17,856	381	7,756	(223,785)
Transfers	120,000	-	-	-	-	-	-	-	-	-
Accounting Adjustments	-	-	-	-	-	(81,501)	-	-	334,217	-
Total business-type activities other changes	417,550	327,234	503,371	196,926	377,202	436,788	2,087,375	999,324	1,714,557	1,442,175
Change in Net Position										
Governmental activities	4,461,707	3,398,810	5,089,816	5,675,754	2,356,683	2,410,774	4,522,749	3,136,137	5,154,414	1,785,155
Business-type activities	2,650,244	1,998,957	2,432,579	1,406,350	1,605,154	1,648,108	3,187,288	1,544,298	1,424,564	443,996
Total primary government	\$ 7,111,951	\$ 5,397,767	\$ 7,522,395	\$ 7,082,104	\$ 3,961,837	\$ 4,058,882	\$ 7,710,037	\$ 4,680,435	\$ 6,578,978	\$ 2,229,151

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

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Fund Balances of Governmental Funds

Last Ten Fiscal Years (unaudited)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Fund										
Non-spendable	\$ 196,742	\$ 224,707	\$ 213,462	\$ 268,005	\$ 218,623	\$ 237,021	\$ 191,780	\$ 174,157	\$ 504,077	\$ 154,087
Restricted	-	-	-	-	-	-	-	52,000	-	129,000
Committed	-	-	-	400,000	400,000	400,000	400,000	400,000	-	-
Unassigned	3,568,844	3,098,079	1,648,787	1,151,988	882,664	754,000	294,887	357,734	111,697	332,687
Total General Fund	\$ 3,765,586	\$ 3,322,786	\$ 1,862,249	\$ 1,819,993	\$ 1,501,287	\$ 1,391,021	\$ 886,667	\$ 983,891	\$ 615,774	\$ 615,774

Community Services

Special Revenue Fund										
Non-spendable	\$ 936,311	\$ 868,600	\$ 878,949	\$ 751,640	\$ 660,409	\$ 658,053	\$ 705,131	\$ 685,798	\$ 474,069	\$ 439,059
Restricted	135,993	78,157	77,136	76,674	86,421	86,332	87,261	101,617	130,467	232,434
Assigned - operations	12,261,649	9,053,712	9,364,056	7,026,514	4,610,925	5,279,561	5,275,226	3,949,021	3,752,098	5,033,576
Capital Projects - Assigned	-	2,327,477	2,423,806	2,061,541	-	-	-	-	-	-
Debt Service - Assigned	-	51,553	27,394	2,111	-	-	-	-	-	-
Total Comm. Services	\$ 13,333,953	\$ 12,379,499	\$ 12,771,341	\$ 9,918,480	\$ 5,357,755	\$ 6,023,946	\$ 6,067,618	\$ 4,736,436	\$ 4,356,634	\$ 5,705,069

Beach

Special Revenue Fund										
Non-spendable	\$ 34,532	\$ 47,075	\$ 30,328	\$ 19,614	\$ 23,520	\$ 19,328	\$ 17,222	\$ 18,265	\$ -	\$ 5,068
Restricted	1,000	1,000	1,000	-	-	-	-	-	-	-
Assigned - operations	1,774,846	1,330,016	1,038,909	1,040,136	1,084,266	1,652,877	1,514,417	1,467,463	1,177,762	1,475,139
Capital Projects - Assigned	-	85,740	5,155	20,379	-	-	-	-	-	-
Debt Service - Assigned	-	4,606	3,104	1,572	-	-	-	-	-	-
Total Beach	\$ 1,810,378	\$ 1,468,437	\$ 1,078,496	\$ 1,081,701	\$ 1,107,786	\$ 1,672,205	\$ 1,531,639	\$ 1,485,728	\$ 1,177,762	\$ 1,480,207

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

2018 is restated for Prior Period Adjustment.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

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

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

2018 is restated for Prior Period Adjustment.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

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

Fiscal Year Ended	Taxable Real Property Assessed Value	Direct Tax Rate	Estimated Actual Value	Ratio Of Total Assessed Value To Total Estimated Actual Value
2019	\$ 1,666,387,475	0.1224	\$ 4,761,107,071	35%
2018	1,623,315,601	0.1182	4,638,044,574	35%
2017	1,532,912,733	0.1183	4,379,750,666	35%
2016	1,484,624,556	0.1269	4,241,784,446	35%
2015	1,456,574,018	0.1157	4,161,640,051	35%
2014	1,392,531,036	0.1105	3,978,660,103	35%
2013	1,374,297,099	0.1153	3,926,563,140	35%
2012	1,368,961,464	0.1129	3,911,318,469	35%
2011	1,448,979,941	0.0806	4,139,942,689	35%
2010	1,580,606,324	0.0755	4,516,018,069	35%

SOURCE: State of Nevada Department of Taxation

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

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Direct and Overlapping Tax Districts

Last Ten Fiscal Years Ended June 30 (unaudited)

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

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

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Principal Property Taxpayers

Current Fiscal Year and Nine Years Ago (unaudited)

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

SOURCE: Washoe County Assessors Office

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

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

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
2019	\$ 500,623	\$ 498,311	99.55%	\$ -	\$ 498,311	99.54%
2018	473,365	471,229	99.55%	1,745	472,974	99.92%
2017	452,327	449,930	99.47%	2,295	452,225	99.98%
2016	440,185	438,074	99.52%	2,093	440,167	100.00%
2015	424,115	421,125	99.30%	2,983	424,108	100.00%
2014	411,260	407,469	99.08%	3,787	411,256	100.00%
2013	411,058	405,977	98.76%	5,075	411,052	100.00%
2012	422,799	416,849	98.59%	5,947	422,796	100.00%
2011	458,717	451,994	98.53%	6,720	458,714	100.00%
2010	504,823	495,281	98.11%	9,539	504,820	100.00%

SOURCE: Washoe County Comptroller's Office

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

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

Fiscal Year Ended	<u>Governmental-Type Activities:</u>			<u>Business-Type Activities:</u>			Gross	Percentage Payable by	Percentage Payable by	Population	Debt Per Capita
	G. O. & Revenue Pledged	General Obligation Only	Total	Revenue Pledged	General Obligation	Total	Bonded Debt	Property Taxes	Pledged Revenues		
2019	\$ 1,498,000	\$ -	\$ 1,498,000	\$ 1,144,565	\$ 3,464,361	\$ 4,608,926	\$ 6,106,926	0%	100%	9087	\$ 672
2018	1,848,000	-	1,848,000	1,346,488	3,772,116	5,118,604	6,966,604	0%	100%	9087	767
2017	2,190,000	845,000	3,035,000	1,542,263	4,072,102	5,614,365	8,649,365	0%	100%	9087	952
2016	2,523,000	1,635,000	4,158,000	1,732,078	4,364,517	6,096,595	10,254,595	0%	100%	9087	1,128
2015	2,847,000	2,395,000	5,242,000	1,916,115	4,649,552	6,565,667	11,807,667	0%	100%	9087	1,299
2014	3,901,000	3,125,000	7,026,000	2,094,548	4,927,395	7,021,943	14,047,943	0%	100%	9087	1,546
2013	4,925,000	3,825,000	8,750,000	2,267,548	5,198,228	7,465,776	16,215,776	0%	100%	9087	1,785
2012	5,495,000	5,195,000	10,690,000	2,435,281	3,495,379	5,930,660	16,620,660	0%	100%	9087	1,829
2011	6,045,000	6,520,000	12,565,000	2,597,909	3,483,477	6,081,386	18,646,386	0%	100%	9087	2,052
2010	6,880,000	7,795,000	14,675,000	2,755,584	4,142,174	6,897,758	21,572,758	0%	100%	9087	2,374

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

Note: All outstanding bonds carry a revenue pledge, some also carry a secondary General Obligation pledge.

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

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

OUTSTANDING OVERLAPPING GENERAL OBLIGATION INDEBTEDNESS

Last ten fiscal years (unaudited)

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

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

SOURCE: Washoe County Comptrollers Office and Nevada Department of Taxation

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

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

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

Fiscal Year	Utility Service Charges	Less: Operating Expenses	Other Revenues (Expenses)	Net Available Revenue	Debt Service	Debt Service Coverage
2019	\$ 12,785,742	\$ 7,274,328	\$ 297,550	\$ 5,808,964	\$ 643,134	9.03
2018	11,925,557	7,139,740	127,300	4,913,117	643,135	7.64
2017	11,813,170	6,783,853	78,554	5,107,871	643,133	7.94
2016	11,158,119	6,804,140	149,326	4,503,305	636,808	7.07
2015	10,851,123	6,549,802	20,591	4,321,912	636,781	6.79
2014	10,434,118	6,270,919	56,295	4,219,494	636,956	6.62
2013	9,767,475	5,867,114	73,522	3,973,883	965,108	4.12
2012	9,127,955	5,839,109	86,391	3,375,237	1,010,929	3.34
2011	8,485,161	5,845,108	159,402	2,799,455	1,013,922	2.76
2010	8,051,694	5,446,570	(33,999)	2,571,125	1,016,046	2.53

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

Debt service represents all outstanding debt of the Utility departments.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

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

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

Debt service represents all outstanding debt of the Community Service and Beach Funds, because proceeds from some issues were used by both funds.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

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

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

SOURCE: Indine Village General Improvement District Comprehensive Annual Financial Reports

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Statutory Debt Limitation Last Ten Fiscal Years (unaudited)

Fiscal Year Ending June 30,	Assessed Valuation	Debt Limit	Outstanding and Proposed General Obligation Debt	Additional Statutory Debt Capacity
2019	\$ 1,666,387,475	\$ 833,193,738	\$ 6,106,926	\$ 827,086,812
2018	1,623,315,601	811,657,801	6,966,604	804,691,197
2017	1,532,912,733	766,456,367	8,649,365	757,807,002
2016	1,484,624,556	742,312,278	10,254,595	732,057,683
2015	1,456,574,018	728,287,009	11,807,667	716,479,342
2014	1,392,531,036	696,265,518	14,047,943	682,217,575
2013	1,374,297,099	687,148,550	16,215,766	670,932,784
2012	1,368,961,464	684,480,732	16,620,660	667,860,072
2011	1,448,979,941	724,489,971	18,646,386	705,843,585
2010	1,580,606,324	790,303,162	21,572,758	768,730,404

SOURCE: State of Nevada Department of Taxation

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Demographic Statistics

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

1 Based on actual Census Data

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

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

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

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

SOURCE: Nevada Department of Employment, Training and Rehabilitation (DETR)

DETR indicates the methodology for determining rankings has changed year on year.

Data for all years is not available.

Data for percentage to total employment is not available.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

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

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

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

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

User Statistics, Last Ten Fiscal Years

Total number of users (unaudited)

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

SOURCE: Incline Village General Improvement District

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

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

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

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

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

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

SOURCE: Incline Village General Improvement District

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Water and Sewer Single Family Base Rates

Last Ten Fiscal Years (unaudited)

Fiscal Year 6/30	Water Monthly Base Rate	Consumption Rate Per 1,000 gallons	Sewer Monthly Base Rate	Consumption Rate Per 1,000 gallons
2019	\$ 32.09	\$ 0.93	\$ 54.96	\$ 3.20
2018	30.84	0.93	52.76	3.10
2017	29.82	0.95	51.45	3.00
2016	28.86	0.97	49.83	2.90
2015	28.10	1.35	47.95	2.79
2014	27.03	1.32	41.85	2.68
2013	27.62	1.28	39.31	2.60
2012	27.62	1.28	39.31	2.60
2011	27.89	1.24	37.52	2.50
2010	27.56	1.20	35.03	2.40

The District charges based on pay for what you use

Rate changes are considered for implementation May each year.

In 2013 the changes were not effective until July 19, 2013.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

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

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

Source: IVGID Utilities Billing Department

INCLINE VILLAGE
GENERAL IMPROVEMENT DISTRICT

COMPLIANCE SECTION



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Incline Village General Improvement District (the "District") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 18, 2019.

Internal Control over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Erik Sully LLP". The signature is written in a cursive, flowing style.

Reno, Nevada
November 18, 2019



Auditor's Comments

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

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

Current Year Statute Compliance

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

Progress on Prior Year Statute Compliance

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

Prior Year Recommendations

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

Current Year Recommendations

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

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

Reno, Nevada
November 18, 2019

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NEVADA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Years Ended June 30, 2019 and 2018

PREPARED BY: Michele Sullivan, CPA
Chief Financial Officer

INTRODUCTORY SECTION

Letter of Transmittal	<u>1</u>
List of Principal Officials	<u>12</u>
Certificate of Achievement for Excellence in Financial Reporting	<u>14</u>

FINANCIAL SECTION

Independent Auditor's Report	<u>15</u>
Management's Discussion and Analysis	<u>18</u>
Basic Financial Statements	
Statements of Net Position	<u>29</u>
Statements of Revenues, Expenses, and Changes in Net Position	<u>31</u>
Statements of Cash Flows	<u>32</u>
Notes to Financial Statements	<u>34</u>
Required Supplementary Information	
Schedules of Changes in Net OPEB Liability and Related Ratios	<u>65</u>
Schedules of Contributions - OPEB	<u>67</u>
Schedules of TMWA's Share of Net Pension Liability	<u>69</u>
Schedules of TMWA Contributions - Pension	<u>70</u>
Supplementary Information	
Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual	<u>72</u>

STATISTICAL SECTION

Schedule No. 1 - Net Position by Component	<u>76</u>
Schedule No. 2 - Changes in Net Position	<u>77</u>
Schedule No. 3 - Operating Revenues by Customer Class	<u>78</u>
Schedule No. 4 - Operating Expenses	<u>79</u>
Schedule No. 5 - Nonoperating Revenues and Expenses	<u>80</u>
Schedule No. 6 - Capital Contributions by Source	<u>81</u>
Schedule No. 7 - Gallons of Water Sold and Revenues by Category	<u>82</u>
Schedule No. 8 - Ten Largest Customers	<u>83</u>
Schedule No. 9 - Debt Service Coverage Ratios	<u>84</u>
Schedule No. 10 - Schedule of Total Building Permits Issued by Jurisdiction/Member Entity	<u>85</u>
Schedule No. 11 - Selected Demographic and Economic Statistics for Washoe County	<u>86</u>
Schedule No. 12 - Principal Employers	<u>87</u>
Schedule No. 13 - Customer and Water Sales by Category	<u>88</u>
Schedule No. 14 - Schedule of Insurance Coverage	<u>90</u>
Schedule No. 15 - Number of Employees by Identifiable Activity	<u>91</u>
Schedule No. 16 - Current and Historical Water Rates	<u>92</u>
Schedule No. 17 - Selected Operating and Capital Indicators	<u>93</u>
Schedule No. 18 - Schedule of Changes in Debt	<u>94</u>
Schedule No. 19 - Debt by Service Connection	<u>95</u>

Compliance Section

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	<u>97</u>
Auditor's Comments	<u>99</u>



November 25, 2019

To the Board of Directors, Our Customers, and Bondholders:

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) for the Truckee Meadows Water Authority (TMWA) for the fiscal year ended June 30, 2019. The purpose of the report is to provide the Board of Directors (Board), our customers, and bondholders as well as other interested parties with reliable financial information about TMWA. TMWA's Finance Department has prepared the CAFR in accordance with Generally Accepted Accounting Principles (GAAP).

Management assumes full responsibility for the completeness and reliability of the information contained in this CAFR, based upon a comprehensive framework of internal control established for this purpose. Because the cost of internal control should not exceed benefits, the objective is to provide reasonable rather than absolute assurance that the financial statements are free of any material misstatements.

Nevada Revised Statutes and bond covenants require that an independent certified public accounting firm selected by the Board audit TMWA's financial statements on an annual basis. Eide Bailly LLP, a firm of licensed certified public accountants, has audited TMWA's basic financial statements as of and for the fiscal years ended June 30, 2019 and 2018. The independent auditor's report is presented in the Financial Section of this report. TMWA complies with the Local Government Budget and Finance Act as embodied in Chapter 354 and Public Investments as embodied in Chapter 355 of the Nevada Revised Statutes.

The CAFR consists of four sections:

Introduction Section - This section is comprised of the letter of transmittal which contains information relative to TMWA's background, a listing of TMWA's principal officers, organizational chart and other relevant information to assist the reader in understanding TMWA's operations, financial condition, and accomplishments.

Financial Section - This section consists of TMWA's basic financial statements, supplementary financial information and independent auditor's report on the basic financial statements. This section also includes Management's Discussion and Analysis (MD&A), which provides a narrative overview and explanation of the results reflected in the basic financial statements. The financial statements presented in this section were prepared in accordance with GAAP. TMWA's financial activities are reported as an enterprise fund (proprietary fund type).

Statistical Section - This section is comprised of selected financial, operational and demographic information generally presented annually and includes statistics for the past ten years.

Compliance Section - This section consists of information regarding TMWA's compliance with state statutes, in particular, conformance with the Local Government Finance Act.

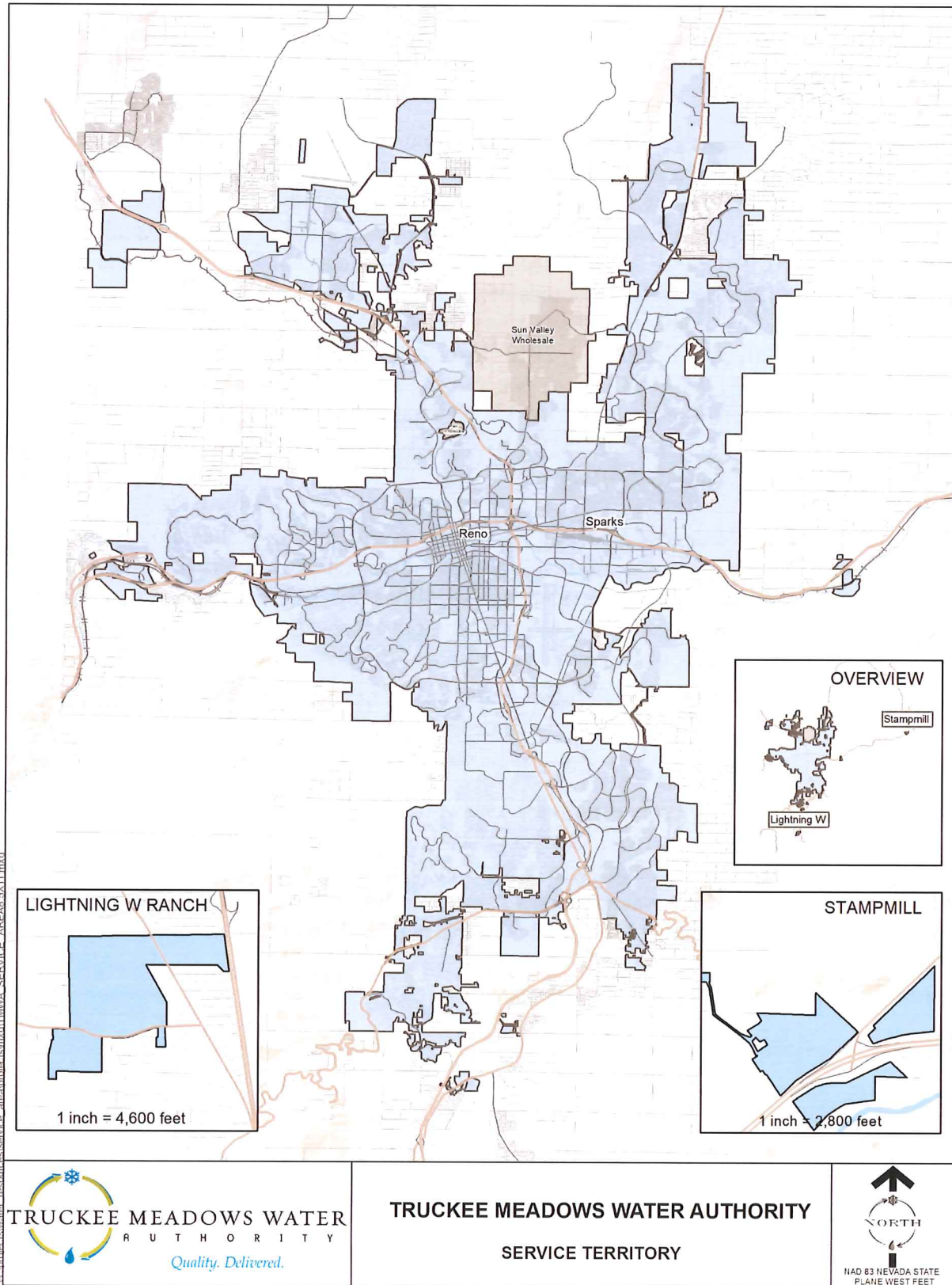
REPORTING ENTITY

TMWA was formed as a Joint Powers Authority (JPA) pursuant to Chapter 277 of the Nevada Revised Statutes and is a political subdivision of the State of Nevada. TMWA is separate from its member agencies: City of Reno, City of Sparks and Washoe County. TMWA was formed in November 2000 for the purpose of acquiring the assets of the water division of Sierra Pacific Power Co. (SPPCo), a subsidiary of Sierra Pacific Resources, now known as NV Energy, with the goal of retaining local control over the water resources of the area. TMWA took over the water system assets on June 11, 2001. Amendments to the JPA were approved by the Attorney General's Office of the State of Nevada effective February 3, 2010. The amendments were made in anticipation of the consolidation of TMWA, Washoe County's water utility and another water utility named South Truckee Meadows General Improvement District (STMGID). The consolidation of the water utilities occurred on January 1, 2015 with TMWA as the continuing entity. There are no component units associated with this financial reporting entity.

TMWA has no financial interdependence with its member agencies. TMWA has broad powers to finance, construct and operate the water system, for the diversion, treatment, distribution, and sale of treated water to retail and wholesale customers. TMWA has full authority to set water rates for services subject to the approval of the TMWA Board, without approval by other entities. TMWA is a tax-exempt entity for purposes of federal taxes and State of Nevada property and sales and use taxes, as well as other state taxes. TMWA pays property taxes in Nevada and Sierra Counties of California for the privilege of storing water in private and federal reservoirs. TMWA has no taxing authority.

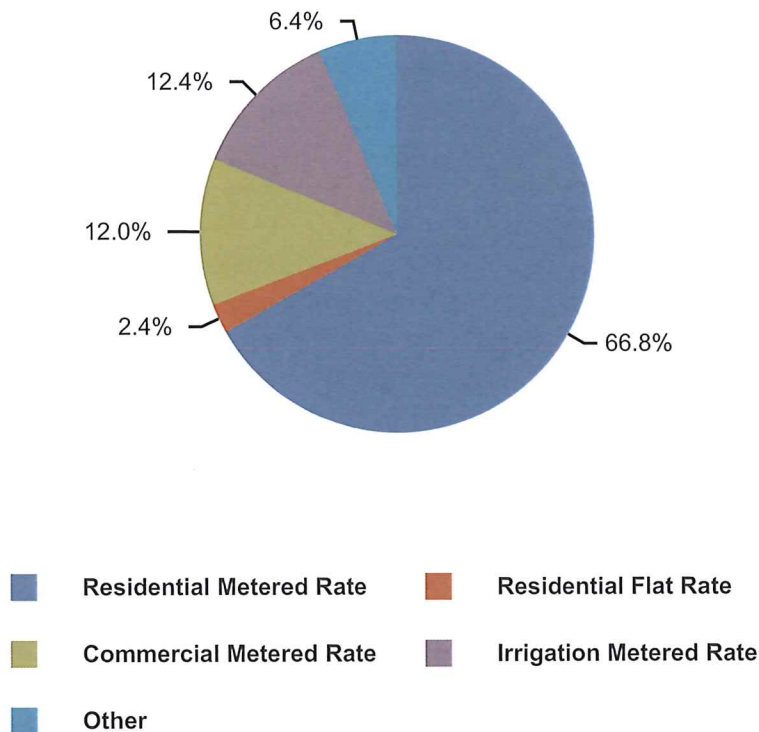
TMWA has over 125,000 service connections and one wholesale customer. TMWA operates within the Truckee Meadows service area. TMWA has only one wholesale customer, the Sun Valley General Improvement District (SVGID) located north of the Reno-Sparks main metropolitan area. SVGID is wholly dependent upon TMWA water deliveries since this district has no source of water supply. There is one water delivery contract associated with this wholesale connection.

The following map reflects the TMWA service territory.



The following graph depicts the proportion of operating revenues by class for fiscal year 2019:

TMWA Operating Revenues \$107.1 Million



The metering of the water system, which began under Sierra Pacific in 1995, presents various operational solutions for TMWA. These solutions present the opportunity to collect accurate data on water usage by customer class. This allows TMWA to make more accurate cost of service analyses, to make water rates more equitable across customer classes, and to better anticipate future water resource and water facility requirements. Since the acquisition of the water system, TMWA has metered nearly 100% of water services. Currently, there are less than 275 water services that do not have a meter installed and are billed on a flat rate and these represent problematic services with multiple customers on a single service line.

The Board adopted a goal in August 2003, to maintain a senior lien debt coverage ratio of at least 1.5 times recurring revenues less operating expenses divided by annual debt service. This calculation excludes developer facility charges and other fees associated with new development. This coverage target is sufficient to meet minimum debt service coverage requirements, fund reconstruction of the water system on primarily a pay-as-you-go basis and manage TMWA's senior lien bonding capacity to allow for potential future senior lien bond sales if necessary. These measures were deemed necessary to maintain water system infrastructure in a prudent manner and insure that

TMWA's bondholders are adequately protected. There are no other restrictions, commitments, or other limitations that would restrict the unrestricted cash assets for use in meeting TMWA's obligations. TMWA's senior lien coverage (excluding developer fees and charges) was approximately 2.90x and with certain developer fees and charges was approximately 3.78x as of June 30, 2019.

ECONOMIC OUTLOOK AND WATER RESOURCES

The Reno-Sparks metropolitan area enjoys a moderate climate, offers a wide variety of year-round recreational opportunities, and has a favorable tax structure. It is also centrally located in the Pacific region affording efficient distribution of goods throughout the western United States. Northern Nevada's favorable business tax environment nurtures steady growth in TMWA's service area and nearby communities in manufacturing, distribution, warehousing and industrial businesses. TMWA's service area has experienced steady growth since TMWA's inception in 2001, with overall population gains in Washoe County of over 30% percent. Taxable sales in Washoe County continues to grow with increases of 3.5%, 6.8% and 5.8% in fiscal years 2019, 2018 and 2017, respectively. Unemployment rates have decreased significantly since the recession, from highs in 2011 of over 13% to an unemployment rate of 3.4% in June of 2019, which was slightly lower than the national average of 3.7%. Total nonfarm employment increased 6.0% in fiscal year 2019 and 3.9% in fiscal year 2018. The total civilian labor force has also increased 6.0% in fiscal year 2019 and 3.4% in fiscal year 2018. The local economy remains strong and continues to grow with high levels of residential and commercial construction activity.

TMWA's service area also continues to expand. The Board voted in October 2018 to approve annexation of a planned development north of the current service area for retail water service. If the development is completed as planned it will add over 5,000 service connections. The developer will pay for all water line extensions and infrastructure needed to complete the project. In fiscal year 2019, TMWA completed the acquisition of West Reno Water Company's water system. This expanded TMWA's service area to the west where development is planned for over 3,500 service connections. Developer contributions and federal grants will pay for this expansion.

To meet water demands in the future, TMWA prepared a very detailed Water Resource Plan (WRP) for the years 2016-2035 during fiscal year 2016. That plan was adopted by the Board in March 2016, and was previously updated during fiscal year 2010. The WRP addresses current water resources, future water resources, and water rights availability as well as defined drought standards which conclude that TMWA can utilize the aforementioned water resources to meet incremental water demands required by growth for the next twenty years and beyond. The focal point of the WRP is the population and water demand forecasts for the TMWA consolidated water utility service territory. TMWA is in the process of drafting an updated WRP for the years 2020-2040.

To complement this water resource planning effort, a comprehensive Water Facility Plan (WFP) for the years 2015-2035 was developed. The original WFP was adopted by the TMWA Board in December of 2004 and updated in 2010. The WFP evaluates the infrastructure required to supply, treat and deliver water to customers over the life of the plan and determines infrastructure requirements needed in the Capital Improvement Plan to serve growth based upon population and water demand forecasts in the WRP.

Since inception, TMWA has made and will continue to make strategic water rights acquisitions to ensure sufficient inventory of water rights are available to issue will-serve commitments for the foreseeable future. Any given year, as much as 80% or more of the water supply to TMWA's service area is supplied from surface water from the Truckee River. As such, TMWA played a critical role in negotiating and implementing the Truckee River Operating Agreement (TROA). TMWA is a primary signatory to the TROA along with the Pyramid Lake Paiute Tribe (PLPT), the States of Nevada and California, and the Federal Government. TROA is intended to provide TMWA customers with benefits regarding a new, revised operation of the Truckee River system that provides additional drought supplies for existing as well as new customers. These lengthy and complex negotiations, which include interstate allocations of Truckee River water rights, were concluded when TROA was signed by the aforementioned parties on September 6, 2008 at a signing ceremony in Reno. TMWA made available to the PLPT certain water rights that met requirements to put TROA into effect in October 2015. In November 2015, remaining related lawsuits were dismissed and TROA became effective December 1, 2015 providing significant additional drought resources for TMWA's service area and completing a multi-decade effort.

TMWA owns and operates 27,000 acre-feet of reservoir storage comprised of 9,500 and 17,500 acre-feet in Donner Lake and Independence Lake, respectively (both owned and controlled by TMWA). In addition to the owned storage, as a result of TROA, TMWA can access additional storage capacity in certain federal lakes and reservoirs, including Lake Tahoe. Currently, TMWA has between 30,000 and 40,000 acre feet stored in these reservoirs.

To further drought resiliency for the community that TMWA serves, TMWA constructed the North Valley's Integration Project which ties in the Fish Springs Ranch infrastructure into TMWA's North Valleys water system providing access to approximately 8,000 acre feet of groundwater resources in the Honey Lake ground water basin which is located approximately 35 miles north of the Reno-Sparks metropolitan area. This project was completed in fiscal year 2017.

Since the implementation of TROA, TMWA's Privately Owned Stored Water (POSW) has more than doubled. Higher than average precipitation in Western Nevada during the winter of 2018/2019 allowed for TMWA's reservoirs to fill to near maximum capacity, which essentially guarantees normal river flows and water supply for the next two to three years. When combining TMWA's existing POSW surface water resources, the groundwater resources of the Honey Lake basin, the extensive drought storage benefits of TROA and the expansion of Aquifer Storage and Recovery (ASR) groundwater recharge efforts, the TMWA service area is well positioned with regards to drought resiliency.

Water Resource Sustainability Program

In fiscal year 2019 the TMWA Board established the Water Resource Sustainability Program. This program provides funding for projects benefiting TMWA's water resources. Such projects would include expanded conjunctive use, aquifer storage and recovery, demonstration and validation of exceptional quality reclaimed water uses and any other project that enhances water resource sustainability and drought resiliency. This program is funded by Rule 7 proceeds which previously were used to fund the Water Meter Retrofit Program. For every acre-foot of new surface water demand, developers and others pay \$1,600 to provide funding for this program.

WATER QUALITY

TMWA's highest priority is the protection of public health through modern water treatment techniques and water quality monitoring efforts. TMWA's primary source of water is the Truckee River, which sources at Lake Tahoe and other tributaries to the Truckee River, travels into Nevada through the Reno-Sparks Metropolitan area with the terminus of the river at Pyramid Lake, a distance of approximately 120 miles. The river's water quality is excellent; however, additional steps are taken to purify the water to meet safe drinking water standards that were set forth by the United States Department of Environmental Protection in the early 1990's. TMWA owns and operates the 84 million gallons per day (MGD) Chalk Bluff Water Treatment Plant and the 37.5 MGD Glendale Water Treatment Plant. In order to further diversify the water supply, TMWA is in the process of constructing a 4 MGD surface water treatment plant in the Southern service area. Attesting to TMWA's commitment to the protection of public health, TMWA's Chalk Bluff Water Treatment Plant received the Presidents Award from the Partnership for Safe Water in 2015. This prestigious recognition places the Chalk Bluff plant as one of 44 surface water treatment plants in the United States that have been so recognized. This recognition exemplifies TMWA staff's experience, passion, and commitment to producing and delivering outstanding water quality to customers. TMWA has requalified for this award successfully on an annual basis.

TMWA spends approximately \$1 million annually monitoring water quality by analyzing nearly 15,000 samples covering approximately 20,000 constituents at over 270 locations throughout the TMWA water system to insure compliance with all current drinking water standards promulgated by the United States Environmental Protection Agency, and administered by the Nevada Department of Environmental Protection, Bureau of Safe Drinking Water.

WATER CONSERVATION

Efficient use of water within the Truckee Meadows extends this vital resource through periods of drought in this high desert climate. Therefore, water conservation has been, and will continually be, a high-priority at TMWA. Not only does conservation promote water-efficient behavior, such efforts also reduce peak-day demand and help defer future investments in costly improvements to infrastructure. The purpose of water conservation at TMWA is to promote smart use of water through several programs. During a Drought Situation, TMWA enhances its conservation efforts to ensure drought storage is sufficient over the drought period.

Water-Efficiency Codes

TMWA's Rule 2 provides water-efficiency codes to which customers must adhere. First, customers must not use water excessively (i.e., no waste). TMWA also requires that its customers adhere to a three-day-a-week irrigation schedule. This watering restriction helps prevent overwatering, as well as, reduces peak-day demand. TMWA also requires no irrigation on Mondays to allow its system to recharge. Additionally, TMWA requires no irrigation between noon and 6 p.m. from Memorial Day to Labor Day. These water-efficiency codes have been successful in managing customer demands over time.

The Water Meter Retrofit Program

Under TMWA's Water Meter Retrofit Program, unmetered services were retrofitted with a meter. Customers without meters pay a flat, monthly water rate, thus have no simple way to know their water usage and have less monetary incentive to conserve. Through a charge of \$1,830 for every acre-foot of new surface water demand, developers and others have provided funding for this program. Due to the success of this program, TMWA estimates less than 275 water services do not have a meter installed. In fiscal year 2019, the Water Meter Retrofit Program was replaced by the Water Resource Sustainability Program.

Water Pricing Structure

TMWA has an inverted, tiered-rate billing structure in which customers are charged increasing rates based on the amount of water they use. This billing structure provides a "price signal" to customers who cross into a higher tier, thereby encouraging efficient use of water.

Water Usage Review Program

The Water Usage Review Program assists TMWA customers with issues with their water meter or their water delivery system. When a water usage review is requested, TMWA staff will go onsite to check meter accuracy as well as detect for leaks in the customer's system. If a leak is detected, staff will work with the customer to attempt to identify the leak source. Staff will also review the usage history of the service to determine water usage behavior. Once completed, staff will notify the customer regarding any leaks that were detected, make recommendations on how to reduce water consumption, and teach customers how to check for leaks in the future.

Water Watcher Program

During the irrigation months (April to October), TMWA ramps up its conservation efforts by hiring additional seasonal conservation consultants. These consultants are trained to monitor the TMWA service territory and ensure its water-efficiency codes are being adhered to. They also respond to water waste reports by the public. They provide customers with information about TMWA's water-efficiency codes and identify any leaks or sources of water waste in outdoor irrigation. This program not only promotes efficient use of water, but also facilitates lower monthly bills.

Landscape Retrofit Program

The Landscape Retrofit Program promotes water-efficiency measures on municipal landscapes. The program includes financial support of landscape augmentation projects by institutional irrigators. Projects supported under this program promote replacement of turf grass with drought-tolerant vegetation, tree conservation, and smart landscaping educational programs.

Water Conservation Education Program

TMWA has a strong educational program designed to teach customers about the benefits of conservation and techniques that can help them use water responsibly. Educational initiatives include a free workshop series, direct communication (bill inserts, emails, in-person, etc.), public presentations and events, as well as, a multi-media campaign. TMWA also partners with other local organizations to provide grade school students in the Truckee Meadows with information regarding our water sources, water quality and watershed protection.

FINANCIAL INFORMATION

Internal Controls

TMWA employs various internal controls for the safeguarding of assets against losses from unauthorized use or disposition. TMWA's management is responsible for establishing and maintaining a system of internal controls designed to meet these objectives. Another purpose of internal controls is to ensure that accounting data are compiled to allow for the preparation of financial statements in accordance with generally accepted accounting principles. The internal control structure is designed to provide reasonable assurance that these objectives are met. When establishing or reviewing internal controls, management weighs the cost to implement such controls over the benefits derived from implementing such controls. TMWA's management is constantly looking for opportunities to improve or redesign internal controls. A key component of TMWA's internal controls is its budgetary controls.

Budgetary Controls

TMWA is legally required to prepare, present to the TMWA Board and adopt an annual budget in conformance with Chapter 354 of the Nevada Revised Statutes. These statutes comprise the Administration of Local Government Finance Act, which stipulates that the Board be presented with a tentative budget by April 15 of each year, with formal adoption of the budget after a public hearing in May of each year. The adopted budget is then filed with the Nevada Department of Taxation.

TMWA is also required to prepare a Capital Improvement Plan for review and formal acceptance by the TMWA Board. This plan is a comprehensive compilation of all capital projects and capital outlays expected during the ensuing five fiscal year period. TMWA's Board is kept informed of TMWA's financial performance throughout the fiscal year at scheduled Board meetings. The General Manager, as the chief administrative officer, is authorized to approve all expenses that are within the approved budget. This authority is conferred upon the General Manager by virtue of the TMWA Cooperative Agreement between the City of Reno, City of Sparks, and the County of Washoe. This arrangement allows for the efficient operation of TMWA. TMWA routinely prepares five year financial forecasts in conjunction with the Capital Improvement Plan.

BUDGET ANALYSIS AND VARIANCES

Actual total operating revenues of \$107.1 million were \$0.2 million or 0.2% above the final budget for fiscal year ended June 30, 2019. Charges for water sales were \$101.5 million or 0.9% over budget. TMWA's water sales can fluctuate from budget based on weather conditions, especially during the spring and fall. During fiscal year 2019, water sales were higher early in the year due to dry, hot fall months, but then dropped during the spring months due to cool and wet weather conditions. Ultimately, water sales ended up very close to budget for the fiscal year.

Total operating expenses of \$92.5 million were approximately \$0.9 million under the budget of \$93.3 million. Operating expenses before depreciation were \$0.2 million over budget which is a variance of less than 1%. Service and supplies expenses were \$0.2 million under budget, a variance of 1%. All essential maintenance was performed and there were no major unplanned expenses incurred during the year. Spending on operating salaries and wages and employee benefits were both within 1% of budget.

Total net nonoperating revenues and expenses were \$4.1 million favorable to budget. This variance was primarily due to higher investment earnings. TMWA realized higher interest rates on investments early in the fiscal year, which helped to increase investment return.

Capital contributions of \$42.2 million were \$25.5 million above budget. Cash contributions from developers were \$7.1 million greater than budget and were attributable to increasing levels of residential construction activity as the local economy improves. Developer infrastructure contributions are not included in the budget, but total \$19.1 million in noncash contributions in fiscal year 2019.

Total capital spending was approximately \$41.3 million for fiscal year 2019, which was approximately \$11.0 million less than the \$52.3 million planned in the final capital budget. The underspend is due to various projects having been deferred to future years.

As reflected in the Statement of Cash Flows, TMWA funded the operating budget, debt service requirements and capital spending from operating revenues, capital contributions and investment income. As of June 30, 2019, TMWA has approximately \$153.1 million of unrestricted cash and investments to fund future operations and capital projects.

TMWA complied with bond covenants during fiscal year 2019 with respect to funding cash reserves. TMWA's renewal and replacement reserve is fully funded at \$10 million. The operations and maintenance reserve fund, which TMWA is required to maintain at a balance equal to one-sixth of TMWA's revised final operating budget, contained \$9.9 million as of June 30, 2019. As of June 30, 2019 TMWA retained a \$9.2 million water rate stabilization reserve of which \$0.5 million is restricted and \$8.7 million is included as a reservation of unrestricted net position. The Board voted in September, 2018 to significantly increase the unrestricted portion of the rate stabilization reserve from \$1.3 million to \$8.7 million to allow for a deferral in water rate increases if needed.

ACKNOWLEDGEMENTS

The timely preparation of this report could not be done without the assistance of TMWA finance personnel, the management team and employees of TMWA. We would like to thank the Board, TMWA customers, and the development community, for their commitment to the long-term operational and financial stewardship of TMWA.

A handwritten signature in black ink, appearing to read "Mark Foree".

Mark Foree, P.E.
General Manager

A handwritten signature in black ink, appearing to read "Michele Sullivan".

Michele Sullivan, CPA
Chief Financial Officer

**Truckee Meadows Water Authority
List of Principal Officials
June 30, 2019**

TMWA Board of Directors

Vaughn Hartung, Washoe County Commissioner, Chairman of the Board

Kristopher Dahir, City of Sparks Council Member, Vice Chairman

Paul Anderson, City of Sparks Council Member

Jeanne Herman, Washoe County Commissioner

Jenny Brekhus, City of Reno Council Member

Naomi Duerr, City of Reno Council Member

Neoma Jardon, City of Reno Council Member

Management

Mark Foree, PE, General Manager

Scott Estes, PE, Director of Engineering

Mike Pagni, General Counsel

John Enloe, Director of Natural Resources Planning and Management

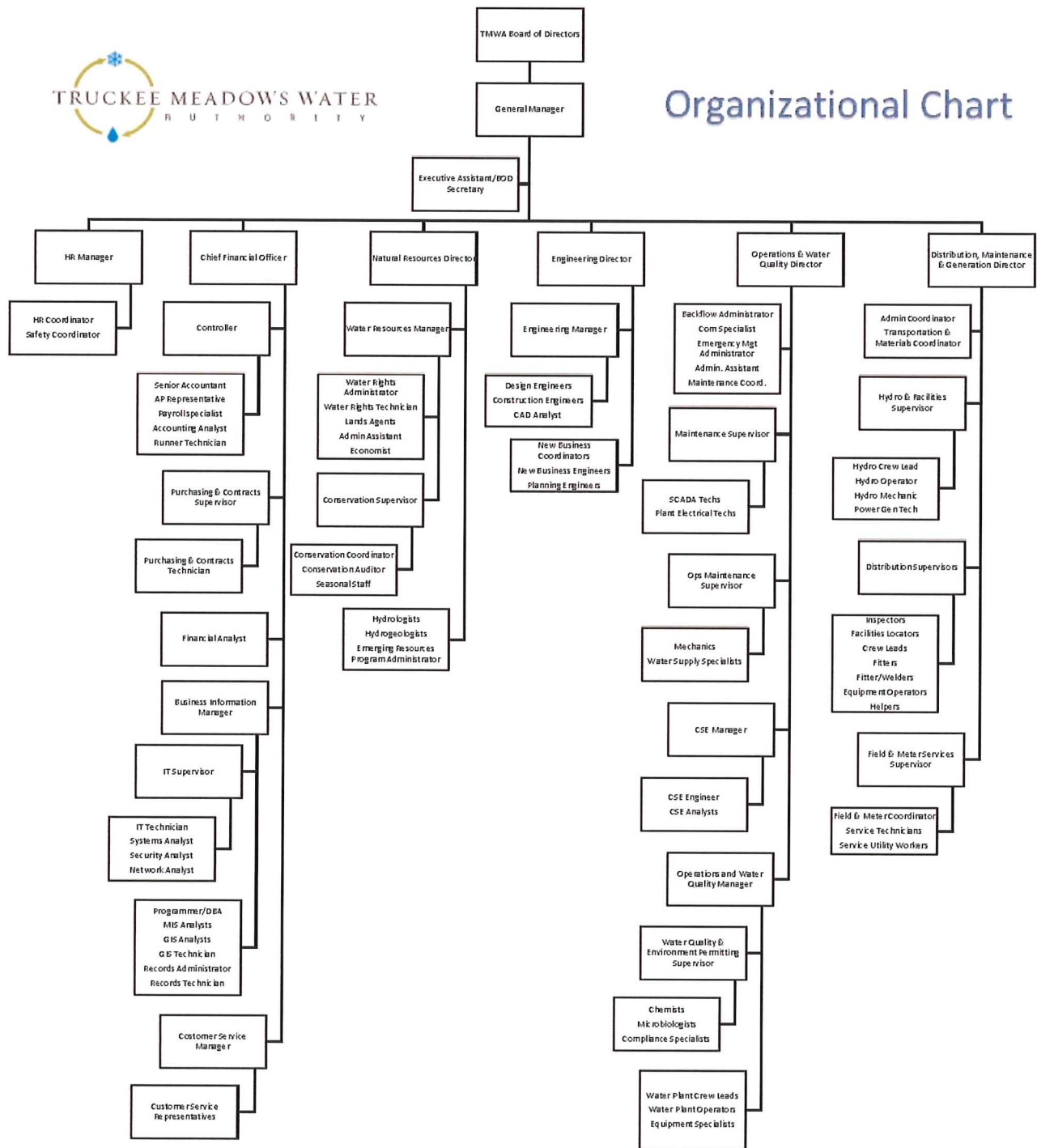
Andy Gebhardt, Director of Operations and Water Quality

Pat Nielson, Director of Distribution, Maintenance, and Generation

Michele Sullivan, CPA, Chief Financial Officer



Organizational Chart





Government Finance Officers Association

**Certificate of
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Presented to

**Truckee Meadows Water Authority
Nevada**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO



Independent Auditor's Report

To the Board of Directors
Truckee Meadows Water Authority
Reno, Nevada

Report on the Financial Statements

We have audited the accompanying financial statements of Truckee Meadows Water Authority (TMWA), which comprise the statements of net position as of June 30, 2019 and 2018, and the related statements of revenues, expenses and changes in net position and statements of cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise the TMWA'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 an opinion on these financial statements based on our audits. We conducted our audits 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of TMWA, as of June 30, 2019 and 2018, and the respective changes in its financial position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 18 through 28, the schedules of changes in net OPEB liability and related ratios on pages 65 through 66, the schedules of contributions - OPEB on pages 67 through 68, the schedules of TMWA's share of net pension liability on page 69, and the schedules of TMWA contributions – Pension on page 70 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 an opinion on the financial statements that collectively comprise TMWA's basic financial statements. The introductory section, the schedules of revenues, expenses and changes in net position – budget and actual, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2019, on our consideration of TMWA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of TMWA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering TMWA's internal control over financial reporting and compliance.

Eide Bailly LLP

Reno, Nevada
November 25, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of TMWA's Comprehensive Annual Financial Report presents management's discussion and analysis of TMWA's financial performance during the fiscal years ended June 30, 2019, June 30, 2018, and June 30, 2017. This section should be read in conjunction with the transmittal letter at the front of this report and TMWA's financial statements following this section.

FINANCIAL HIGHLIGHTS

TMWA's Net Position *(in millions)*

	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>Restated June 30, 2017</u>
Unrestricted Current Assets	\$ 171.1	\$ 164.1	\$ 149.2
Restricted Current Assets	15.7	13.3	8.6
Long-Term Restricted and Other Assets	29.5	32.9	33.7
Net Other Postemployment Benefits Asset	—	0.2	—
Capital Assets, net	980.7	952.7	941.7
Total Assets	<u>1,197.0</u>	<u>1,163.2</u>	<u>1,133.2</u>
Deferred Outflow of Resources	14.1	14.5	17.9
Total Assets & Deferred Outflow of Resources	<u>1,211.1</u>	<u>1,177.7</u>	<u>1,151.1</u>
Total Current Liabilities	49.1	59.0	108.5
Long Term Debt Outstanding	401.7	409.2	372.3
Net Pension Liability	37.7	37.3	35.8
Net Other Postemployment Benefits Liability	1.9	0.8	1.7
Total Liabilities	<u>490.4</u>	<u>506.3</u>	<u>518.3</u>
Deferred Inflow of Resources	2.5	3.4	2.5
Net Investment in Capital Assets	573.2	533.1	506.7
Restricted	29.4	30.1	28.6
Unrestricted	<u>115.7</u>	<u>104.9</u>	<u>95.0</u>
Total Net Position	<u><u>\$ 718.3</u></u>	<u><u>\$ 668.1</u></u>	<u><u>\$ 630.3</u></u>

Financial Position

Fiscal Year 2019 Summary

In the fiscal year ended June 30, 2019, total net position increased by approximately \$50.1 million, the result of recording operating income, net nonoperating income and capital contributions.

Total Unrestricted Current Assets increased by \$7.0 million from June 30, 2018. Unrestricted cash increased \$5.4 million due to increases in investment income, higher operating revenues, and continued growth in the service area which increases cash contributions from developers. Total cash and investment balances, both restricted and unrestricted increased by \$4.4 million in fiscal year 2019.

Most of TMWA's net position is in Capital Assets. Capital Assets, net of accumulated depreciation increased by \$28.0 million in fiscal year 2019 as increases in capital assets from capital expenditures and contributions were greater than depreciation expense. Assets built by developers and contributed to TMWA were \$19.1 million. These assets are built to TMWA's standards and specifications. TMWA began construction in fiscal year 2019 on a new treatment plant and spent \$9.1 million on construction. Construction on this project should be complete in fall of 2020. Depreciation expense was \$32.8 million.

Total Current Liabilities decreased by \$9.9 million mainly due to decreases in commercial paper. TMWA paid off \$6.5 million of its commercial paper. Other current liabilities, including vendor accounts payable, and due to other governments were \$4.8 million lower than prior year due to timing of payments. Offsetting these decreases was an increase of \$0.7 million in contacts and retention payable, and an increase of \$0.7 million in interest payable at year end.

Long Term Debt decreased \$7.5 million, mainly due to amortization of bond premiums of \$4.7 million, and principal payments on debt of \$2.7 million.

During fiscal year 2019, TMWA booked additional liabilities of \$1.4 million related to retirement benefits. These accruals are based on an actuarial analysis. Detailed information about TMWA's postretirement benefits can be found in Notes 10 and 11 to TMWA's financial statements.

Fiscal Year 2018 Summary

In the fiscal year ended June 30, 2018, total net position increased by approximately \$37.7 million, the result of recording operating income, net nonoperating income and capital contributions.

Total Unrestricted Current Assets increased by \$14.9 million from June 30, 2017. Unrestricted cash increased \$15.5 million due to continued growth in the service area which increases cash contributions from developers. Total cash and investment balances, both restricted and unrestricted increased by \$19.3 million in fiscal year 2018.

Most of TMWA's net position is in Capital Assets. Capital Assets, net of accumulated depreciation increased by \$11.0 million in fiscal year 2018 as increases in capital assets from capital expenditures and contributions were greater than depreciation expense. Assets built by developers and contributed to TMWA were \$15.0 million. These assets are built to TMWA's standards and specifications. Depreciation expense was \$32.8 million.

Total Current Liabilities decreased by \$49.6 million mainly due to decreases in commercial paper. TMWA paid off \$9.2 million of its commercial paper, and refunded another \$44.2 million into long term fixed rate senior lien bonds. Decreases in commercial paper were offset by an increase of \$2.3 million in interest payable at year end, mainly due to the timing of the 2017 bond refunding which resulted in more interest payments on that debt prior to year end fiscal 2017. Other current liabilities, including vendor accounts payable, retention and contracts payable were \$1.5 million higher than prior year due to timing of vendor payments.

Long Term Debt Outstanding increased \$36.9 million due to the refunding of \$44.2 million of commercial paper, which resulted in long term senior lien debt of \$38.8 million, with a premium on the sale of \$5.8 million.

During fiscal year 2018 GASB Statement No. 75 related to postretirement medical benefits was adopted. Based on an actuarial analysis, TMWA booked a net asset for its Section 501-c-9 plan known as the TMWA Post-Retirement Medical Plan and Trust (PRMPT) of \$0.2 million as of June 30, 2018. This plan was slightly overfunded as of the actuarial measurement date of December 31, 2017. The Section 115 Trust plan measurement date was the same, and TMWA booked a liability of \$0.8 million for this plan.

TMWA's Changes in Net Position
(in millions)

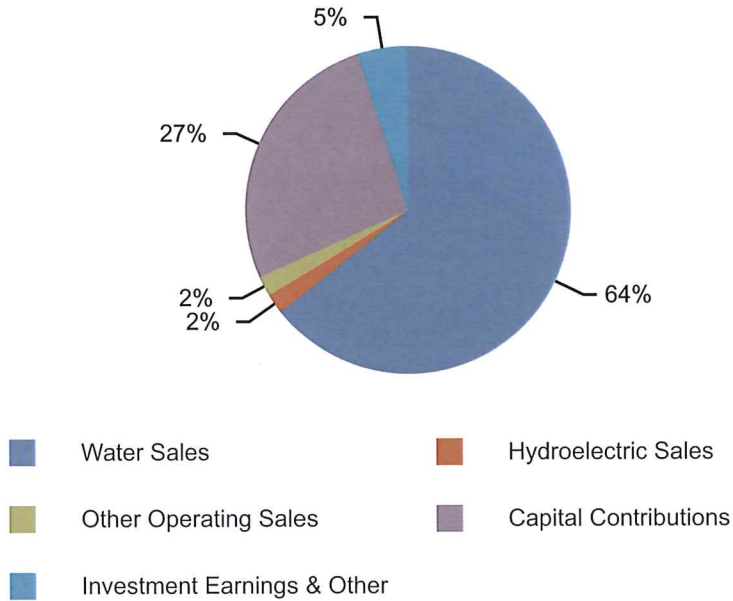
	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>Restated June 30, 2017</u>
Operating Revenues	\$ 107.1	\$ 101.8	\$ 97.3
Operating Expenses	92.5	90.3	82.3
Operating Income	<u>14.6</u>	<u>11.5</u>	<u>15.0</u>
Nonoperating Revenues (Expenses) net	<u>(6.7)</u>	<u>(11.2)</u>	<u>(11.7)</u>
Income before Capital Contributions	7.9	0.3	3.3
Capital Contributions	42.2	37.4	43.4
Change in Net Position	<u>50.1</u>	<u>37.7</u>	<u>46.7</u>
Net Position - BOY	668.1	630.4	585.0
Restatement of Beginning Net Position (Deficit)	—	—	(1.3)
Net Position - EOY	<u>\$ 718.2</u>	<u>\$ 668.1</u>	<u>\$ 630.4</u>

TMWA's Revenues
(In millions)

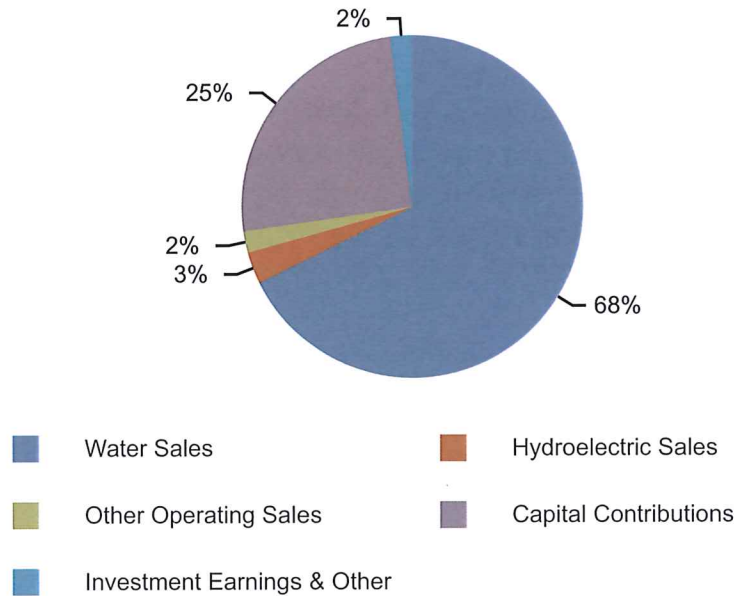
	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Revenues			
Operating Revenues			
Water Sales	\$ 101.5	\$ 95.2	\$ 92.7
Hydroelectric Sales	2.6	3.8	1.8
Other Operating Sales	3.0	2.9	2.8
	<u>107.1</u>	<u>101.9</u>	<u>97.3</u>
Nonoperating Revenues			
Investment Earnings	4.4	2.3	7.2
Other	2.8	0.1	—
	<u>7.2</u>	<u>2.4</u>	<u>7.2</u>
Capital Contributions	42.2	37.4	43.4
Total Revenues	<u>\$ 156.5</u>	<u>\$ 141.7</u>	<u>\$ 147.9</u>

The table above and the graphs that follow represent the makeup of TMWA's total revenues for fiscal years ended June 30, 2019, 2018 and 2017:

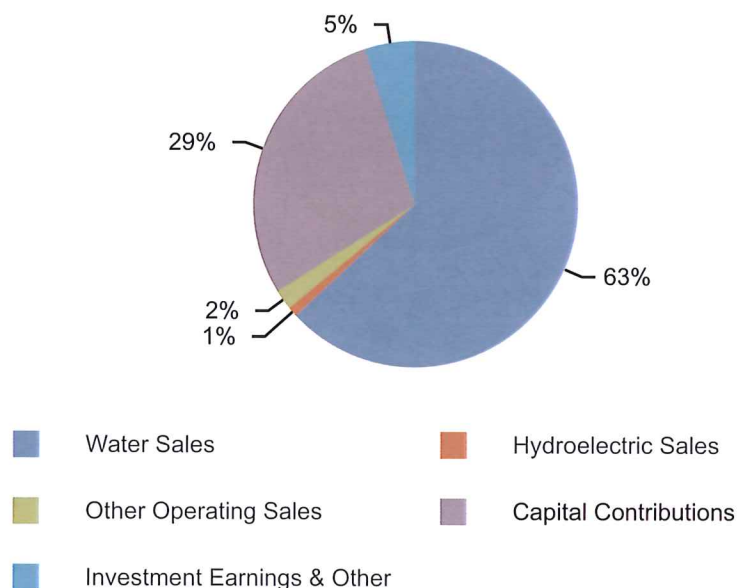
Total Revenues for the Year Ended June 30, 2019



Total Revenues for the Year Ended June 30, 2018



Total Revenues for the Year Ended June 30, 2017



Results of Operations-Revenues

Fiscal Year 2019 Summary

For fiscal year 2019, total operating revenues increased \$5.3 million from fiscal year 2018. Water Sales were \$101.5 million, \$6.3 million or 6.6% greater than in fiscal year 2018. Water Sales were higher mainly due to a 3% rate increase implemented in the first billing cycle of May, 2018. Growth in the service area and higher usage per customer account for the additional increase. Hydroelectric Sales were \$1.1 million or 30.2% less than fiscal year 2018, due to downtime for repairs at the hydroelectric plants.

Investment earnings were \$4.4 million in fiscal year 2019, \$2.1 million higher than fiscal year 2018. This is mainly due to investments made at higher yields, and higher cash balances. Other nonoperating revenues increased \$2.7 million from an increase in fair value of investments of \$2.8 million. In 2018, there was a gain on disposal of assets of \$0.1 million.

For fiscal year 2019, capital contributions increased by \$4.8 million. Increased developer contributed infrastructure at \$19.1 million, resulted in an increase of \$4.1 million due to a continued upward trend in construction in the service area. Contributions to the water meter retrofit program were \$1.4 million lower than 2018 due to decreased sales of surface water will-serve rights by \$2.0 million, as well as phase out of this fee for a new water sustainability fee implemented in January, 2019. This new sustainability fee related to surface water will-serve rights resulted in \$0.7 million in contributions. Contributions from developer facility charges increased \$2.7 million. Grants income increased by \$0.5 million, and other capital contributions increased by \$0.2 million.

Fiscal Year 2018 Summary

For fiscal year 2018, total operating revenues increased \$4.5 million from fiscal year 2017. Water Sales were \$95.2 million, \$2.5 million or 2.7% greater than in fiscal year 2017. Water Sales were higher mainly due to a 3% rate increase implemented in the first billing cycle of May, 2017. Hydroelectric Sales were \$2.0 million or 110.0% greater than fiscal year 2017, due to consistently high river flows and very little downtime for repairs at the hydroelectric plants.

Investment Earnings were \$2.3 million in fiscal year 2018, \$4.9 million lower than fiscal year 2017. This is mainly due to termination of two forward delivery agreements, one with JP Morgan, and one with Bank of New York Mellon, as part of the 2017 bond refunding. These banks are no longer required to provide a 5.5% interest rate on a portion of TMWA's debt reserves and O&M reserves balances, so they paid TMWA \$5.1 million dollars for the release of these commitments.

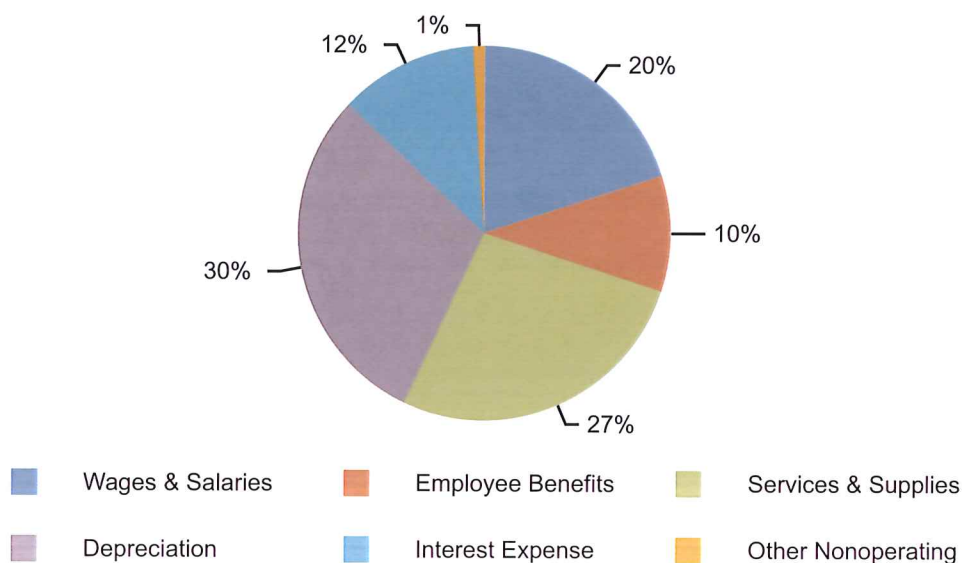
For fiscal year 2018, Capital Contributions decreased by \$5.9 million. This decrease was primarily due to a contribution received in fiscal year 2017 from NV Energy (NVE) from a court awarded payment by their insurers for flood damage to the Farad Hydroelectric Plant river diversion dam for \$11.8 million, that was paid to TMWA in accordance with an agreement with NVE. Offsetting was increased developer contributed infrastructure at \$15.0 million, an increase of \$4.2 million due to a continued upward trend in development in the service area. Contributions to the water meter retrofit program were \$2.0 million higher than 2017 due to increased sales of surface water will-serve rights which resulted in the collection of this fee. Other contributions were \$0.4 million lower than prior year.

TMWA's Expenses
(in millions)

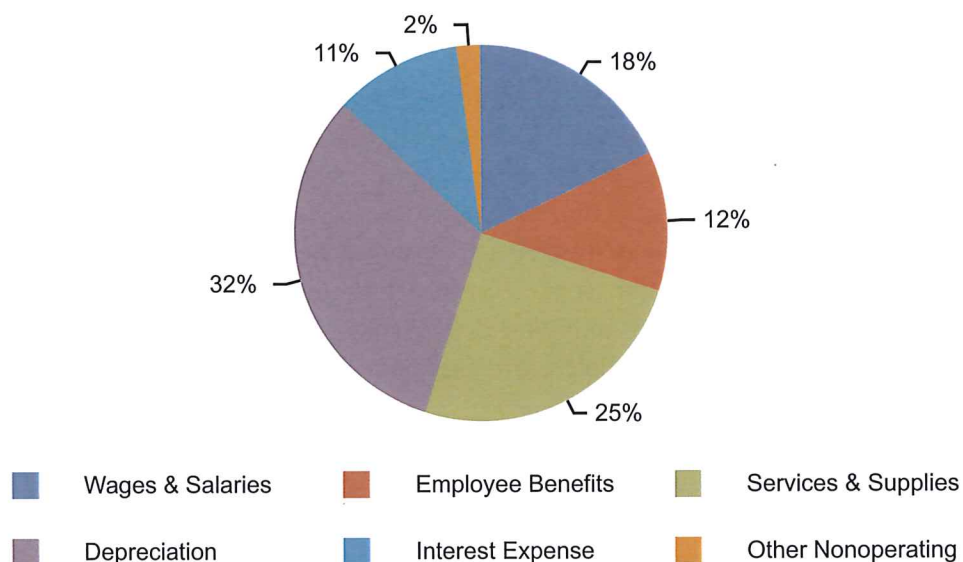
	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>Restated June 30, 2017</u>
Expenses			
Operating Expenses			
Wages & Salaries	\$ 21.0	\$ 18.7	\$ 17.3
Employee Benefits	10.2	12.9	8.9
Services & Supplies	28.5	25.8	24.0
Depreciation	32.8	32.8	32.2
	<u>92.5</u>	<u>90.2</u>	<u>82.4</u>
Nonoperating Expenses			
Interest Expense	13.3	11.7	17.0
Other Nonoperating Expenses	0.7	1.9	1.8
	<u>14.0</u>	<u>13.6</u>	<u>18.8</u>
Total Expenses	<u><u>\$ 106.5</u></u>	<u><u>\$ 103.8</u></u>	<u><u>\$ 101.2</u></u>

The table above and the graphs that follow represent the makeup of total operating and non-operating expenses for the years ended June 30, 2019, 2018 and 2017:

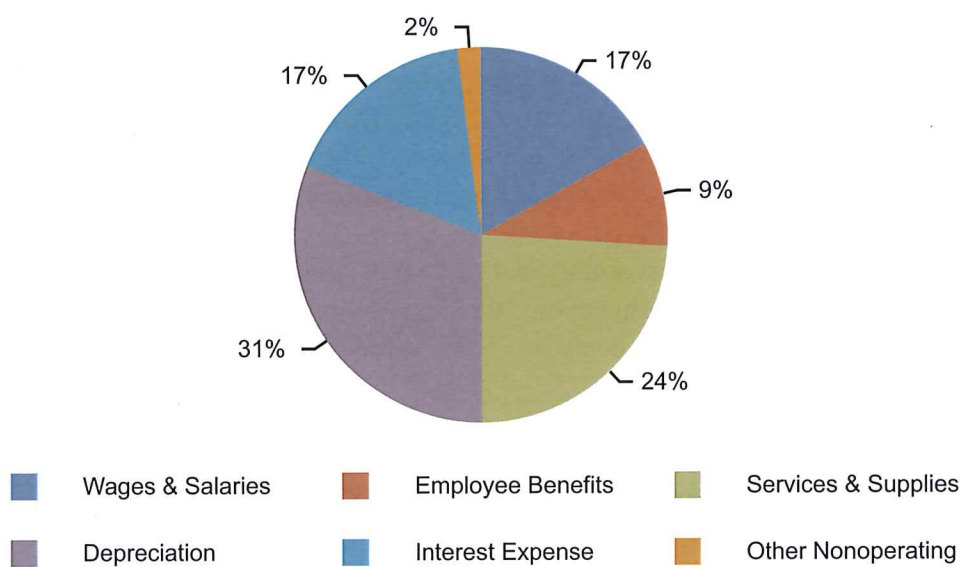
Total Expenses for the Year Ended June 30, 2019



Total Expenses for the Year Ended June 30, 2018



Total Expenses for the Year Ended June 30, 2017



Results of Operations-Expenses

Fiscal Year 2019 Summary

Operating expenses were \$92.5 million, \$2.2 million or 2.4% higher than fiscal year 2018. Spending on Wages and Salaries was \$2.2 million or 11.9% higher, due to a wage increase of approximately 3%, additional employees of 7%, and promotions. Employee Benefits were \$2.7 million or 21.2% lower mainly due to a \$4.6 million adjustment to pension expense related to GASB Statement No. 82 in 2018, offset by higher expenses related to increased headcount and wages. Spending on Services and Supplies was \$2.6 million or 10.2% more than prior year, mainly due to \$0.7 million in higher chemical costs, \$0.5 million in higher power costs, a \$0.4 million increase in donations to the Truckee River Fund, and general price increases in other operating supplies.

Net Nonoperating Expenses were unfavorable \$0.4 million as compared to prior year. Higher interest expense in 2019 by \$1.6 million was due to the 2018 bond refunding, which replaced a portion of TMWA's commercial paper with fixed rate bonds. TMWA refunded this commercial paper because bond rates were low, providing an opportunity to fix rates on balances in commercial paper that were not expected to be paid off in the next five years. Other Nonoperating Expenses were \$1.2 million favorable mainly due to decreases in fair value of investments in 2018 of \$0.9 million, higher amortization expense by \$0.7 million in 2018, offset by a loss on disposal off assets of \$0.2 million in 2019 and a \$0.2 million increase in other nonoperating expenses in 2019.

Fiscal Year 2018 Summary

Operating expenses were \$90.3 million, \$8.0 million or 9.7% higher than fiscal year 2017. Spending on Wages and Salaries was \$1.5 million or 8.6% higher, due to a wage increase of approximately 3%, promotions and addition of 12 employees. Six of the new employees were hired into apprenticeships to prepare for retirements occurring in the next two to three years. Employee Benefits were \$4.0 million or 44.7% higher mainly due to a \$4.6 million adjustment to pension expense related to GASB Statement No. 82, offset by lower pension expense allocation from NVPERS by \$0.6 million, and \$0.2 million lower other post retirement medical expense. Detailed information about TMWA's postretirement benefit plans can be found in Note 11 to TMWA's financial statements. Spending on Services and Supplies was \$1.9 million or 7.7% more than prior year, mainly due to \$1.3 million in maintenance expenses for dredging the channel at the Donner Lake dam.

Net Nonoperating Expenses were favorable \$5.4 million as compared to prior year. Lower interest expense in 2018 by \$5.2 million was due to the 2017 bond refunding. Other Nonoperating Expenses were \$0.2 million unfavorable due to decrease in fair value of investments.

CAPITAL ASSETS

At June 30, 2019, TMWA's total capital assets were \$1,435.0 million before accumulated depreciation of \$454.3 million, for a net book value of \$980.7 million. Included in the total capital assets reported on the Statement of Net Position was \$56.4 million in construction work in progress.

At June 30, 2018, TMWA's total capital assets were \$1,374.3 million before accumulated depreciation of \$421.6 million, for a net book value of \$952.7 million. Included in the total capital assets reported on the Statement of Net Position was \$29.2 million in construction work in progress.

Detailed information about TMWA's capital assets can be found in Note 5 to TMWA's financial statements.

LONG-TERM DEBT

At June 30, 2019, TMWA had \$428.0 million in total reported debt outstanding. This amount reflects \$380.7 million in total outstanding principal indebtedness, and \$47.3 million net bond premium. Of the \$380.7 million in total reported debt outstanding, \$26.3 million was due within in one year and is classified as short term indebtedness. Included in short term debt is TMWA's tax exempt commercial paper notes (TECP). TMWA intends to re-market the \$23.5 million in outstanding tax-exempt commercial paper notes as maturities come due, but all the TECP is classified as a short term indebtedness since the TECP notes mature in less than or equal to 270 days.

Total outstanding principal indebtedness of \$380.7 million as of June 30, 2019 reflects a decrease of \$9.2 million or 2.4% from total outstanding principal of \$389.9 million as of June 30, 2018. Total outstanding principal indebtedness of \$389.9 million as of June 30, 2018 reflects a decrease of \$17.2 million or 4.2% from total outstanding principal of \$407.1 million as of June 30, 2017.

During fiscal year 2018 and 2019, TMWA maintained credit ratings from Standard and Poor's of AA+, outlook Stable, from Moody's of Aa2, outlook Stable, and from Fitch of A+, outlook Stable . Subsequent to year end, in September, 2019, Fitch upgraded TMWA's rating to AA-, outlook Positive.

Detailed information about TMWA's indebtedness can be found in Note 6 to TMWA's financial statements.

CONTACTING TMWA's FINANCIAL MANAGEMENT

This financial report was prepared for the benefit of the customers, bond investors, and the Board of Directors of the Truckee Meadows Water Authority. The Comprehensive Annual Financial Report was prepared to provide interested parties with a general overview of the Truckee Meadows Water Authority's accountability for the financial resources it manages. For questions or additional information, please contact the Truckee Meadows Water Authority's Finance Department at P.O. Box 30013, Reno, Nevada 89509-3013.

Truckee Meadows Water Authority
Statements of Net Position
June 30, 2019 and 2018

	2019	2018
Assets		
Current assets		
Cash and investments	\$ 153,131,648	\$ 147,708,109
Accounts receivable, net	14,637,242	13,588,805
Due from others	332,456	309,092
Due from other governments	432,586	312,954
Interest receivable	769,266	782,611
Prepaid assets and other assets	1,810,519	1,436,188
	<u>171,113,717</u>	<u>164,137,759</u>
Restricted current assets		
Cash and investments		
Water meter retrofit program	5,711,052	4,717,726
Water resource sustainability program	689,060	—
Current bond debt service	9,283,775	8,538,712
	<u>15,683,887</u>	<u>13,256,438</u>
Total current assets	<u>186,797,604</u>	<u>177,394,197</u>
Restricted noncurrent assets		
Cash and investments		
Future bond debt service	2,376,329	3,286,363
Operations and maintenance	9,912,052	9,440,056
Renewal and replacement	16,214,654	19,180,630
Water rate stabilization	500,000	500,000
	<u>29,003,035</u>	<u>32,407,049</u>
Noncurrent assets		
Capital assets, not depreciated	186,576,533	159,065,468
Capital assets, depreciated	794,103,532	793,652,691
Other noncurrent assets	480,255	506,069
Net other postemployment benefits	—	232,223
	<u>981,160,320</u>	<u>953,456,451</u>
Total noncurrent assets	<u>1,010,163,355</u>	<u>985,863,500</u>
Total assets	<u>1,196,960,959</u>	<u>1,163,257,697</u>
Deferred Outflow of Resources		
Bond refundings	2,724,979	2,939,628
Net pension liability	10,546,937	11,138,222
Other postemployment benefits	791,303	443,895
Total deferred outflow of resources	<u>14,063,219</u>	<u>14,521,745</u>
Total Assets and Deferred Outflow of Resources	<u>\$ 1,211,024,178</u>	<u>\$ 1,177,779,442</u>

Truckee Meadows Water Authority
Statements of Net Position
June 30, 2019 and 2018

	2019	2018
Liabilities		
Current liabilities payable from unrestricted current assets		
Accounts payable	\$ 1,565,435	\$ 4,373,577
Contracts and retention payable	4,874,567	4,209,220
Accrued liabilities	4,126,273	4,028,764
Due to other governments	1,525,588	2,864,640
Accrued interest payable	306,226	347,867
Current portion of long-term debt	25,404,058	31,854,526
Customer deposits and amounts due to developers	2,021,318	2,766,275
	<u>39,823,465</u>	<u>50,444,869</u>
Current liabilities payable from restricted current assets		
Current portion of long-term debt	925,000	885,000
Interest payable	8,358,775	7,653,712
	<u>9,283,775</u>	<u>8,538,712</u>
Total current liabilities	<u>49,107,240</u>	<u>58,983,581</u>
Noncurrent liabilities		
Net pension liability	37,658,701	37,323,782
Long-term debt, net of current portion	401,665,043	409,187,994
Net other postemployment benefits liability	1,882,222	826,542
Total noncurrent liabilities	<u>441,205,966</u>	<u>447,338,318</u>
Total liabilities	<u>490,313,206</u>	<u>506,321,899</u>
Deferred Inflow of Resources		
Net pension liability	2,425,248	2,449,195
Bond refundings	97,629	107,535
Other postemployment benefits	—	824,624
Total deferred inflows of resources	<u>2,522,877</u>	<u>3,381,354</u>
Total liabilities and deferred inflow of resources	<u>492,836,083</u>	<u>509,703,253</u>
Net Position		
Net investment in capital assets	573,174,076	533,058,874
Restricted for water meter retrofit program	5,711,052	4,717,726
Restricted for water resource sustainability program	689,060	—
Restricted for debt service	925,000	885,000
Restricted for operations and maintenance reserve	5,312,052	4,840,056
Restricted for renewal and replacement reserve	16,214,654	19,180,630
Restricted for water rate stabilization	500,000	500,000
Unrestricted	115,662,201	104,893,903
Total net position	<u>718,188,095</u>	<u>668,076,189</u>
Total Liabilities, Deferred Inflow of Resources and Net Position	<u>\$ 1,211,024,178</u>	<u>\$ 1,177,779,442</u>

Truckee Meadows Water Authority
Statements of Revenues, Expenses, and Changes in Net Position
Years Ended June 30, 2019 and 2018

	2019	2018
Operating Revenues		
Charges for water sales	\$ 101,496,912	\$ 95,181,554
Hydroelectric sales	2,624,285	3,757,043
Other operating sales	2,968,321	2,873,495
Total operating revenues	107,089,518	101,812,092
Operating Expenses		
Salaries and wages	20,973,151	18,735,892
Employee benefits	10,184,189	12,919,692
Services and supplies	28,475,960	25,835,318
Total operating expenses before depreciation	59,633,300	57,490,902
Depreciation	32,833,604	32,820,720
Total operating expenses	92,466,904	90,311,622
Operating Income	14,622,614	11,500,470
Nonoperating Revenues (Expenses)		
Investment earnings	4,409,486	2,313,513
Net increase (decrease) in fair value of investments	2,843,154	(934,120)
Gain (loss) on disposal of assets	(225,687)	133,972
Debt issuance costs	(218,132)	(942,927)
Interest expense	(13,268,153)	(11,720,356)
Other nonoperating expense	(233,494)	(12,749)
Total nonoperating revenues (expenses)	(6,692,826)	(11,162,667)
Income before Capital Contributions	7,929,788	337,803
Capital Contributions		
Grants	831,116	348,248
Water meter retrofit program	994,706	2,379,206
Water resource sustainability program	689,060	—
Developer infrastructure contributions	19,112,590	15,017,446
Developer will-serve contributions (net of refunds)	4,663,826	6,652,819
Developer capital contributions-other	6,636,417	6,448,549
Developer facility charges (net of refunds)	9,154,403	6,464,559
Contributions from other governments	100,000	100,000
Net capital contributions	42,182,118	37,410,827
Change in Net Position	50,111,906	37,748,630
Net Position, Beginning of Year	668,076,189	630,327,559
Net Position, End of Year	\$ 718,188,095	\$ 668,076,189

Truckee Meadows Water Authority
Statements of Cash Flows
Years Ended June 30, 2019 and 2018

	2019	2018
Operating Activities		
Cash received from customers	\$ 105,272,760	\$ 103,087,315
Cash paid to employees	(30,024,544)	(27,042,296)
Cash paid to suppliers	(33,218,430)	(25,662,867)
Net Cash from Operating Activities	42,029,786	50,382,152
Capital and Related Financing Activities		
Acquisition and construction of capital assets	(41,281,759)	(29,059,520)
Interest paid on financing	(17,050,980)	(14,218,602)
Principal paid on financing	(2,738,723)	(2,655,702)
Proceeds from refunding bonds	—	44,601,977
Redemption of commercial paper notes	(6,500,000)	(53,400,000)
Proceeds from capital asset disposal	38,499	1,270,325
Contributions for water meter retrofit program	994,706	2,379,206
Contributions for water resource sustainability program	689,060	—
Contributions from developers-will-serve letters	4,663,826	6,652,819
Contributions from developers-other	6,636,417	6,448,549
Contributions from developers-facility charges	9,154,403	6,464,559
Contributions from other governments	200,000	—
Grants	582,755	240,493
Bond/note issuance costs	(218,132)	(942,927)
Net Cash used for Capital and Related Financing Activities	(44,829,928)	(32,218,823)
Investing Activities		
Payments received on loan receivables	24,835	3,703
Investment interest/earnings	7,222,281	1,167,934
Net Cash from Investing Activities	7,247,116	1,171,637
Net Change in Cash and Cash Equivalents	4,446,974	19,334,966
Cash and Cash Equivalents, Beginning of Year	193,371,596	174,036,630
Cash and Cash Equivalents, End of Year	\$ 197,818,570	\$ 193,371,596

Truckee Meadows Water Authority
Statements of Cash Flows
Years Ended June 30, 2019 and 2018

	2019	2018
Reconciliation of Operating Income to Net Cash from Operating Activities		
Operating Income	\$ 14,622,614	\$ 11,500,470
Adjustments to reconcile operating income to net cash from operating activities		
Depreciation	32,833,604	32,820,720
Other nonoperating expenses	(233,494)	(12,749)
OPEB expense	295,196	386,482
OPEB contributions	(179,325)	(546,504)
Pension expense	3,768,215	7,243,153
Pension contributions	(2,865,963)	(2,562,356)
Changes in assets and liabilities		
Accounts receivable, net	(1,048,437)	1,214,585
Due from others	(23,364)	24,325
Due from other governments	28,729	(97,190)
Prepaid assets	(373,347)	(212,992)
Accounts payable	(2,808,142)	1,345,514
Accrued liabilities	97,509	116,390
Due to customers and developers	(744,957)	36,313
Due to other governments	(1,339,052)	(874,009)
Total adjustments	27,407,172	38,881,682
Net Cash from Operating Activities	\$ 42,029,786	\$ 50,382,152
Non-Cash Capital and Related Financing Activities		
Developer infrastructure contributions	\$ 19,112,590	\$ 15,017,446
Amortization of net bond premium	(4,693,893)	(4,935,241)
Amortization of refunding allowances to interest expense	204,743	194,934

Note 1 - Summary of Significant Accounting Policies

The financial statements of the Truckee Meadows Water Authority (TMWA) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental entities. A summary of the more significant accounting policies applied in the preparation of the accompanying basic financial statements follows.

Reporting Entity and Purpose

TMWA is a Joint Powers Authority (JPA) formed in November 2000 under the Joint Powers Legislation of the State of Nevada, pursuant to a Cooperative Agreement among the City of Reno, Nevada, the City of Sparks, Nevada, and Washoe County, Nevada. TMWA was formed to purchase water assets (the Water System), undertake the water utility operations, and to develop, manage, and maintain supplies of water for the benefit of the Truckee Meadows communities. TMWA purchased the existing water system originally operated by Sierra Pacific Power Company (SPPCo), now known as NV Energy, Inc.

TMWA is governed by a seven-member Board of Directors (Board) appointed by:

- Reno City Council (3 seats)
- Sparks City Council (2 seats)
- Washoe County Commissioners (2 seats)

The cities and county representatives are not required to be elected officials. Modifications to the JPA were approved by the governing bodies in December 2009 which changed the at-large seat into a second seat for Washoe County. The amendments to the JPA were approved by the Attorney General's Office of the State of Nevada (State) effective February 3, 2010. The amendments were made in anticipation of the consolidation of TMWA and Washoe County's Community Services Department's water utility (WCWU) and the merger of another water utility named South Truckee Meadows General Improvement District (STMGID). The transfer of operations of WCWU and the merger of STMGID occurred on January 1, 2015 with TMWA as the continuing entity.

Basis of Accounting

TMWA's activities are accounted for as an enterprise fund (proprietary fund type). A fund is an accounting entity with a self-balancing set of accounts established to record the financial position and results of operations of the governmental entity. Activities of enterprise funds resemble activities of business enterprises; the purpose is to obtain and use economic resources to meet its operating objectives. The financial statements for TMWA are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recognized at the time they are earned and expenses are recognized when the related liabilities are incurred.

A proprietary fund distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from an exchange transaction such as providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Nonoperating revenues and nonoperating expenses result from nonexchange transactions or ancillary services.

TMWA applies all applicable Governmental Accounting Standards Board (GASB) pronouncements in accounting and reporting for proprietary activities.

When both restricted and unrestricted resources are available for use, it is TMWA's policy to use unrestricted resources first, then restricted resources as they are required.

Budgets and Budgetary Accounting

TMWA adheres to the Local Government Budget and Finance Act (Act) incorporated within the Statutes of the State of Nevada. The Act and TMWA policy include the following major procedures to establish budgetary data:

- On or before April 15, the General Manager of TMWA submits to the Board a tentative budget for the fiscal year commencing the following July 1.
- Public hearings on the tentative budget are held in May.
- Prior to June 1, at the public hearing, the Board indicates changes, if any, to be made to the tentative budget and adopts a final budget by the favorable vote of a majority of the members of the Board. The final budget must then be forwarded to the Nevada Department of Taxation for final approval.
- Any revisions that alter total appropriations must be approved in advance by the Board. Formal budgetary integration is employed as a management control device during the year.
- Budgets are adopted on a basis consistent with GAAP. Appropriations lapse at year end.
- In accordance with State statute, actual expenses may not exceed the sum of operating and nonoperating appropriations.

The budget reflected in the financial statements has been amended from the original amounts in accordance with State statute for the years ended June 30, 2019 and 2018. This presentation for fiscal year 2019 and 2018 is included as Supplementary Information.

Cash and Investments

Cash balances are, to the extent practical, invested as permitted by law. Monies that are not required for immediate obligations are invested.

Investments authorized by State statutes and TMWA's bond resolutions include, but are not limited to, U.S. Treasury instruments, U.S. government agency securities, agency issued mortgage backed securities (FNMA, FHLMC, GNMA), corporate notes meeting certain rating standards, money market mutual funds meeting certain criteria, certificates of deposit, repurchase agreements, commercial paper meeting certain standards, bankers acceptances, long-term forward sale contracts and guaranteed investment contracts meeting certain rating standards, the State's Local Government Investment Pools (LGIP), medium-term obligations of municipal issuers in the State that meet certain rating standards, and asset backed securities that meet certain rating standards. Investments are reported at fair value, including the investment with LGIP which is equal to TMWA's 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.

Restricted cash and investments are monies that are restricted by legal or contractual requirements.

Cash Equivalents

Cash equivalents include short-term highly liquid investments (3 months or less at time of purchase) that are both readily convertible to known amounts of cash, and so near their maturity that they present insignificant risk of changes of value. Based on the nature of the investment policies, all amounts are available on demand and are, therefore, classified as cash equivalents on the Statements of Cash Flows.

Accounts Receivable

Accounts receivable is comprised of amounts due from TMWA's customers, net of an allowance for uncollectible accounts. Amounts due from TMWA's customers are comprised of amounts billed and an estimate of amounts earned but unbilled for water deliveries prior to fiscal year end.

Restricted Assets

Certain proceeds of TMWA's water revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the Statements of Net Position because their use is limited by applicable bond covenants as follows:

- Current bond debt service - used to segregate resources accumulated for debt service payments over the next twelve months.
- Future bond debt service - used to report resources set aside to make up potential future deficiencies in the current bond debt service.
- Operations and maintenance - used to report resources set aside to subsidize potential deficiencies from TMWA's operation that could adversely affect debt service payments.
- Renewal and replacement - used to report resources set aside to subsidize potential deficiencies in cash flow for replacement of water facilities.
- Water rate stabilization - used to report resources set aside to stabilize customer rates if significant water revenue fluctuations occur.

Certain assets of TMWA are classified as restricted assets on the Statements of Net Position because they were derived from contributions from developers to fund the water meter retrofit and water resource sustainability programs adopted under Title II of Public Law 101-618.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Prepaid items have been classified as current.

Capital Assets

All purchased property, plant, and equipment is stated at cost. TMWA capitalizes all assets with a cost of at least \$5,000 and a useful life greater than one year. The cost of maintenance and repairs that do not increase productive capacity or materially extend the life of an asset are not capitalized. Developer contributed capital assets are recorded at acquisition value in the year of contribution to TMWA.

Depreciation is computed using the straight-line method over the assets' estimated useful lives (in years) as follows:

	Years		Years
Distribution mains	60-75	Canals	15-50
Plants	15-50	Reservoirs	20-75
Services	15-60	Vehicles	5-10
Pump stations	10-60	Furniture and fixtures	10
Tanks	65-75	Computer hardware and software	3-5
Wells	7-50	Equipment	5-10
Pressure reducing stations	25	Administration buildings	50
Hydroelectric facilities	20-80		

Deferred Outflows/Inflows of Resources

In addition to assets, the Statements of Net Position report a separate section for deferred outflows of resources. This separate financial statement element represents consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. TMWA's deferred outflows of resources is its deferred charge on refunding which results from the difference in the carrying value of refunded debt and its acquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. In addition, TMWA has deferred outflows of resources related to pensions and other post-employment benefits.

In addition to liabilities, the Statements of Net Position report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. TMWA has deferred inflows of resources related to bond refundings, pensions and other post-employment benefits.

Pensions

For purposes of measuring the net pension liability, deferred outflows and deferred inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees' Retirement System of the State of Nevada (PERS) Base Plan (Base Plan) and additions to/deductions from Base Plan's fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring TMWA's OPEB liability, deferred outflows and deferred inflows of resources, and OPEB expense, information about the fiduciary net position of TMWA's OPEB Plans and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by TMWA's OPEB Plans. For this purpose, TMWA recognizes benefit payments when due and payable in accordance with the benefit terms and investments are reported at estimated fair value.

Compensated Absences

Employees are permitted to accumulate earned but unused vacation and sick pay benefits. The liability for compensated absences is accrued as amounts are earned by employees to the extent it is likely TMWA will ultimately pay those benefits. The liability is included in accrued liabilities in the accompanying Statements of Net Position.

Long-Term Debt

Long-term debt is reported at face value, net of any premium or discounts in the Statements of Net Position. Premiums and discounts are amortized using the effective interest method over the life of the related debt. Debt issuance costs are expensed in the period incurred.

Classification of Revenues

Operating revenues consist of water sales, hydroelectric sales, and miscellaneous fee income. Nonoperating revenues consist essentially of income derived from investments, and reimbursement for nonoperating activities. Developer facility charges, will-serve contributions, and other contributions reflect payments primarily for water service. Developer infrastructure contributions are an estimation of the value of infrastructure built by developers and permanently dedicated to TMWA.

Net Position

Net Position is displayed in three classifications:

- Net investment in capital assets. This component represents TMWA's net position in its capital assets. It reflects the cost of capital assets, less accumulated depreciation and less the outstanding principal of related debt, excluding unspent proceeds.
- Restricted. This component reflects the carrying value of assets, less related liabilities, that are restricted by law or by other externally imposed restrictions, such as bond covenants. Assets restricted only by TMWA or Board imposed limitations are not included in the calculation.
- Unrestricted. This component represents the remaining net position balance that is available to support TMWA's operations and capital asset acquisition/construction.

Use of Estimates in Preparing Financial Statements

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

New Accounting Pronouncements

In November 2016, the GASB issued Statement No. 83, *Certain Asset Retirement Obligations*, which is effective for fiscal years beginning after June 15, 2018. Earlier application is encouraged. The objective of this Statement is to provide financial statement users with information about asset retirement obligations that were not addressed in GASB standards by establishing uniform accounting and financial reporting requirements for these obligations. The implementation of Statement No. 83 in fiscal year ended June 30, 2019 resulted in no impact to TMWA's financial statements.

In March 2017, the GASB issued Statement No. 85, *Omnibus 2017*, which is effective for fiscal years beginning after June 15, 2017. Earlier application is encouraged. The objective of this Statement is to address practice issues that have been identified during the implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits). Statement No. 85 does not have any affect on TMWA's financial position, results of operations or cash flow at this time.

In May 2017, the GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*, which is effective for fiscal years beginning after June 15, 2017. Earlier application is encouraged. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. Statement No. 86 does not have any affect on TMWA's financial position, results of operations or cash flow at this time.

In June 2017, the GASB issued Statement No. 87, *Leases*, which is effective for fiscal years beginning after December 15, 2019. Earlier application is encouraged. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases; enhancing the comparability of financial statements between governments; and also enhancing the relevance, reliability (representational faithfulness), and consistency of information about the leasing activities of governments. TMWA does not expect the adoption of Statement No. 87 to have a material affect on TMWA's financial position, results of operations or cash flow.

In April 2018, the GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, which is effective for fiscal years beginning after June 15, 2018. Earlier application is encouraged. The primary objective of this Statement is to improve the information that is disclosed in notes to financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. Statement No. 88 does not have any affect on TMWA's financial position, results of operations or cash flow at this time.

In August 2018, the GASB issued Statement No. 90, *Majority Equity Interests - An Amendment of GASB Statements No. 14 and No. 61*, which is effective for fiscal years beginning after December 18, 2018. The primary objective of this Statement is to provide users of financial statements with essential information related to presentation of majority equity interests in legally separate organizations and requiring reporting of certain information about component units of the government. TMWA does not expect the adoption of Statement No. 90 to have a material affect on TMWA's financial position, results of operations or cash flow.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*, which is effective for fiscal years beginning after December 15, 2020. Earlier application is encouraged. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. TMWA does not expect the adoption of Statement No. 91 to have a material affect on TMWA's financial position, results of operations or cash flow.

Note 2 - Compliance with Nevada Revised Statutes and the Nevada Administrative Code

TMWA conformed to all significant statutory constraints on its financial administration during the year.

Note 3 - Accounts Receivable, Net

Accounts receivable, net consisted of the following:

	June 30, 2019	June 30, 2018
Billed amounts	\$ 6,829,381	\$ 5,598,850
Earned, but unbilled amounts	8,149,678	8,287,402
	14,979,059	13,886,252
Allowance for uncollectible accounts	(341,817)	(297,447)
Accounts receivable, net	<u>\$ 14,637,242</u>	<u>\$ 13,588,805</u>

Note 4 - Cash and Investments

In accordance with State statutes, TMWA's cash is deposited with insured banks. All money deposited by TMWA that is not within the limits of insurance must be secured by collateral. TMWA's deposits are collateralized by the Office of the State Treasurer/Nevada Collateral Pool.

As of June 30, 2019, TMWA had the following investments and maturities:

	Less than 1 Year	1 - 3 Years	4 - 5 Years	Total
Investments				
U.S. Treasuries	\$ 19,236,990	\$ 21,012,120	\$ 12,401,595	\$ 52,650,705
U.S. Agencies	24,293,349	40,159,868	29,499,980	93,953,197
LGIP	2,376,329	—	—	2,376,329
Money Market Mutual Funds	22,617,511	—	—	22,617,511
Certificates of Deposit	2,494,010	3,241,618	10,807,240	16,542,868
Corporate Commercial Paper	7,834,444	—	—	7,834,444
Total Investments	<u>78,852,633</u>	<u>64,413,606</u>	<u>52,708,815</u>	<u>195,975,054</u>
Total Cash	<u>1,843,516</u>	<u>—</u>	<u>—</u>	<u>1,843,516</u>
Total Cash and Investments	<u>\$ 80,696,149</u>	<u>\$ 64,413,606</u>	<u>\$ 52,708,815</u>	<u>\$ 197,818,570</u>

As of June 30, 2018, TMWA had the following investments and maturities:

	Less than 1 Year	1 - 3 Years	4 - 5 Years	Total
Investments				
U.S. Treasuries	\$ 13,725,538	\$ 9,103,904	\$ 20,250,408	\$ 43,079,850
U.S. Agencies	55,729,990	35,667,945	16,791,191	108,189,126
LGIP	3,286,363	—	—	3,286,363
Money Market Mutual Funds	26,345,520	—	—	26,345,520
Certificates of Deposit	1,244,937	3,686,092	5,792,653	10,723,682
Total Investments	100,332,348	48,457,941	42,834,252	191,624,541
Total Cash	1,747,055	—	—	1,747,055
Total Cash and Investments	<u>\$ 102,079,403</u>	<u>\$ 48,457,941</u>	<u>\$ 42,834,252</u>	<u>\$ 193,371,596</u>

Nevada Revised Statutes (NRS 355.170) set forth acceptable investments for Nevada governments. On September 20, 2017 the TMWA Board adopted an investment policy which extended TMWA's investment period from two years to five years. Nevada Revised Statutes and TMWA's investment policy set portfolio component thresholds to further limit its exposure to certain risks as set forth below.

Interest Rate Risk

Interest rate risk is the risk of possible reduction in the value of a security, especially a bond, resulting from a rise in interest rates. This risk can be mitigated by diversification of durations of fixed rate investments held in the investment portfolio. As a means of limiting TMWA's exposure to this risk, TMWA constantly monitors the bond futures market and ladders investments accordingly to maximize investment returns while balancing the investment maturities with spending requirements. TMWA follows State statute limits of investment in obligations of an agency of the United States or a corporation sponsored by the United States government to those maturing within five years from the date of purchase.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations and is a function of the credit quality ratings of investments. TMWA follows State statute for reducing exposure to investment credit risk by investing in U.S. Agencies securities; "AAA" rated money market mutual funds that invest in securities issued by the U.S. Government or agencies of the U.S. Government, and the State of Nevada Local Government Pooled Investment Fund (LGIP). TMWA has a debt reserve fund with LGIP, which is an unrated external investment pool with investment duration of 116 days at June 30, 2019, and 142 days at June 30, 2018. Investments in U.S. Agencies are rated "AAA" and when investments are made in corporate commercial paper these investments are rated "A-1+"/"P-1". Investments in corporate notes are rated "A" or better.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Securities held by TMWA or by TMWA's custodians are diversified to eliminate risk of loss from over-concentration of assets in a specific maturity, a specific issuer, or a specific class of securities.

At June 30, 2019 and 2018, the following investments by issuer, exceeded 5% of TMWA's total investments:

	June 30, 2019	
U.S. Treasuries	\$ 52,650,704	27%
Federal Home Loan Bank	41,143,051	21%
Federal National Mortgage Association	17,759,156	9%
Federal Home Loan Mortgage Corporation	15,843,376	8%
Federal Farm Credit Bank	15,184,737	8%

	June 30, 2018	
Federal National Mortgage Association	\$ 43,636,448	23%
U.S. Treasuries	43,079,850	22%
Federal Home Loan Bank	38,784,938	20%
Federal Home Loan Mortgage Corporation	16,185,898	8%

Investments Measured at Fair Value

TMWA categorizes its fair value measurements 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; Level 3 inputs are significant unobservable inputs. TMWA does not have any investments that are measured using Level 3 inputs.

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

	Fair Value	Fair Value Measurements Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments by fair value level			
U.S. Treasuries	\$ 52,650,705	\$ 52,650,705	\$ —
U.S. Agencies	93,953,197	—	93,953,197
Money Market Mutual Funds	22,617,511	22,617,511	—
Certificates of Deposit	16,542,868	—	16,542,868
Corporate Commercial Paper	7,834,444	—	7,834,444
	193,598,725	\$ 75,268,216	\$ 118,330,509
LGIP*	2,376,329		
	<u>\$ 195,975,054</u>		

TMWA has the following recurring fair value measurements as of June 30, 2018:

	Fair Value	Fair Value Measurements Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments by fair value level			
U.S. Treasuries	\$ 43,079,850	\$ 43,079,850	\$ —
U.S. Agencies	108,189,126	—	108,189,126
Money Market Mutual Funds	26,345,520	26,345,520	—
Certificates of Deposit	10,723,682	—	10,723,682
	188,338,178	\$ 69,425,370	\$ 118,912,808
LGIP*	3,286,363		
	<u>\$ 191,624,541</u>		

*LGIP is reported at Net Asset Value. TMWA is able to withdraw funds on a daily basis and has no outstanding, unfunded commitments as of June 30, 2019 and 2018.

The following is a description of the valuation methodologies used by TMWA for its Level 2 assets:

U.S. Agencies – Valued using matrix pricing and market corroborated pricing models.

Corporate commercial paper – Valued based on cash flow models that maximize the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issues with similar credit ratings.

Certificates of deposit - Valued using interactive date pricing and reference data.

Note 5 - Capital Assets

Capital asset activity for the year ended June 30, 2019 follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated				
Construction in progress	\$ 29,199,340	\$ 40,345,726	\$ (13,101,191)	\$ 56,443,875
Land	20,160,383	266,530	—	20,426,913
Water rights	109,705,745	—	—	109,705,745
Total capital assets, not being depreciated	159,065,468	40,612,256	(13,101,191)	186,576,533
Capital assets, being depreciated				
Distribution mains	528,175,088	15,488,107	—	543,663,195
Water treatment (plants)	187,200,554	854,317	—	188,054,871
Services	146,785,819	4,934,818	(8,025)	151,712,612
Pump stations	64,975,905	2,984,720	—	67,960,625
Treated water storage (tanks)	90,236,937	3,454,816	—	93,691,753
Wells	73,067,381	1,837,890	—	74,905,271
Pressure regulating stations	10,650,226	2,731,181	(30,536)	13,350,871
Canals	41,254,883	—	—	41,254,883
Reservoirs	18,804,258	—	—	18,804,258
Vehicles	6,948,935	748,972	—	7,697,907
Furniture and fixtures	808,750	—	—	808,750
Computer hardware and software	3,431,412	186,898	—	3,618,310
Equipment	197,578	63,094	(25,606)	235,066
Hydroelectric facilities	28,262,890	—	—	28,262,890
Administrative buildings	14,411,790	—	—	14,411,790
Total capital assets, being depreciated	1,215,212,406	33,284,813	(64,167)	1,248,433,052
Less accumulated depreciation:				
Distribution mains	(119,987,675)	(9,756,249)	—	(129,743,924)
Water treatment (plants)	(86,020,412)	(5,703,906)	—	(91,724,318)
Services	(100,176,556)	(7,350,424)	7,657	(107,519,323)
Pump stations	(21,637,979)	(2,001,905)	—	(23,639,884)
Treated water storage (tanks)	(26,689,852)	(1,949,704)	—	(28,639,556)
Wells	(31,348,819)	(1,841,759)	—	(33,190,578)
Pressure regulating stations	(6,167,406)	(517,688)	30,536	(6,654,558)
Canals	(10,390,074)	(944,128)	—	(11,334,202)
Reservoirs	(6,261,847)	(548,653)	—	(6,810,500)
Vehicles	(3,337,301)	(827,370)	—	(4,164,671)
Furniture and fixtures	(513,573)	(80,588)	—	(594,161)
Computer hardware and software	(2,061,507)	(312,318)	—	(2,373,825)
Equipment	(145,984)	(35,329)	25,606	(155,707)
Hydroelectric facilities	(4,138,759)	(560,128)	—	(4,698,887)
Administrative buildings	(2,681,971)	(403,455)	—	(3,085,426)
Total accumulated depreciation	(421,559,715)	(32,833,604)	63,799	(454,329,520)
Total capital assets, being depreciated net	793,652,691	451,209	(368)	794,103,532
Total Capital Assets, Net	\$ 952,718,159	\$ 41,063,465	\$ (13,101,559)	\$ 980,680,065

Truckee Meadows Water Authority
Notes to Financial Statements
June 30, 2019 and 2018

Capital asset activity for the year ended June 30, 2018 follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated				
Construction in progress	\$ 20,805,718	\$ 27,508,378	\$ (19,114,756)	\$ 29,199,340
Land	20,143,555	16,828	—	20,160,383
Water rights	109,705,745	—	—	109,705,745
Total capital assets, not being depreciated	150,655,018	27,525,206	(19,114,756)	159,065,468
Capital assets, being depreciated				
Distribution mains	508,804,207	19,370,881	—	528,175,088
Water treatment (plants)	184,897,020	2,303,534	—	187,200,554
Services	141,319,729	5,466,090	—	146,785,819
Pump stations	64,044,824	959,790	(28,709)	64,975,905
Treated water storage (tanks)	89,951,119	1,113,116	(827,298)	90,236,937
Wells	71,104,932	2,009,549	(47,100)	73,067,381
Pressure regulating stations	10,006,789	674,730	(31,293)	10,650,226
Canals	41,254,883	—	—	41,254,883
Reservoirs	18,564,775	239,483	—	18,804,258
Vehicles	5,685,360	1,281,742	(18,167)	6,948,935
Furniture and fixtures	603,066	205,684	—	808,750
Computer hardware and software	2,660,991	770,421	—	3,431,412
Equipment	197,578	—	—	197,578
Hydroelectric facilities	28,262,890	—	—	28,262,890
Administrative buildings	12,839,231	1,572,559	—	14,411,790
Total capital assets, being depreciated	1,180,197,394	35,967,579	(952,567)	1,215,212,406
Less accumulated depreciation:				
Distribution mains	(110,436,571)	(9,551,104)	—	(119,987,675)
Water treatment (plants)	(80,189,760)	(5,830,652)	—	(86,020,412)
Services	(92,850,085)	(7,326,471)	—	(100,176,556)
Pump stations	(19,622,935)	(2,036,064)	21,020	(21,637,979)
Treated water storage (tanks)	(25,011,176)	(2,039,551)	360,875	(26,689,852)
Wells	(29,349,994)	(1,998,937)	112	(31,348,819)
Pressure regulating stations	(5,751,392)	(442,562)	26,548	(6,167,406)
Canals	(9,409,860)	(980,214)	—	(10,390,074)
Reservoirs	(5,712,987)	(548,860)	—	(6,261,847)
Vehicles	(2,620,881)	(728,380)	11,960	(3,337,301)
Furniture and fixtures	(455,831)	(57,742)	—	(513,573)
Computer hardware and software	(1,700,082)	(361,425)	—	(2,061,507)
Equipment	(111,590)	(34,394)	—	(145,984)
Hydroelectric facilities	(3,563,380)	(575,379)	—	(4,138,759)
Administrative buildings	(2,372,986)	(308,985)	—	(2,681,971)
Total accumulated depreciation	(389,159,510)	(32,820,720)	420,515	(421,559,715)
Total capital assets, being depreciated net	791,037,884	3,146,859	(532,052)	793,652,691
Total Capital Assets, Net	\$ 941,692,902	\$ 30,672,065	\$ (19,646,808)	\$ 952,718,159

Note 6 - Long-Term Debt

On June 8, 2005, TMWA entered into a loan contract with the State of Nevada Drinking Water State Revolving Fund (DWSRF) to fund TMWA's Arsenic Mitigation Project. TMWA made draws on this contract as construction proceeded, totaling \$4,669,565. The loan constitutes a special limited obligation of TMWA and the principal and interest on the loan will be payable solely from and secured by an irrevocable pledge of the net revenues derived from the operation of the Water System. This loan has a term of 20 years. This loan is subordinate to the 2015A Refunding Bonds, the 2016 Refunding Bonds, the 2017 Refunding Bonds, the 2018 Refunding Bonds, and any future senior lien bonds.

On August 15, 2006, TMWA began an inaugural Tax-Exempt Commercial Paper (TECP) program that originally authorized the issuance of up to \$160,000,000 in TECP notes. The first draw was on August 16, 2006 for \$30,000,000, and a second draw was on December 5, 2006 for \$13,000,000. The proceeds from the first two draws were used solely to purchase water rights for future sale of will-serve commitments to developers. A third draw was made on February 15, 2008 for \$25,000,000 to fund certain construction projects on an interim basis. A fourth draw was made on June 28, 2011 for \$11,400,000 for the purpose of redeeming the remaining outstanding Series 2001A Bonds which were callable on July 1, 2011. TMWA redeemed the \$11,400,000 issued in the fourth draw on December 10, 2012. TMWA issued a fifth draw for \$27,000,000 on December 17, 2014 to refund, on an advanced basis, \$26,100,000 in Washoe County water obligations to effect the water utility consolidation between Washoe County and TMWA with proceeds transferred to escrow on the date of issuance. The funds in escrow were distributed to the Washoe County bondholders as of July 1, 2015, the call date of the bonds. On various dates in fiscal year 2016, TMWA redeemed \$7,200,000. On September 7, 2016, TMWA redeemed \$4,400,000. On September 5, 2017 TMWA redeemed \$9,200,000, and on May 15, 2018 TMWA redeemed \$44,200,000 as part of the Series 2018 Water Revenue Refunding (see below). This left an outstanding balance of \$30,000,000 as of June 30, 2018. On September 4, 2018, TMWA redeemed \$6,500,000. This left an outstanding balance of \$23,500,000 as of June 30, 2019. TMWA intends to pay off this balance over the next four years using proceeds from will-serve sales. Subsequent to fiscal year end 2019, in the second quarter of fiscal year 2020, TMWA paid off \$5,000,000 of the \$23,500,000 outstanding. TMWA has remaining authorization to issue \$53,600,000 as of June 30, 2019 and 2018. The TECP program is facilitated by a direct pay letter of credit (Liquidity Facility) between TMWA and Wells Fargo Bank. The stated amount of the Liquidity Facility is \$32,663,014. The average interest rate on the outstanding balance of TECP as of June 30, 2019 was 1.44% and June 30, 2018 was 1.54%. As of June 30, 2019, the total TECP notes outstanding were comprised of five tranches ranging from \$412,000 to \$12,870,000 with maturities ranging from 28 to 93 days. As of June 30, 2018, the total TECP notes outstanding were comprised of one tranche of \$30,000,000 with maturity of 51 days.

On July 25, 2009, TMWA entered into a loan contract with the DWSRF, the 2009A DWSRF Loan, to partially fund TMWA's Mogul Bypass Siphon Project. The loan was provided through the American Recovery and Reinvestment Act (ARRA) stimulus funding provided by the federal government. TMWA made draws on this contract as construction proceeded, totaling \$2,401,120. The loan constitutes a special limited obligation of TMWA and the principal and interest on the loan will be payable solely from and secured by an irrevocable pledge of the net revenues derived from the operation of the Water System. This loan has a term of 20 years. This loan is subordinate to the senior lien 2015A Refunding Bonds, the 2016 Refunding Bonds, the 2017 Refunding Bonds, the 2018 Refunding Bonds, and any future senior lien bonds.

On February 11, 2010, TMWA entered into a loan contract with DWSRF, the 2010A DWSRF Loan, to fund TMWA's Glendale Water Treatment Plant Diversion Project. Total construction costs for the Glendale Diversion Project were less than expected. Consequently, TMWA requested and was granted that the remaining loan authorization be able to fund final improvements on the Highland Canal. During fiscal year 2013, the loan was finalized in the total amount of \$4,381,614. The loan constitutes a special limited obligation of TMWA and the principal and interest on the loan are payable solely from and secured by an irrevocable pledge of the net revenues derived from the operation of the Water System. This loan has a term of 20 years. This loan is subordinate to the, senior lien 2015A Refunding Bonds the 2016 Refunding Bonds, the 2017 Refunding Bonds, the 2018 Refunding Bonds as well as any future senior lien bonds.

On December 31, 2014, TMWA entered into a loan contract with the DWSRF, to transfer the remaining loan balance of the Washoe County Water Utility 2005 DWSRF loan to TMWA. The transfer was in conjunction with the transfer of operations of the Washoe County Water Utility into TMWA on January 1, 2015. The loan contract was entered into by the Washoe County Water Utility to construct the Longley Lane Water Treatment Facility, a facility that was transferred to TMWA. The loan balance of \$9,109,437 was transferred to TMWA under the same terms that existed with Washoe County as the TMWA 2014 DWSRF loan. The original balance of the loan was \$14,162,268. The loan constitutes a special limited obligation of TMWA and the principal and interest on the loan are payable solely from and secured by an irrevocable pledge of the net revenues, derived from the operation of the Water System. When it was transferred this loan had a remaining term of 10 years. This loan is subordinate to the senior lien 2015A Refunding Bonds, the 2016 Refunding Bonds, the 2017 Refunding Bonds, the 2018 Refunding Bonds as well as any future senior lien bonds.

On April 14, 2015, TMWA issued \$28,750,000 in Series 2015A Refunding Bonds which constitute special limited obligations of TMWA. These bonds were sold to refund on a current basis \$33,050,000 in maturities of the Series 2005A Bonds. The proceeds of the refunding bond issue were placed in an irrevocable trust for the purpose of generating financial resources to defease the callable portion of the Series 2005A Bonds. The Series 2005A refunded bonds are considered to be defeased and the liability has been removed from TMWA's Statement of Net Position. The net carrying amount of the old debt exceeded the reacquisition price by \$140,645. The unamortized balance is being amortized as a component of interest income over the remaining life of the old and new debt, which has the same remaining life. This current refunding was undertaken to reduce total debt service payments over approximately 21 years by \$6,563,813 and resulted in an economic gain of \$4,575,309. The funds held in the irrevocable trust were distributed to 2005A bondholders as of July 1, 2015, the call date of the 2005A Bonds.

On July 30, 2015, TMWA entered into a loan contract with the DWSRF, the 2015B DWSRF Loan, to fund TMWA's surface and groundwater supplies in the North Valleys particularly the Stead area, Lemmon Valley area, and North Virginia Corridor. TMWA made draws on this contract as construction proceeded, totaling \$8,971,562. The loan constitutes a special limited obligation of TMWA and the principal and interest on the loan are payable solely from and secured by an irrevocable pledge of the net revenues derived from the operation of the Water System. This loan has a term of 20 years. This loan is subordinate to the senior lien 2015A Refunding Bonds, the 2016 Refunding Bonds, the 2017 Refunding Bonds, the 2018 Refunding Bonds as well as any future senior lien bonds.

On April 12, 2016, TMWA issued \$124,790,000 in Series 2016 Water Revenue Refunding Bonds which constitute special limited obligations of TMWA. These bonds were sold to refund \$148,015,000 in maturities of the Series 2006 Bonds. The proceeds of the refunding bond issue were used to purchase U.S. Government securities that were placed in an irrevocable trust for the purpose of generating financial resources for the future debt service payments of the refunded Series 2006 Bonds. As a result, the refunded bonds were considered to be defeased and the liability has been removed from TMWA's Statements of Net Position. The reacquisition price exceeded the net carrying amount of the old debt by \$3,092,808. The unamortized balance is being amortized as a component of interest expense over the original life of the old debt, which has a shorter remaining life in comparison to the remaining life of the refunding bonds. This current refunding was undertaken to reduce total debt service payments over 22 years by \$4,332,501, and resulted in an economic gain of \$15,025,124. The funds in the irrevocable trust were distributed to 2006 bondholders as of July 1, 2016, the call date of the 2006 Bonds.

On April 11, 2017, TMWA issued \$147,415,000 in Series 2017 Water Revenue Refunding Bonds which constitute special limited obligations of TMWA. These bonds were sold to refund \$214,290,000 in maturities of the Series 2007 Bonds. The proceeds of the refunding bond issue along with \$32,865,308 from TMWA's cash balances were used to purchase U.S. Government securities that were placed in an irrevocable trust for the purpose of generating financial resources for the future debt service payments of the refunded Series 2007 Bonds. As a result, the refunded bonds were considered to be defeased and the liability has been removed from TMWA's Statements of Net Position. The reacquisition price exceeded the net carrying amount of the old debt by \$289,903. The unamortized balance is being amortized as a component of interest income over the remaining life of the old and new debt, which has the same remaining life. This current refunding was undertaken to reduce total debt service payments over 14 years by \$15,301,534, and resulted in an economic gain of \$15,948,105. The funds in the irrevocable trust were distributed to 2007 bondholders as of July 1, 2017, the call date of the 2007 Bonds.

On May 15, 2018, TMWA issued \$38,835,000 in Series 2018 Water Revenue Refunding Bonds which constitute special limited obligations of TMWA. The proceeds of the bond issue of \$44,601,977 were used to refund or redeem \$44,200,000 in maturities of TECP (see above). This transaction was executed to provide a fixed rate of interest expense over the life of the refunding, which was effected by replacing variable rate TECP debt with fixed rate bonds.

Truckee Meadows Water Authority
Notes to Financial Statements
June 30, 2019 and 2018

The following schedules summarize the changes in long-term obligations as of June 30, 2019:

	Final Maturity Date	Authorized	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Due in 2019-2020
Direct Borrowings							
2005 - DWSRF Bonds 3.21%	1/1/2025	\$ 4,669,565	\$ 2,095,861	\$ —	\$ 271,578	\$ 1,824,283	\$ 280,365
2009 A - DWSRF ARRA Bonds 0.00%	7/1/2029	2,401,120	1,422,190	—	123,668	1,298,522	123,669
2010 A - DWSRF Bonds 3.25%	1/1/2030	4,381,614	3,331,595	—	231,088	3,100,507	238,660
2014 - DWSRF Bonds 2.81%	1/1/2025	9,109,437	6,364,231	—	834,864	5,529,367	858,488
2015 B - DWSRF Bonds 2.62%	7/1/2035	8,971,562	8,589,045	—	393,328	8,195,717	402,876
		29,533,298	21,802,922	—	1,854,526	19,948,396	1,904,058
Bonds Payable							
2015 A - Refunding Bonds 2.00%-5.00%	7/1/2036	28,750,000	27,070,000	—	885,000	26,185,000	925,000
2016 - Refunding Bonds 5.00%	7/1/2037	124,790,000	124,790,000	—	—	124,790,000	—
2017 - Refunding Bonds 4.00%-5.00%	7/1/2030	147,415,000	147,415,000	—	—	147,415,000	—
2018 - Refunding Bonds 5.00%	7/1/2039	38,835,000	38,835,000	—	—	38,835,000	—
		339,790,000	338,110,000	—	885,000	337,225,000	925,000
Subtotal		369,323,298	359,912,922	—	2,739,526	357,173,396	2,829,058
Plus unamortized net bond premium			52,014,598	—	4,693,893	47,320,705	
Total debt before TECP			411,927,520	—	7,433,419	404,494,101	
TECP		77,100,000	30,000,000	—	6,500,000	23,500,000	23,500,000
Total Debt		<u>\$ 446,423,298</u>	<u>\$ 441,927,520</u>	<u>\$ —</u>	<u>\$ 13,933,419</u>	<u>\$ 427,994,101</u>	<u>\$ 26,329,058</u>

The following schedules summarize the changes in long-term obligations as of June 30, 2018:

	Final Maturity Date	Authorized	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018	Due in 2018-2019
Direct Borrowings							
2005 - DWSRF Bonds 3.21%	1/1/2025	\$ 4,669,565	\$ 2,358,926	\$ —	\$ 263,065	\$ 2,095,861	\$ 271,577
2009 A - DWSRF ARRA Bonds 0.00%	7/1/2029	2,401,120	1,545,859	—	123,669	1,422,190	123,669
2010 A - DWSRF Bonds 3.25%	1/1/2030	4,381,614	3,555,353	—	223,758	3,331,595	231,089
2014 - DWSRF Bonds 2.81%	1/1/2025	9,109,437	7,176,120	—	811,889	6,364,231	834,864
2015 B - DWSRF Bonds 2.62%	7/1/2035	8,971,562	8,971,562	—	382,517	8,589,045	393,327
		29,533,298	23,607,820	—	1,804,898	21,802,922	1,854,526
Bonds Payable							
2015 A - Refunding Bonds 2.00%-5.00%	7/1/2036	28,750,000	27,920,000	—	850,000	27,070,000	885,000
2016 - Refunding Bonds 5.00%	7/1/2037	124,790,000	124,790,000	—	—	124,790,000	—
2017 - Refunding Bonds 4.00%-5.00%	7/1/2030	147,415,000	147,415,000	—	—	147,415,000	—
2018 - Refunding Bonds 5.00%	7/1/2039	38,835,000	—	38,835,000	—	38,835,000	—
		339,790,000	300,125,000	38,835,000	850,000	338,110,000	885,000
Subtotal		369,323,298	323,732,820	38,835,000	2,654,898	359,912,922	2,739,526
Plus unamortized net bond premium			51,182,862	5,766,977	4,935,241	52,014,598	
Total debt before TECP			374,915,682	44,601,977	7,590,139	411,927,520	
TECP		83,600,000	83,400,000	—	53,400,000	30,000,000	30,000,000
Total Debt		<u>\$ 452,923,298</u>	<u>\$ 458,315,682</u>	<u>\$ 44,601,977</u>	<u>\$ 60,990,139</u>	<u>\$ 441,927,520</u>	<u>\$ 32,739,526</u>

Annual debt service requirements to maturity for TMWA's bonds and commercial paper are as follows:

Year Ending June 30,	Direct Borrowings		Bonds and TECP		Total Debt Service
	Principal Payment	Interest Payment	Principal Payment	Interest Payment	
2020	\$ 1,904,058	\$ 516,663	\$ 24,425,000	\$ 16,699,050	\$ 43,544,771
2021	1,955,867	464,854	11,505,000	16,460,150	30,385,871
2022	2,009,193	411,528	11,590,000	15,950,000	29,960,721
2023	2,064,081	356,640	12,615,000	15,344,875	30,380,596
2024	2,120,578	300,143	13,245,000	14,698,375	30,364,096
2025-2029	5,849,704	875,634	75,875,000	62,782,875	145,383,213
2030-2034	3,146,093	328,155	115,790,000	39,787,500	159,051,748
2035-2039	898,822	23,651	84,430,000	11,590,750	96,943,223
2040	—	—	11,250,000	281,250	11,531,250
Total	<u>\$ 19,948,396</u>	<u>\$ 3,277,268</u>	<u>\$ 360,725,000</u>	<u>\$ 193,594,825</u>	<u>\$ 577,545,489</u>

Because commercial paper notes have a maturity of less than 270 days, they are presented as maturing in the current year. It is the intent of TMWA that as TECP matures, the interest and principal will be remarketed into new commercial paper notes.

Note 7 - Net Position

Restricted Net Position

TMWA records the following restrictions of net position:

Restricted in accordance with bond covenants: TMWA's bond covenants require certain restrictions of TMWA's net position for operations and maintenance, debt service, renewal and replacement, and water rate stabilization.

Restricted for water meter retrofit program: This restriction was created to segregate the portion of net position derived from contributions made by developers to fund the water meter retrofit program..

Restricted for water resource sustainability: Adopted by the TMWA Board in January, 2019, this restriction replaced the water meter retrofit program and was created to segregate the portion of net position derived from contributions made by developers to fund certain projects that are intended to benefit TMWA's long-term water resources sustainability.

Restricted in accordance with the STMGID merger agreement: The merger agreement with STMGID required that certain funds transferred to TMWA by STMGID may only be used for three purposes: a) payment of contingent liabilities b) construction of facilities to move surface water into the STMGID water utility, and c) replacement, rehabilitation and/or repair of the STMGID facilities. The restricted amount of \$6,214,654 and \$9,180,630 as of June 30, 2019 and 2018, respectively, is included in the amount restricted for renewal and replacement.

Board Designation

On September 19, 2018, the Board adopted a resolution to designate 3% of total projected water sales for the most recent three year forecast as a rate stabilization fund. At June 30, 2019, this amount was \$8,671,715. Under the previous resolution and different methodology, at June 30, 2018, the amount designated for the rate stabilization fund was \$1,300,000. This designation is not reflected as restricted net position, but is considered a designated portion of unrestricted net position.

Note 8 - Contingent Liabilities

Mt. Rose Fan Domestic Well Program: As part of the transfer of operations with the Washoe County water utility, TMWA also agreed to continue Washoe County's Mt. Rose-Galena Fan Domestic Well Mitigation Program, which provides for the reimbursement of specific well deepening costs or water system connection charges, incurred by property owners within the program area, whom experienced or will experience an "unreasonable adverse effect" as a result of municipal groundwater pumping. TMWA's continuation of the program provides continuity for domestic well owners in the specific program and provides protection of shared groundwater resources in the program area. TMWA's budget includes projected costs for administering the domestic well mitigation plan.

Note 9 - Risk Management

TMWA is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. TMWA is responsible for group health insurance premiums payable to the City of Reno for coverage in the City's self-funded health insurance program. All other risks are covered by commercial insurance purchased from independent third parties. There have been no settlements in excess of insurance coverage for the past three years.

Note 10 - Defined Benefit Pension Plan and Other Employee Benefits**Defined Benefit Pension Plan***Plan Description*

TMWA contributes to the Public Employees' Retirement System of the State of Nevada (PERS). PERS administers a cost-sharing, multiple-employer, defined benefit public employees' retirement system. PERS was established by the Nevada Legislature in 1947, effective July 1, 1948. PERS is administered to provide a reasonable base income to qualified employees who have been employed by a public employer and whose earnings capacities have been removed or substantially impaired by age or disability.

Benefits Provided

Benefits, as required by the Nevada Revised Statutes (NRS or statute), are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering PERS on or after January 1, 2010 and July 1, 2015. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits.

Monthly benefit allowances for members are computed as 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this multiplier is 2.67% of average compensation. For members entering PERS on or after January 1, 2010, there is a 2.5% multiplier. Members entering PERS on or after July 1, 2015 have a 2.25% multiplier. PERS offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death.

Post-retirement increases are provided by authority of NRS 286.575 - .579.

Vesting

Members entering PERS prior to January 1, 2010, are eligible for retirement at age 65 with five years of service, at age 60 with 10 years of service, or at any age with thirty years of service. Members entering PERS on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 62 with 10 years of service, or any age with thirty years of service. Members entering PERS on or after July 1, 2015 are eligible for retirement at age 65 with five years of service, or at age 62 with ten years of service, or at age 55 with thirty years of service, or at any age with 33 1/3 years of service.

The normal ceiling limitation on monthly benefits allowances is 75% of average compensation. However, a member who has an effective date of membership before July 1, 1985, is entitled to a benefit of up to 90% of average compensation. Members become fully vested as to benefits upon completion of five years of service.

Contributions

The authority for establishing and amending the obligation to make contributions and member contribution rates, is set by statute. New hires, in agencies which did not elect the Employer-Pay Contribution (EPC) plan prior to July 1, 1983, have the option of selecting one of two contribution plans.

Contributions are shared equally by employer and employee. Employees can take a reduced salary and have contributions made by the employer (EPC) or can make contributions by a payroll deduction matched by the employer. TMWA contributes under the employer-pay option.

PERS' basic funding policy provides for periodic contributions at a level pattern of cost as a percentage of salary throughout an employee's working lifetime in order to accumulate sufficient assets to pay benefits when due.

PERS receives an actuarial valuation on an annual basis indicating the contribution rates required to fund PERS on an actuarial reserve basis. Contributions actually made are in accordance with the required rates established by the Nevada Legislature. These statutory rates are increased/decreased pursuant to NRS 286.421 and 286.450.

The actuary funding method used is the Entry Age Normal Cost Method. It is intended to meet the funding objective and result in a relatively level long-term contributions requirement as a percentage of salary.

The Employer-pay contribution (EPC) rate was 28% for both fiscal years June 30, 2019 and 2018.

TMWA's contributions were \$2,865,963 and \$2,562,356 for the years ended June 30, 2019 and 2018, respectively.

PERS Investment Policy

PERS' policies which determine the investment portfolio target asset allocation are established by the PERS Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of PERS.

The following was the PERS Board adopted policy target asset allocation as of June 30, 2018 and 2017:

	Target Allocation	Long-Term Geometric Expected Real Rate of Return
Domestic Equity	42%	5.50%
International Equity	18%	5.75%
Domestic Fixed Income	30%	0.25%
Private Markets	10%	6.80%

Net Pension Liability

At June 30, 2019, TMWA reported a liability for its proportionate share of the net pension liability of \$37,658,701. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

At June 30, 2018, TMWA reported a liability for its proportionate share of the net pension liability of \$37,323,782. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

TMWA's proportion of the net pension liability was based on TMWA's share of contributions in PERS pension plan relative to the total contributions of all participating PERS employers and members. At June 30, 2018 and 2017, TMWA's proportion was 0.2761 and 0.2806 percent, respectively, representing a decrease of .0045 percent and an increase of .0132 percent from its proportion measured at June 30, 2017 and 2016, respectively.

Pension Liability Discount Rate Sensitivity

The following presents the net pension liability of TMWA measured as of June 30, 2018 and 2017, calculated using the discount rate of 7.50% and what TMWA's net pension liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the discount rates used in each year's valuation:

	1% Decrease in Discount Rate (6.50%)	Discount Rate (7.50%)	1% Decrease in Discount Rate (8.50%)
Net Pension Liability, June 30, 2018	\$ 57,427,995	\$ 37,658,701	\$ 21,231,569
	1% Decrease in Discount Rate (6.50%)	Discount Rate (7.50%)	1% Decrease in Discount Rate (8.50%)
Net Pension Liability, June 30, 2017	\$ 56,423,138	\$ 37,323,782	\$ 21,461,468

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the PERS Comprehensive Annual Financial Report, available on the PERS website, www.nvpers.org.

Actuarial Assumptions

TMWA's June 30, 2019 net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. TMWA's June 30, 2018 net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	June 30, 2018	June 30, 2017
Inflation Rate	2.75%	2.75%
Payroll Growth	5.00% including inflation	5.00% including inflation
Investment Rate of Return	7.50%	7.50%
Productivity Pay Increase	0.50%	0.50%
Projected Salary Increases	4.25% to 9.15%, depending on service. Rates include inflation and productivity increases	4.25% to 9.15%, depending on service. Rates include inflation and productivity increases
Consumer Price Index	2.75%	2.75%
Other Assumptions	Same as those used in the June 30, 2018 funding actuarial valuation	Same as those used in the June 30, 2017 funding actuarial valuation

Mortality rates for non-disabled regular members were based on the RP-2014 Combined Healthy Annuitant Table projected to 2020 with Scale MP-2016, set forward one year for spouses and beneficiaries. The mortality table used in the actuarial valuation to project mortality rates for all disabled regular members is the RP-2014 Disabled Retiree Table, set forward four years.

Actuarial assumptions used in the June 30, 2018 and 2017 valuations were based on the results of the experience review issued October 16, 2017.

The projection of cash flows used to determine the discount rate assumed plan contributions will be made in amounts consistent with statutory provisions and recognizing the plan's current funding policy and cost-sharing mechanism between employers and members. For this purpose, all contributions that are intended to fund benefits for all plan members and their beneficiaries are included, except that projected contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2018 and June 30, 2017.

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the years ended June 30, 2019 and 2018, TMWA recognized pension expense of \$6,571,967 and \$9,796,032, respectively.

At June 30, 2019, TMWA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,179,759	\$ 1,748,035
Changes in assumptions or other inputs	1,984,404	—
Net difference between projected and actual earnings on pension plan investments	—	179,295
Changes in TMWA's proportion and differences between TMWA's contributions and TMWA's proportionate contributions	4,516,811	497,918
TMWA contributions subsequent to the measurement date	2,865,963	—
	<u>\$ 10,546,937</u>	<u>\$ 2,425,248</u>

Deferred outflows of resources of \$2,865,963 resulted from TMWA contributions subsequent to the measurement date, and will be recognized as a reduction of the net pension liability in the year ended June 30, 2020.

At June 30, 2018, TMWA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ —	\$ 2,449,195
Changes in assumptions or other inputs	2,476,078	—
Net difference between projected and actual earnings on pension plan investments	242,337	—
Changes in TMWA's proportion and differences between TMWA's contributions and TMWA's proportionate contributions	5,857,451	—
TMWA contributions subsequent to the measurement date	2,562,356	—
	<u>\$ 11,138,222</u>	<u>\$ 2,449,195</u>

Deferred outflows of resources of \$2,562,356 resulted from TMWA contributions subsequent to the measurement date, and was recognized as a reduction of the net pension liability in the year ended June 30, 2019.

The average of the expected remaining service lives of all employees that are provided with pensions through PERS (active and inactive employees) determined at July 1, 2017 (the beginning of the measurement period ended June 30, 2018) is 6.22 years.

Other estimated amounts reported by TMWA as deferred outflows of resources and deferred inflows of resources related to pensions at June 30, 2019 will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	
2020	\$ 2,212,200
2021	1,572,458
2022	531,550
2023	841,841
2024	152,808
Thereafter	(55,131)

Additional Information

The PERS Comprehensive Annual Financial Report (CAFR) is available on the PERS website at www.nvpers.org under Quick Links – Publications.

Deferred Compensation Plans

All employees of TMWA are eligible to participate in a Section 457 Deferred Compensation Plan, monies of which are maintained in a trust, separate from the general assets of TMWA. In addition to the Section 457 Deferred Compensation Plan, all employees are eligible to participate in a Section 401(a) Money Purchase Retirement Plan, monies of which are maintained in a trust, separate from the general assets of TMWA. For the years ended June 30, 2019 and June 30, 2018, TMWA had matching contributions totaling \$1,322,978, and \$1,181,760, respectively.

Note 11 - Other Post-Employment Benefit (OPEB) Plans

TMWA has two Other Post-Employment Benefit (OPEB) Plans referred to as the §501(c)(9) and §115 plans. The §501(c)(9) plan was established for the benefit of transferred employees from Sierra Pacific Power Company and all new hires. The §115 Plan plan was formed to provide post-employment benefits for employees who transferred from Washoe County as a result of the water utility consolidation. Both plans reference the Internal Revenue Code sections that the plans were formed under. Both plans' investments are held by the Nevada Retirement Benefits Investment Board.

Census data as of June 30, 2019 for both plans is as follows:

	<u>§501(c)(9) Plan</u>	<u>§115 Plan</u>
Retirees receiving benefits	40	6
Retirees eligible for but not receiving benefits	1	—
Active employees	197	16
Total	<u>238</u>	<u>22</u>

Census data as of June 30, 2018 for both plans is as follows:

	§501(c)(9) Plan	§115 Plan
Retirees receiving benefits	38	3
Retirees eligible for but not receiving benefits	1	—
Active employees	194	19
Total	233	22

Plan Descriptions, Eligibility Information and Funding Policies

§501(c)(9) Plan

Plan Description. The §501(c)(9) plan known as the Truckee Meadows Water Authority Post-Retirement Medical Plan and Trust (Plan), is a single-employer defined benefit OPEB plan that was established to provide eligible TMWA employees with post-employment health benefits. The Plan was amended to provide post-retirement life insurance benefits in July 2011. Pursuant to Nevada State Administrative Regulations, adopted in September 2008, the Plan is governed by not less than three, but not more than five trustees. Four trustees were appointed by the TMWA Board, two from non-represented employees and two from represented employees. The Plan issues a financial report that includes the financial statements and required supplementary information. That report may be obtained by contacting TMWA in writing at P.O. Box 30013, Reno, NV 89520-3013.

Eligibility. Effective December 13, 2018, the Board adopted a resolution to close the Plan to employees hired on or after December 13, 2018. Existing employees and plan participants currently receiving benefits were not impacted by this resolution. There are three employee classifications eligible for benefits: a pre-January 1, 1998 collective bargaining unit group, a post-December 31, 1997 collective bargaining unit group, and a group for management, professional, and administrative (MPAT) personnel hired prior to December 13, 2018. Eligibility requirements benefit levels, employee contributions, and employer contributions are amended through TMWA's collective bargaining agreements for its represented employees and by the TMWA Board with respect to MPAT employees.

Employees must have at least ten years of service to be eligible for benefits and must be at least 55 years of age. The pre-January 1, 1998 group of represented employees will receive a subsidy as a percentage of the total health premium, dependent upon years of service and age of retirement, with a maximum subsidy of 85% with 20 years of credited service. Employees with 20 or more years of service electing the Medicare Risk Contract would pay nothing towards health premiums. For this group, dependents are also covered. The post-December 31, 1997 group of represented employees will receive a total subsidy of \$1,250 times years of service towards health care premiums. This amount does not grow with interest and once exhausted a retiree may convert to COBRA, but only for the 18 month continuation period. For MPAT employees, the annual subsidy is \$235 times years of service, up to 30 years, prorated for each month of retirement while under the age of 65. On or after the age of 65, the subsidy is \$105 times years of service prorated for each month of retirement while age 65 and older. If an MPAT employee retires and draws benefits before age 62, the subsidy is reduced by 5% for each full year retirement precedes 62.

There is no extra subsidy for spousal or dependent coverage except continuation benefits provided for under COBRA. Retirees are responsible for the remaining portion of premiums.

Funding Policy. Beginning in fiscal year 2011, the plan has funded retiree benefits through its Voluntary Employee Benefit Association (VEBA) that TMWA established as an irrevocable trust for funding of the post-employment health benefits. TMWA funds the plan based on the actuarially determined contribution (ADC) each year.

§115 Plan

Plan Description. On December 17, 2014, TMWA formed The Truckee Meadows Water Authority OPEB Trust Fund (§115 Plan), a single-employer defined benefit OPEB plan that was established to provide certain eligible TMWA employees with post-employment health benefits. This specific plan was formed to provide post-employment benefits to qualified transferred Washoe County employees as a result of the water utility transfer of operations. STMGID had no employees and was contractually operated by Washoe County. The §115 Plan is a closed plan that will provide future benefits to the remaining eligible transferred employees and no new beneficiaries can be enrolled in this plan.

Eligibility. There are two employee classifications eligible for benefits in this plan: Tier I and Tier II classifications.

For Tier I retirees that have at least ten years but less than 15 years of combined full-time employment with Washoe County and/or TMWA the maximum benefits payable by the §115 Plan will be 50% of the premium for coverage of such retiree under the benefit plans. For Tier I employees that have at least fifteen years but less than twenty years of combined full-time employment with Washoe County and/or TMWA the maximum benefits payable by the §115 Plan will be 75% of the premium for coverage of such retiree under the benefit plans. For Tier I employees that have at least twenty years of combined full-time employment with Washoe County and/or TMWA the maximum benefits payable by the §115 Plan will be 100% of the premium for coverage of such retiree under the benefit plans.

For Tier I retirees who have attained the Medicare Eligibility Age (currently age 65) during a plan year must enroll in and pay the cost of Medicare Part “A” and Medicare Part “B” or Medicare Part “C” coverage and the §115 Plan will become the secondary payer regardless of whether the retiree enrolls in the Medicare program or not. The Medicare Eligibility Age is currently defined as age 65 but will be changed if Medicare changes the eligibility age.

For Tier II retirees the maximum benefits to be paid by the §115 Plan who have not attained Medicare Eligibility Age (currently age 65) is to be the same amount as the premium paid for group health coverage by an employer for coverage of non-state employees under the Nevada State Public Employee Benefit Plan (PEBP) Retiree Health Insurance plan. The 2003 Nevada Legislature passed legislation (AB 286) that afforded public employees of Nevada political subdivisions the opportunity to enroll, upon their retirement in the PEBP Retiree Health Insurance Plan and obligated public employers of enrolled retirees to pay a portion of the medical premium on the retiree’s behalf (the Subsidy). Tier II Retirees are entitled to receive the Subsidy from the §115 Plan towards their coverage under the employer Benefit Plans rather than the PEBP Retiree Health Plan.

For Tier II retirees who have attained the Medicare Eligibility Age (currently age 65) or older will instead receive benefits equal to the equivalent of the State of Nevada’s Medicare Exchange Retiree HRA Contribution Subsidy based upon the combined years of service with Washoe County and/or TMWA and must elect Medicare. The Medicare Eligibility Age is currently defined as age 65 but will be changed if Medicare changes the eligibility age.

In order to receive the benefits described the Tier II employee must be an employee of TMWA immediately prior to drawing their retirement benefits.

Funding Policy. The plan funds retiree benefits through an irrevocable trust for funding of the post-employment health benefits. TMWA funds the §115 Plan based on the ADC each year.

OPEB Expense and Net Position

Total OPEB Expense recognized for fiscal years June 30, 2019 and 2018 is below:

	§501(c)(9) Plan	§115 Plan	Total
2019	\$ 362,331	\$ 133,768	\$ 496,099
2018	\$ 182,959	\$ 100,914	\$ 283,873

Changes in Net Position for each plan for the measurement period ended December 31, 2018 is below:

	§ 501(c)(9) Plan			§115 Plan		
	Total OPEB Liability	Fiduciary Net Position	Net OPEB (Asset)/ Liability	Total OPEB Liability	Fiduciary Net Position	Net OPEB (Asset)/ Liability
Balance at Fiscal Year Ending June 30, 2018	\$ 10,694,671	\$ 10,926,894	\$ (232,223)	\$ 1,826,373	\$ 999,831	\$ 826,542
<i>Measurement Date - December 31, 2017</i>						
Changes During the Period:						
Service Cost	295,437	—	295,437	56,960	—	56,960
Interest Cost	648,751	—	648,751	111,978	—	111,978
Expected Investment Income	—	653,877	(653,877)	—	61,939	(61,939)
Employer Contributions	—	324,529	(324,529)	—	119,366	(119,366)
Auditing Fees	—	(18,545)	18,545	—	(13,690)	13,690
Investment & Administrative Fees	—	(3,441)	3,441	—	(770)	770
Legal Fees	—	(5,250)	5,250	—	(5,864)	5,864
Retiree Contributions In	—	117,015	(117,015)	—	5,244	(5,244)
Retiree Contributions Out	—	(117,015)	117,015	—	(5,244)	5,244
Benefit Payments	(355,168)	(355,168)	—	(34,065)	(34,065)	—
Investment Experience	—	(1,178,531)	1,178,531	—	(108,397)	108,397
Net Changes	589,020	(582,529)	1,171,549	134,873	18,519	116,354
Balance at Fiscal Year Ending June 30, 2019	<u>\$ 11,283,691</u>	<u>\$ 10,344,365</u>	<u>\$ 939,326</u>	<u>\$ 1,961,246</u>	<u>\$ 1,018,350</u>	<u>\$ 942,896</u>
<i>Measurement Date - December 31, 2018</i>						

Changes in Net Position for each plan for the measurement period ended December 31, 2017 is below:

	§ 501(c)(9) Plan			§115 Plan		
	Total OPEB Liability	Fiduciary Net Position	Net OPEB (Asset)/ Liability	Total OPEB Liability	Fiduciary Net Position	Net OPEB (Asset)/ Liability
Balance at Fiscal Year Ending June 30, 2017	\$ 10,062,447	\$ 9,268,879	\$ 793,568	\$ 1,677,294	\$ 787,288	\$ 890,006
<i>Measurement Date - December 31, 2016</i>						
Changes During the Period:						
Service Cost	284,073	—	284,073	54,769	—	54,769
Interest Cost	612,850	—	612,850	103,644	—	103,644
Expected Investment Income	—	560,422	(560,422)	—	49,833	(49,833)
Employer Contributions	—	445,063	(445,063)	—	103,441	(103,441)
Auditing Fees	—	(15,500)	15,500	—	(6,000)	6,000
Investment & Administrative Fees	—	(2,612)	2,612	—	(780)	780
Legal Fees	—	(19,268)	19,268	—	(788)	788
Retiree Contributions In	—	93,172	(93,172)	—	930	(930)
Retiree Contributions Out	—	(93,172)	93,172	—	(930)	930
Benefit Payments	(264,699)	(264,699)	—	(9,334)	(9,334)	—
Investment Experience	—	954,609	(954,609)	—	76,171	(76,171)
Net Changes	632,224	1,658,015	(1,025,791)	149,079	212,543	(63,464)
Balance at Fiscal Year Ending June 30, 2018	\$ 10,694,671	\$ 10,926,894	\$ (232,223)	\$ 1,826,373	\$ 999,831	\$ 826,542
<i>Measurement Date - December 31, 2017</i>						

A schedule of the plans' deferred resources as of June 30, 2019 is below:

	§501(c)(9) Plan		§115 Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Difference Between Projected and Actual Earnings on Investments	\$ 370,060	\$ —	\$ 41,015	\$ —
Contributions Made Subsequent to the Measurement Date	258,430	—	121,798	—
Total	\$ 628,490	\$ —	\$ 162,813	\$ —

A schedule of the plans' deferred resources as of June 30, 2018 is below:

	§501(c)(9) Plan		§115 Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Difference Between Projected and Actual Earnings on Investments	\$ —	\$ 763,687	\$ —	\$ 60,937
Contributions Made Subsequent to the Measurement Date	324,529	—	119,366	—
Total	\$ 324,529	\$ 763,687	\$ 119,366	\$ 60,937

TMWA will recognize the Contributions Made Subsequent to the Measurement Date in the next fiscal year. In addition, future recognition of other deferred resources as of June 30, 2019 is shown below.

Year ended June 30,	§501(c)(9) Plan	§115 Plan
	Deferred Inflows Recognized in OPEB Expense	Deferred Inflows Recognized in OPEB Expense
2020	\$ 44,784	\$ 6,445
2021	44,784	6,445
2022	44,785	6,444
2023	235,707	21,681
2024	—	—
Thereafter	—	—

Actuarial Valuation Assumptions

The total OPEB liability as of December 31, 2018 was determined using the following actuarial assumptions.

Healthcare trend rate (both plans) - TMWA plan medical premiums and per capita claims costs are assumed to increase at the following rates:

Effective January 1	Premium Increase	Effective January 1	Premium Increase
2019	6.3%	2023	5.3%
2020	6.0%	2024	5.0%
2021	5.8%	2025	5.0%
2022	5.5%	Thereafter	5.0%

Additional significant assumptions are listed below for each plan:

Assumption	§501(c)(9) Plan	§115 Plan
Valuation Date	December 31, 2017	December 31, 2017
Funding Method	Entry Age Normal Cost, level percent of pay	Entry Age Normal Cost, level percent of pay
Asset Valuation Method	Market value of assets	Market value of assets
Mortality	<i>Males:</i> RP-2000 Combined Healthy Table <i>Females:</i> RP-2000 Combined Healthy Table set back 1 year The rates described above were then adjusted to anticipate future mortality improvements each year until the payments anticipated in any future year occur.	<i>Males:</i> RP-2000 Combined Healthy Table <i>Females:</i> RP-2000 Combined Healthy Table set back 1 year The rates described above were then adjusted to anticipate future mortality improvements each year until the payments anticipated in any future year occur.
Long-Term Return on Assets and Discount Rate	6.0% Based on estimated future returns of the Retirement Benefits Investment Board. Rate is applied to all periods of projected benefit payments.	6.0% Based on estimated future returns of the Retirement Benefits Investment Board. Rate is applied to all periods of projected benefit payments.
Participants Valued	Only current active employees and retired participants and covered dependents are valued, excluding those who transferred to TMWA from Washoe County. No future entrants are considered in this valuation.	Only current active employees and retired participants who transferred to TMWA from Washoe County and covered dependents are valued. This plan is closed to new members.
Salary Increase	4.0% per year	4.0% per year
Assumed Wage Inflation	3.0% per year; a component of assumed average annual payroll increases	3.0% per year; a component of assumed average annual payroll increases
General Inflation Rate	2.75% per year	2.75% per year
Medicare Eligibility	All individuals are assumed to be eligible for Medicare Parts A and B at age 65.	All individuals are assumed to be eligible for Medicare Parts A and B at age 65.
Employer Cost Sharing	IBEW Pre - 1998 Hires: Increases in the PRMPT-paid portion of healthcare premiums are assumed to increase at the same rates as medical trend (described above). IBEW Post-1997 Hires: The \$1,250 service multiplier is assumed to remain fixed at its current level in all future years. Retirees are expected to exhaust the lifetime allowance 4 years following retirement. MPAT: The \$235 (pre-65) and \$105 (post-65) service multipliers are assumed to remain fixed at their current level in all future years.	Tier 1: Increases in the Trust-paid portion of healthcare premiums are assumed to increase at the same rates as medical trend (described above). Tier 2: The TMWA subsidy provided prior to age 65 is assumed to increase at the same rates as medical trend. The subsidy provided at ages 65 and above is assumed to increase by 4.5% per year.

GASB Statement No. 75 allows reporting liabilities as of any fiscal year end based on: (1) a *valuation date* no more than 30 months plus 1 day prior to the close of the fiscal year end; and (2) a *measurement date* up to one year prior to the close of the fiscal year. The following dates were used for this report:

Fiscal Year End	June 30, 2019
Measurement Date	December 31, 2018
Measurement Period	December 31, 2017 to December 31, 2018
Valuation Date	December 31, 2017

The discount rates used for the measurement periods ended December 31, 2018 and 2017 is 6.0%. Medical Cost Inflation was assumed to start at 6.25% and grade down to 5.0% for years 2024 and thereafter. The impact of a 1% increase or decrease in these assumptions is shown in the charts below for the two measurement periods.

Measurement Date - December 31, 2018

§501(c)(9) Plan	Discount Rate			Medical Cost Inflation		
	Discount Rate		Discount Rate	Medical Trend	Current	Medical Trend
	- 1%	Discount Rate	+ 1 %	- 1%	Medical Trend	+ 1 %
Total OPEB Liability	\$ 12,547,968	\$ 11,283,691	\$ 10,199,752	\$ 10,132,109	\$ 11,283,691	\$ 12,794,928
Net OPEB Liability (Asset)	\$ 2,203,603	\$ 939,326	\$ (144,613)	\$ (212,256)	\$ 939,326	\$ 2,450,563
§115 Plan						
	Discount Rate			Medical Cost Inflation		
	Discount Rate		Discount Rate	Medical Trend	Current	Medical Trend
	-1%	Discount Rate	+1%	-1%	Medical Trend	+1%
Total OPEB Liability	\$ 2,237,539	\$ 1,961,246	\$ 1,731,316	\$ 1,670,402	\$ 1,961,246	\$ 2,347,587
Net OPEB Liability (Asset)	\$ 1,219,189	\$ 942,896	\$ 712,966	\$ 652,052	\$ 942,896	\$ 1,329,237

Measurement Date - December 31, 2017

§501(c)(9) Plan	Discount Rate			Medical Cost Inflation		
	Discount Rate		Discount Rate	Medical Trend	Current	Medical Trend
	- 1%	Discount Rate	+ 1 %	- 1%	Medical Trend	+ 1 %
Total OPEB Liability	\$ 11,927,167	\$ 10,694,671	\$ 9,639,197	\$ 9,647,634	\$ 10,694,671	\$ 12,067,197
Net OPEB Liability (Asset)	\$ 1,000,273	\$ (232,223)	\$ (1,287,697)	\$ (1,279,260)	\$ (232,223)	\$ 1,140,303
§115 Plan						
	Discount Rate			Medical Cost Inflation		
	Discount Rate		Discount Rate	Medical Trend	Current	Medical Trend
	- 1%	Discount Rate	+ 1 %	- 1%	Medical Trend	+ 1 %
Total OPEB Liability	\$ 2,093,203	\$ 1,826,373	\$ 1,605,093	\$ 1,559,685	\$ 1,826,373	\$ 2,180,680
Net OPEB Liability (Asset)	\$ 1,093,372	\$ 826,542	\$ 605,262	\$ 559,854	\$ 826,542	\$ 1,180,849

OPEB Plans Fiduciary Net Position

Detailed information about the OPEB plans fiduciary net position are available in separately issued financial statements and can be requested by contacting TMWA's Finance Department at P.O. Box 30013, Reno, NV 89509-3013.

Note 12 - Commitments

TMWA has committed \$700,000 as a contribution to the Truckee River Fund of the Community Foundation of Western Nevada, for the purposes of water shed protection and enhancements to the Truckee River that will benefit the water customers of TMWA. This payment was made in September 2019.

Note 13 - Subsequent Events

In October 2019, TMWA reduced its outstanding commercial paper balance from \$23,500,000 to \$18,500,000 with a payment from unrestricted cash of \$5,000,000.

Required Supplementary Information

Truckee Meadows Water Authority

Truckee Meadows Water Authority
Schedules of Changes in Net OPEB Liability and Related Ratios
Last Ten Fiscal Years*

	2019	2018	2017
§501(c)(9) Plan			
<u>Total OPEB Liability</u>			
Service Cost	\$ 295,437	\$ 284,073	\$ 273,146
Interest	648,751	612,850	576,050
Changes of benefit terms	—	—	—
Differences between expected and actual experience	—	—	—
Changes of assumptions	—	—	—
Benefit payments	(355,168)	(264,699)	(228,880)
Total OPEB Liability - Beginning	<u>10,694,671</u>	<u>10,062,447</u>	<u>9,442,131</u>
Total OPEB Liability - Ending	\$ 11,283,691	\$ 10,694,671	\$ 10,062,447
<u>Plan Fiduciary Net Position</u>			
Contributions - employer	\$ 324,529	\$ 445,063	\$ 244,429
Net investment income	(524,654)	1,515,031	536,863
Benefit payments	(355,168)	(264,699)	(228,880)
Auditing fees	(18,545)	(15,500)	(12,900)
Investment & administrative fees	(3,441)	(2,612)	(2,490)
Legal fees	(5,250)	(19,268)	(1,663)
Retiree contributions in	117,015	93,172	90,145
Retiree contributions out	(117,015)	(93,172)	(90,145)
Net change in plan fiduciary net position	<u>(582,529)</u>	<u>1,658,015</u>	<u>535,359</u>
Plan fiduciary net position - beginning	<u>10,926,894</u>	<u>9,268,879</u>	<u>8,733,520</u>
Plan fiduciary net position - ending	\$ 10,344,365	\$ 10,926,894	\$ 9,268,879
Net OPEB liability - ending	\$ 939,326	\$ (232,223)	\$ 793,568
Plan fiduciary net position as a percentage of total OPEB liability	91.7%	102.2 %	92.1%
Covered-employee payroll	<u>\$ 20,579,301</u>	<u>\$ 18,623,746</u>	<u>\$ 16,285,682</u>
Net OPEB liability as a percentage of covered-employee payroll	4.6%	(1.2)%	4.9%

Notes to Schedule

*Historical information is required only for measurement periods for which GASB Statement No. 75 is applicable. Future years' information will be disclosed up to 10 years as information becomes available.

Truckee Meadows Water Authority
Schedules of Changes in Net OPEB Liability and Related Ratios
Last Ten Fiscal Years*

	2019	2018	2017
§115 Plan			
<u>Total OPEB Liability</u>			
Service Cost	\$ 56,960	\$ 54,769	\$ 52,663
Interest	111,978	103,644	94,941
Changes of benefit terms	—	—	—
Differences between expected and actual experience	—	—	—
Changes of assumptions	—	—	—
Benefit payments	(34,065)	(9,334)	—
Total OPEB Liability - Beginning	<u>1,826,373</u>	<u>1,677,294</u>	<u>1,529,690</u>
Total OPEB Liability - Ending	<u>\$ 1,961,246</u>	<u>\$ 1,826,373</u>	<u>\$ 1,677,294</u>
<u>Plan Fiduciary Net Position</u>			
Contributions - employer	\$ 119,366	\$ 103,441	\$ 151,176
Net investment income	(46,458)	126,004	35,423
Benefit payments	(34,065)	(9,334)	—
Auditing fees	(13,690)	(6,000)	(8,900)
Investment & administrative fees	(770)	(780)	(675)
Legal fees	(5,864)	(788)	(1,138)
Retiree contributions in	5,244	930	—
Retiree contributions out	(5,244)	(930)	—
Net change in plan fiduciary net position	<u>18,519</u>	<u>212,543</u>	<u>175,886</u>
Plan fiduciary net position - beginning	<u>999,831</u>	<u>787,288</u>	<u>611,402</u>
Plan fiduciary net position - ending	<u>\$ 1,018,350</u>	<u>\$ 999,831</u>	<u>\$ 787,288</u>
Net OPEB liability - ending	<u>\$ 942,896</u>	<u>\$ 826,542</u>	<u>\$ 890,006</u>
Plan fiduciary net position as a percentage of total OPEB liability	51.9%	54.7%	46.9%
Covered-employee payroll	<u>\$ 1,866,073</u>	<u>\$ 1,951,732</u>	<u>\$ 1,868,197</u>
Net OPEB liability as a percentage of covered-employee payroll	50.5%	42.3%	47.6%

Notes to Schedule

*Historical information is required only for measurement periods for which GASB Statement No. 75 is applicable. Future years' information will be disclosed up to 10 years as information becomes available.

Truckee Meadows Water Authority
Schedules of Contributions
Last Ten Fiscal Years*

	2019	2018	2017
§501(c)(9) Plan			
Actuarially Determined Contribution	\$ 298,077	\$ 284,882	\$ 445,063
Contributions in relation to the actuarially determined contribution	258,430	324,529	445,063
Contribution deficiency (excess)	39,647	(39,647)	—
Covered-employee payroll	21,778,468	18,936,890	18,341,120
Contributions as a percentage of covered employee payroll	1.2%	1.7%	2.4%
§115 Plan			
Actuarially Determined Contribution	121,798	119,366	103,441
Contributions in relation to the actuarially determined contribution	121,798	119,366	103,441
Contribution deficiency (excess)	—	—	—
Covered-employee payroll	1,771,775	1,886,143	1,958,832
Contributions as a percentage of covered employee payroll	6.9%	6.3%	5.3%

Notes to Schedule

*Historical information is required only for measurement periods for which GASB Statement No. 75 is applicable. Future years' information will be disclosed up to 10 years as information becomes available.

Healthcare trend rate (both plans) - TMWA plan medical premiums and per capita claims costs are assumed to increase at the following rates:

Effective January 1	Premium Increase	Effective January 1	Premium Increase
2019	6.3%	2023	5.3%
2020	6.0%	2024	5.0%
2021	5.8%	2025	5.0%
2022	5.5%	Thereafter	5.0%

Additional significant assumptions are listed below for each plan:

Assumption	§501(c)(9) Plan	§115 Plan
Valuation Date	December 31, 2017	December 31, 2017
Funding Method	Entry Age Normal Cost, level percent of pay	Entry Age Normal Cost, level percent of pay
Asset Valuation Method	Market value of assets	Market value of assets
Mortality	<i>Males:</i> RP-2000 Combined Healthy Table <i>Females:</i> RP-2000 Combined Healthy Table set back 1 year The rates described above were then adjusted to anticipate future mortality improvements each year until the payments anticipated in any future year occur.	<i>Males:</i> RP-2000 Combined Healthy Table <i>Females:</i> RP-2000 Combined Healthy Table set back 1 year The rates described above were then adjusted to anticipate future mortality improvements each year until the payments anticipated in any future year occur.
Long-Term Return on Assets and Discount Rate	6.0% Based on estimated future returns of the Retirement Benefits Investment Board. Rate is applied to all periods of projected benefit payments.	6.0% Based on estimated future returns of the Retirement Benefits Investment Board. Rate is applied to all periods of projected benefit payments.
Participants Valued	Only current active employees and retired participants and covered dependents are valued, excluding those who transferred to TMWA from Washoe County. No future entrants are considered in this valuation.	Only current active employees and retired participants who transferred to TMWA from Washoe County and covered dependents are valued. This plan is closed to new members.
Salary Increase	4.0% per year	4.0% per year
Assumed Wage Inflation	3.0% per year; a component of assumed average annual payroll increases	3.0% per year; a component of assumed average annual payroll increases
General Inflation Rate	2.75% per year	2.75% per year
Medicare Eligibility	All individuals are assumed to be eligible for Medicare Parts A and B at age 65.	All individuals are assumed to be eligible for Medicare Parts A and B at age 65.
Employer Cost Sharing	IBEW Pre - 1998 Hires: Increases in the PRMPT-paid portion of healthcare premiums are assumed to increase at the same rates as medical trend (described above). IBEW Post-1997 Hires: The \$1,250 service multiplier is assumed to remain fixed at its current level in all future years. Retirees are expected to exhaust the lifetime allowance 4 years following retirement. MPAT: The \$235 (pre-65) and \$105 (post-65) service multipliers are assumed to remain fixed at their current level in all future years.	Tier 1: Increases in the Trust-paid portion of healthcare premiums are assumed to increase at the same rates as medical trend (described above). Tier 2: The TMWA subsidy provided prior to age 65 is assumed to increase at the same rates as medical trend. The subsidy provided at ages 65 and above is assumed to increase by 4.5% per year.

Truckee Meadows Water Authority
Schedules of TMWA's Share of Net Pension Liability
Public Employees' Retirement System of Nevada (PERS)
Last Ten Fiscal Years*

	2018	2017	2016	2015	2014
TMWA's proportion of the net pension liability	0.2761%	0.2806%	0.2674%	0.2345%	0.2139%
TMWA's proportionate share of the net pension liability	\$ 37,658,701	\$ 37,323,782	\$ 35,783,246	\$ 26,869,406	\$ 22,293,306
TMWA's covered payroll	\$ 18,259,883	\$ 17,947,692	\$ 16,314,669	\$ 14,077,995	\$ 12,573,558
TMWA's proportionate share of the net pension liability as a percentage of its covered payroll	206.24%	207.96%	219.33%	190.86%	177.30%
Plan fiduciary net position as a percentage of the total pension liability	75.24%	74.42%	72.23%	75.13%	76.30%

Notes to Schedule

*Historical information is required only for measurement periods for which GASB Statement No. 68 is applicable. Future years' information will be disclosed up to 10 years as information becomes available.

	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 2,865,963	\$ 2,562,356	\$ 5,037,877	\$ 4,534,811	\$ 3,629,441
Contributions in relation to the statutorily required contribution	\$ 2,865,963	\$ 2,562,356	\$ 5,037,877	\$ 4,534,811	\$ 3,629,441
Contribution (deficiency) excess	\$ —	\$ —	\$ —	\$ —	\$ —
TMWA's covered payroll	\$ 20,440,658	\$ 18,259,883	\$ 17,947,692	\$ 16,314,669	\$ 14,077,995
Contributions as a percentage of covered payroll	14.02%	14.03%	28.07%	27.80%	25.78%

Notes to Schedule

*Historical information is required only for measurement periods for which GASB Statement No. 68 is applicable. Future years' information will be disclosed up to 10 years as information becomes available.

Beginning in 2018, Contributions reflect employer-paid contributions only due to GASB Statement No. 82, which classifies contributions as member contributions for the purposes of GASB Statement No. 68 if they are made by an employer to satisfy what are actually deemed to be member contribution requirements.

Supplementary Information
June 30, 2019 and 2018

Truckee Meadows Water Authority

Truckee Meadows Water Authority
Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual
Year Ended June 30, 2019

	Final Budget	Actual	Variance
Operating Revenues			
Charges for water sales	\$ 100,626,513	\$ 101,496,912	\$ 870,399
Hydroelectric sales	2,812,568	2,624,285	(188,283)
Other operating sales	3,404,500	2,968,321	(436,179)
Total operating revenues	106,843,581	107,089,518	245,937
Operating Expenses			
Salaries and wages	21,078,271	20,973,151	105,120
Employee benefits	10,125,919	10,184,189	(58,270)
Services and supplies	28,268,124	28,475,960	(207,836)
Total operating expenses before depreciation	59,472,314	59,633,300	(160,986)
Depreciation	33,862,476	32,833,604	1,028,872
Total operating expenses	93,334,790	92,466,904	867,886
Operating Income	13,508,791	14,622,614	1,113,823
Nonoperating Revenues (Expenses)			
Investment earnings	2,833,548	4,409,486	1,575,938
Net change in fair value of investments	—	2,843,154	2,843,154
Gain (loss) on disposal of assets	—	(225,687)	(225,687)
Bond/note issue costs and amortization of bond insurance	(215,748)	(218,132)	(2,384)
Interest expense	(13,436,520)	(13,268,153)	168,367
Other nonoperating expense	—	(233,494)	(233,494)
Total nonoperating revenues (expenses)	(10,818,720)	(6,692,826)	4,125,894
Income (Loss) before Capital Contributions	2,690,071	7,929,788	5,239,717
Capital Contributions			
Grants	1,700,000	831,116	(868,884)
Water meter retrofit program	676,020	994,706	318,686
Water resource sustainability program	—	689,060	689,060
Developer infrastructure contributions	—	19,112,590	19,112,590
Developer will-serve contributions (net of refunds)	3,470,232	4,663,826	1,193,594
Developer capital contributions-other	5,922,000	6,636,417	714,417
Developer facility charges (net of refunds)	4,950,708	9,154,403	4,203,695
Contributions from other governments	—	100,000	100,000
Net capital contributions	16,718,960	42,182,118	25,463,158
Change in Net Position	\$ 19,409,031	\$ 50,111,906	\$ 30,702,875

Truckee Meadows Water Authority
Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual
Year Ended June 30, 2018

	Final Budget	Actual	Variance
Operating Revenues			
Charges for water sales	\$ 94,303,278	\$ 95,181,554	\$ 878,276
Hydroelectric sales	2,990,391	3,757,043	766,652
Other operating sales	3,131,500	2,873,495	(258,005)
Total operating revenues	100,425,169	101,812,092	1,386,923
Operating Expenses			
Salaries and wages	19,024,704	18,735,892	288,812
Employee benefits	9,303,274	12,919,692	(3,616,418)
Services and supplies	28,312,357	25,835,318	2,477,039
Total operating expenses before depreciation	56,640,335	57,490,902	(850,567)
Depreciation	34,061,148	32,820,720	1,240,428
Total operating expenses	90,701,483	90,311,622	389,861
Operating Income	9,723,686	11,500,470	1,776,784
Nonoperating Revenues (Expenses)			
Investment earnings	1,342,692	2,313,513	970,821
Net change in fair value of investments	—	(934,120)	(934,120)
Gain (loss) on disposal of assets	—	133,972	133,972
Bond/note issue costs and amortization of bond insurance	(468,624)	(942,927)	(474,303)
Interest expense	(13,394,016)	(11,720,356)	1,673,660
Other nonoperating expense	—	(12,749)	(12,749)
Total nonoperating revenues (expenses)	(12,519,948)	(11,162,667)	1,357,281
Income (Loss) before Capital Contributions	(2,796,262)	337,803	3,134,065
Capital Contributions			
Grants	200,004	348,248	148,244
Water meter retrofit program	781,488	2,379,206	1,597,718
Developer infrastructure contributions	—	15,017,446	15,017,446
Developer will-serve contributions (net of refunds)	5,034,744	6,652,819	1,618,075
Developer capital contributions-other	4,345,296	6,448,549	2,103,253
Developer facility charges (net of refunds)	4,826,436	6,464,559	1,638,123
Contributions from other governments	—	100,000	100,000
Net capital contributions	15,187,968	37,410,827	22,222,859
Change in Net Position	\$ 12,391,706	\$ 37,748,630	\$ 25,356,924

Statistical Section

Truckee Meadows Water Authority

This part of the Truckee Meadows Water Authority 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 says about the Authority's overall financial health.

Section Contents

Schedule No.

Financial Trends

1-6

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

Revenue Capacity

7-8

These schedules contain information to help the reader assess the factors affecting the Authority's ability to generate its water sales and other revenues.

Debt Capacity

9

These schedules present information to help the reader assess the affordability of the Authority's current levels of outstanding debt, and its ability to issue additional future debt.

Demographic and Economic Information

10-12

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Authority's financial activities take place and to help make comparisons over time and with other utilities.

Operating Information

13-17

These schedules contain information about the Authority's operations and resources to help the reader understand how the Authority's financial information relates to the services it provides and the activities it performs.

Debt Ratios

18-19

These schedules contain information about changes in the Authority's debt and its debt in relation to service connections.

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

Truckee Meadows Water Authority
Schedule No. 1 - Net Position by Component
Last Ten Fiscal Years

	Fiscal Year									
	2019	2018	2017	2016	2015*	2014	2013	2012	2011	2010
Net Position										
Net investment in capital assets	\$ 573,174,076	\$ 533,058,874	\$ 506,700,472	\$ 478,543,111	\$ 444,402,572	\$ 232,327,785	\$ 227,319,870	\$ 222,418,497	\$ 223,410,534	\$ 220,473,195
Restricted	29,351,818	30,123,412	28,589,861	40,505,804	42,158,803	25,198,683	22,644,404	13,678,852	22,873,643	23,515,136
Unrestricted	115,662,201	104,893,903	95,037,226	65,933,399	77,312,759	54,036,550	51,471,349	57,107,888	41,907,040	43,968,725
Total Net Position	<u>\$ 718,188,095</u>	<u>\$ 668,076,189</u>	<u>\$ 630,327,559</u>	<u>\$ 584,982,314</u>	<u>\$ 563,874,134</u>	<u>\$ 311,563,018</u>	<u>\$ 301,435,623</u>	<u>\$ 293,205,237</u>	<u>\$ 288,191,217</u>	<u>\$ 287,957,056</u>

* Fiscal Year 2015 reflects the first year of the water utility consolidation as discussed in Note 1 of the Financial Statements.

Truckee Meadows Water Authority
Schedule No. 2 - Changes in Net Position
Last Ten Fiscal Years

Fiscal Year	Operating Revenues	Operating Expenses	Operating Income	Total Nonoperating Revenues/ (Expenses)	Income/ (Loss) before Capital Contributions	Capital Contributions	Special Item	Change in Net Position
2019	\$107,089,518	\$ 92,466,904	\$ 14,622,614	\$ (6,692,826)	\$ 7,929,788	\$ 42,182,118	\$ —	\$ 50,111,906
2018	101,812,092	90,311,622	11,500,470	(11,162,667)	337,803	37,410,827	—	37,748,630
2017	97,268,183	82,339,194	14,928,989	(11,684,303)	3,244,686	43,351,171		46,595,857
2016	91,928,943	80,615,507	11,313,436	(9,491,450)	1,821,986	19,286,194		21,108,180
2015*	90,029,316	70,114,860	19,914,456	(23,526,380)	(3,611,924)	19,638,821	231,516,024	247,542,921
2014	84,315,390	59,317,860	24,997,530	(20,386,339)	4,611,191	5,516,204	—	10,127,395
2013	85,577,107	59,619,074	25,958,033	(20,675,251)	5,282,782	2,947,604	—	8,230,386
2012	81,790,499	56,622,273	25,168,226	(19,023,050)	6,145,176	1,109,062	—	7,254,238
2011	76,246,433	55,542,274	20,704,159	(21,802,941)	(1,098,782)	1,332,941	—	234,159
2010	75,667,848	58,388,775	17,279,073	(20,269,550)	(2,990,477)	5,841,325	—	2,850,848

* Fiscal Year 2015 reflects the first year of the water utility consolidation as discussed in Note 1 of the Financial Statements.

Truckee Meadows Water Authority
Schedule No. 3 - Operating Revenues by Customer Class
Last Ten Fiscal Years

	Fiscal Year									
	2019	2018	2017	2016	2015*	2014	2013	2012	2011	2010
Revenues from water sales										
Residential unmetered water sales	\$ 2,558,767	\$ 2,505,160	\$ 2,446,144	\$ 3,725,916	\$ 9,366,307	\$ 9,731,811	\$ 10,288,324	\$ 10,899,330	\$ 11,611,351	\$ 13,115,143
Residential metered water sales	71,651,111	67,393,330	65,829,635	60,198,267	51,796,871	44,137,033	43,957,551	41,476,536	37,636,859	35,962,518
Commercial metered water sales	12,807,368	12,238,878	11,369,179	11,026,132	11,339,953	10,755,824	10,885,539	10,473,659	10,214,401	10,112,854
Irrigation metered & fire protection	13,230,227	11,878,580	11,887,395	11,554,063	11,123,168	10,720,156	11,031,924	10,129,233	9,007,523	8,894,110
Wholesale sales	1,249,439	1,165,606	1,154,907	1,029,954	2,560,399	3,845,593	3,748,276	3,473,100	2,938,106	3,136,081
Total water sales	101,496,912	95,181,554	92,687,260	87,534,332	86,186,698	79,190,417	79,911,614	76,451,858	71,408,240	71,220,706
Hydroelectric revenue	2,624,285	3,757,043	1,788,934	1,175,195	1,366,786	3,045,147	3,557,965	3,519,897	3,079,158	2,577,660
Other operating revenues	2,968,321	2,873,495	2,791,989	3,219,416	2,475,832	2,079,826	2,107,528	1,818,744	1,759,035	1,869,482
Total operating revenues	<u>\$107,089,518</u>	<u>\$101,812,092</u>	<u>\$ 97,268,183</u>	<u>\$ 91,928,943</u>	<u>\$ 90,029,316</u>	<u>\$ 84,315,390</u>	<u>\$ 85,577,107</u>	<u>\$ 81,790,499</u>	<u>\$ 76,246,433</u>	<u>\$ 75,667,848</u>

* Fiscal Year 2015 reflect changes as a result of the water utility consolidation discussed in Note 1 of the financial statements.

Truckee Meadows Water Authority
Schedule No. 4 - Operating Expenses
Last Ten Fiscal Years

	Fiscal Year									
	2019	2018	2017	2016	2015*	2014	2013	2012	2011	2010
Salaries and wages	\$ 20,973,151	\$ 18,735,892	\$ 17,257,014	\$ 16,541,811	\$ 13,763,006	\$ 12,007,022	\$ 11,128,162	\$ 11,049,337	\$ 11,180,101	\$ 11,619,701
Employee benefits	10,184,189	12,919,692	8,931,838	6,364,279	5,271,735	5,045,922	4,819,187	4,537,531	4,378,347	4,429,266
Contract services	8,191,575	8,678,689	6,204,863	7,335,521	6,321,061	4,826,066	4,868,532	5,090,741	5,488,432	6,623,576
Utilities/power	5,953,121	5,322,771	5,201,870	5,386,413	5,449,347	5,189,312	4,571,453	4,432,932	6,639,620	7,384,879
Prof services (general/legal/media/leg)	2,821,923	2,905,859	2,258,454	2,512,154	3,132,132	2,538,097	1,610,614	1,254,751	1,909,575	2,751,236
Supplies	2,660,187	2,317,853	2,635,229	2,700,906	2,572,699	1,736,763	1,522,106	1,155,351	1,112,419	1,319,905
Chemicals	2,286,659	1,605,280	1,984,300	1,803,614	1,554,496	1,383,824	1,333,002	1,361,144	1,653,424	1,443,177
Insurance and claims	847,844	675,430	719,604	742,006	684,021	501,300	534,577	608,352	647,983	611,405
Leases and rentals	256,836	104,243	146,999	96,290	79,639.67	70,196	74,595.51	84,843.57	69,471.58	124,562.51
Other expenses	5,457,815	4,225,195	4,829,545	4,998,323	3,387,273	3,802,687	3,810,820	3,645,076	3,318,784	3,754,603
Total operating expenses before depreciation	59,633,300	57,490,904	50,169,716	48,481,317	42,215,410	37,101,189	34,273,049	33,220,059	36,398,157	40,062,311
Depreciation	32,833,604	32,820,720	32,169,578	32,134,190	27,899,449	22,517,885	22,349,225	22,322,217	21,990,618	22,153,951
Total Operating Expenses	<u>\$ 92,466,904</u>	<u>\$ 90,311,624</u>	<u>\$ 82,339,294</u>	<u>\$ 80,615,507</u>	<u>\$ 70,114,859</u>	<u>\$ 59,619,074</u>	<u>\$ 56,622,274</u>	<u>\$ 55,542,276</u>	<u>\$ 58,388,775</u>	<u>\$ 62,216,262</u>

* Fiscal Year 2015 reflects the first year of the water utility consolidation as discussed in Note 1 of the Financial Statements.

Truckee Meadows Water Authority
Schedule No. 5 - Nonoperating Revenues and Expenses
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Investment Earnings</u>	<u>Interest Expense</u>	<u>Gain/(Loss) on Disposal of Assets</u>	<u>Other Revenue or Expenses</u>	<u>Total Nonoperating Expenses</u>
2019	\$ 4,409,486	\$ (13,268,153)	\$ (225,687)	\$ 2,391,528	\$ (6,692,826)
2018	2,313,513	(11,720,356)	133,972	(1,889,796)	(11,162,667)
2017	7,209,113	(16,968,911)	(155,722)	(1,768,783)	(11,684,303)
2016	6,737,745	(21,549,864)	6,460,373	(1,139,704)	(9,491,450)
2015*	2,127,009	(21,281,117)	(653,698)	(3,718,574)	(23,526,380)
2014	2,051,156	(21,282,412)	(136,300)	(1,018,783)	(20,386,339)
2013	2,007,375	(21,791,975)	(21,463)	(869,188)	(20,675,251)
2012	2,277,298	(21,786,675)	(611,086)	305,640	(19,814,823)
2011	2,322,169	(22,431,967)	(4,705)	(1,963,275)	(22,077,778)
2010	1,894,518	(22,291,259)	8,848	(742,748)	(21,130,641)

Truckee Meadows Water Authority
Schedule No. 6 - Capital Contributions by Source
Last Ten Fiscal Years

Fiscal Year	Developer Water Rights/ Will Serves	Developer Infrastructure	Developer Other	Water Meter Retrofit Program	Developer Facility Charges	Grants	Water Resource Sustainability Program	From Others	Total
2019	\$ 4,663,826	\$ 19,112,590	\$ 6,636,417	\$ 994,706	\$ 9,154,403	\$ 831,116	\$ 689,060	\$ 100,000	\$ 42,182,118
2018	6,652,819	15,017,446	6,448,549	2,379,206	6,464,559	348,248	—	100,000	37,410,827
2017	7,950,666	10,797,854	6,062,247	341,074	5,116,956	1,226,863	—	11,855,511	43,351,171
2016	4,363,692	8,454,980	2,473,163	482,081	2,931,940	224,138	—	356,200	19,286,194
2015*	1,864,446	2,703,092	1,588,158	1,013,896	2,494,434	276,260	—	9,698,535	19,638,821
2014	1,529,129	1,723,023	410,447	479,488	963,660	343,628	—	66,829	5,516,204
2013	201,871	702,699	469,732	174,698	1,047,715	208,227	—	142,662	2,947,604
2012	173,599	263,249	153,475	173,094	263,089	791,773	—	82,556	1,900,835
2011	125,123	507,970	126,899	170,201	252,748	274,837	—	150,000	1,607,778
2010	133,305	4,088,095	184,791	248,618	437,933	861,091	—	748,583	6,702,416

* Fiscal Year 2015 reflects the first year of the water utility consolidation as discussed in Note 1 of the Financial Statements.

Truckee Meadows Water Authority
Schedule No. 7 - Gallons of Water Sold and Revenues by Category
Last Ten Fiscal Years

Category	2019		2018	
	Gallons Sold (000)	Revenue	Gallons Sold (000)	Revenue
Residential-Unmetered (1)	—	\$ 2,558,767	—	\$ 2,505,160
Residential Metered	16,970,042	71,651,111	16,335,308	67,393,330
Commercial	4,315,407	12,807,368	4,232,836	12,238,878
Other (2)	2,974,110	13,230,227	2,698,977	11,878,580
Wholesale	619,928	1,249,439	591,624	1,165,606
Total	24,879,487	\$ 101,496,912	23,858,745	\$ 95,181,554

Category	2017		2016	
	Gallons Sold (000)	Revenue	Gallons Sold (000)	Revenue
Residential-Unmetered (1)	—	\$ 2,446,145	—	\$ 3,725,916
Residential Metered	16,487,693	65,829,634	14,633,319	60,198,267
Commercial	4,277,917	11,887,395	4,086,057	11,026,132
Other (2)	2,749,795	11,369,179	2,579,408	11,554,063
Wholesale	613,051	1,154,907	542,875	1,029,954
Total	24,128,456	\$ 92,687,260	21,841,659	\$ 87,534,332

Category	2015*		2014	
	Gallons Sold (000)	Revenue	Gallons Sold (000)	Revenue
Residential-Unmetered (1)	—	\$ 9,366,307	—	\$ 9,731,811
Residential Metered	15,151,881	51,796,871	11,581,326	44,137,033
Commercial	4,350,417	11,339,953	3,913,088	10,755,824
Other (2)	2,913,757	11,123,168	2,688,389	10,720,156
Wholesale	1,598,995	2,560,399	2,070,593	3,845,593
Total	24,015,050	\$ 86,186,698	20,253,396	\$ 79,190,417

Category	2013		2012	
	Gallons Sold (000)	Revenue	Gallons Sold (000)	Revenue
Residential-Unmetered (1)	—	\$ 10,288,324	—	\$ 10,899,330
Residential Metered	11,916,455	43,957,551	11,077,177	41,476,536
Commercial	4,083,972	10,885,539	3,902,183	10,473,659
Other (2)	2,816,474	11,031,924	2,543,132	10,129,233
Wholesale	1,982,557	3,748,276	1,831,821	3,473,100
Total	20,799,458	\$ 79,911,614	19,354,313	\$ 76,451,858

Category	2011		2010	
	Gallons Sold (000)	Revenue	Gallons Sold (000)	Revenue
Residential-Unmetered (1)	—	\$ 11,611,351	—	\$ 13,115,143
Residential Metered	10,233,494	37,636,859	9,940,587	35,962,518
Commercial	3,925,081	10,214,401	4,642,286	10,112,854
Other (2)	2,279,226	9,007,523	1,858,589	8,894,110
Wholesale	1,573,720	2,938,106	1,284,293	3,136,081
Total	18,011,521	\$ 71,408,240	17,725,755	\$ 71,220,706

* Fiscal Year 2015 reflects the first year of the water utility consolidation as discussed in Note 1 of the Financial Statements.

(1) Complete consumption information is not available for unmetered customers.

(2) These accounts include irrigation and non metered fire protection/sprinkler systems located on the premises of residential and commercial customers.

Truckee Meadows Water Authority
Schedule No. 8 - Ten Largest Customers
June 30, 2019

Customer Name	Water Used (000s Gallons)	Total Revenue	% of Total Water Sales
1 Sun Valley Water	619,928	\$ 1,147,925	1.1%
2 Washoe County School District	365,383	978,645	1.0%
3 City of Reno	277,770	860,300	0.8%
4 City of Sparks	133,345	459,093	0.5%
5 Washoe County	147,975	449,239	0.4%
6 Nevada Properties, Peppermill	168,087	447,275	0.4%
7 University of Nevada	172,577	407,928	0.4%
8 Somerset HOA	111,916	367,202	0.4%
9 GSR Holdings, LLC	162,671	307,294	0.3%
10 Renown System	92,865	252,242	0.2%
Totals	2,252,517	\$ 5,677,143	5.6%

City of Reno includes the Reno Housing Authority.

Truckee Meadows Water Authority
Schedule No. 9 - Debt Service Coverage Ratios
Last Ten Fiscal Years

	Fiscal Year (in millions)									
	2019	2018	2017	2016	2015*	2014	2013	2012	2011	2010
Operating revenues ⁽¹⁾	\$ 101,497	\$ 95,182	\$ 92,687	\$ 87,534	\$ 86,187	\$ 79,190	\$ 79,912	\$ 76,452	\$ 71,408	\$ 71,221
Nonoperating revenues ⁽²⁾	10,002	8,944	11,790	11,132	5,970	7,176	7,672	7,643	7,253	6,669
Gross revenues	111,499	104,126	104,477	98,666	92,157	86,366	87,584	84,095	78,661	77,890
Operation and maintenance expenses ⁽³⁾	58,955	57,021	50,958	48,030	41,772	35,850	36,672	33,851	32,802	35,979
Taxes other than income taxes ⁽⁴⁾	678	470	462	451	443	440	429	422	418	419
Total expenses	59,633	57,491	51,420	48,481	42,215	36,290	37,101	34,273	33,220	36,398
Net Revenues	\$ 51,866	\$ 46,635	\$ 53,057	\$ 50,185	\$ 49,942	\$ 50,076	\$ 50,483	\$ 49,822	\$ 45,441	\$ 41,492
Senior Lien Annual Debt Service ⁽⁵⁾	\$ 17,891	\$ 15,696	\$ 18,916	\$ 31,780	\$ 29,955	\$ 31,285	\$ 29,672	\$ 21,295	\$ 31,191	\$ 31,124
Senior Lien Debt Coverage excluding SDCs	2.90	2.97	2.80	1.58	1.67	1.60	1.70	2.34	1.46	1.33
System Development Charges (SDCs):										
Developer facility charges	\$ 9,154	\$ 6,465	\$ 5,117	\$ 2,932	\$ 2,494	\$ 964	\$ 1,048	\$ 263	\$ 253	\$ 438
Developer capital contributions - other	6,636	6,449	6,062	2,473	1,588	410	470	153	127	185
Senior Lien Debt Coverage including SDCs ⁽⁶⁾	3.78	3.79	3.40	1.75	1.80	1.64	1.75	2.36	1.47	1.35

* Fiscal Year 2015 reflects the first year of the water utility consolidation as discussed in Note 1 of the Financial Statements.

⁽¹⁾ Includes retail residential, commercial, irrigation water sales, and wholesale water sales net of bad debt expense.

⁽²⁾ Reflects hydroelectric revenues, other miscellaneous operating revenues from fees and charges, as well as gross investment income.

⁽³⁾ Includes water supply, treatment, distribution, hydroelectric power plant maintenance, customer service, water resource planning, conservation programs, administration, and inspection services. Wages and salaries, employee benefits, and services and supplies comprise these expenses.

⁽⁴⁾ The Authority is required to pay property taxes on water rights and storage facilities located in California. During the reported fiscal years TMWA paid various counties in California for hydroelectric facilities, and water storage rights in California.

⁽⁵⁾ This schedule does not include the payments on the DWSRF loan or the tax-exempt commercial paper, which are subordinate to the 2015-A, 2016, 2017 and 2018 Refunding Bonds.

⁽⁶⁾ TMWA's bond covenants require a minimum coverage of 1.25x total principal and interest payments. In fiscal year 2012, TMWA defeased the remaining 2001-A bonds. This resulted in a one-time increase in the senior lien debt coverage ratio. Without this defeasance, the senior lien debt coverage ratio would be 1.52x. In fiscal year 2017 and 2018, TMWA deferred principal payments on debt which increased the debt coverage ratio.

Truckee Meadows Water Authority
Schedule No. 10 - Schedule of Total Building Permits Issued by Jurisdiction/Member Entity
Last Ten Fiscal Years

Fiscal Year	Washoe County	City of Reno	City of Sparks
2019	4,307	4,709	3,890
2018	4,241	6,096	3,935
2017	2,615	5,399	3,636
2016	2,121	5,144	3,712
2015	1,807	4,792	3,581
2014	1,669	4,316	2,579
2013	1,516	3,214	2,393
2012	1,578	2,917	2,463
2011	1,272	2,919	1,763
2010	1,279	3,030	2,007

Source: As reported by each local governmental entity.

Truckee Meadows Water Authority
Schedule No. 11 - Selected Demographic and Economic Statistics for Washoe County
Last Ten Fiscal Years

Fiscal Year	Population (1)	Per Capita Income (2)	Median Age (3)	School Enrollment (4)	Total Personal Income (1)	Unemployment rate (Percent) (5)	Total Labor Force (5)	Construction Activity Total Value (6)	Number of New Family Units (6)	Taxable Sales (7)	Gross Income Gaming Revenue (8)	Total Passenger Air Traffic (9)
2019	475,596	\$ 55	38.0	66,960	\$ 22,556,498	3.6%	250,005	\$ 458,823,000	572	\$ 8,829,864,000	\$ 785,532,000	4,298,555
2018	467,417	48	37.9	66,989	22,550,000	4.2%	234,378	563,415,327	501	8,531,252,745	779,000,000	4,128,476
2017	459,142	48	37.5	63,919	21,265,000	4.0%	232,719	240,534,583	394	7,989,009,111	805,557,000	3,819,896
2016	451,248	51	37.5	63,670	20,165,000	5.9%	231,570	231,741,537	320	7,550,466,734	789,359,000	3,563,818
2015	441,165	48	37.4	63,108	19,077,000	6.4%	228,430	246,627,580	255	6,817,588,648	765,248,320	3,297,642
2014	436,647	48	37.6	62,986	18,833,000	7.2%	222,607	225,096,997	198	6,370,684,534	744,962,250	3,312,839
2013	434,120	47	37.6	62,424	18,284,145	9.8%	219,607	126,468,377	159	5,824,726,136	741,038,030	3,514,421
2012	427,704	45	37.4	62,323	17,849,009	12.3%	221,764	95,875,949	83	5,522,605,351	738,151,877	3,561,557
2011	421,593	49	37.2	62,324	17,944,975	13.2%	212,480	67,721,019	55	5,282,935,192	751,466,957	3,795,421
2010	417,379	47	37.0	62,452	17,421,365	13.6%	221,954	55,952,010	35	5,176,981,699	788,545,658	3,777,701

Sources:

- (1) US Census-Nevada, 2008 - 2012. Washoe County Community Development, 2013 - 2017. Washoe County Schedule 4.1, 2018, 2019
- (2) U.S. Department of Commerce, 2008. Washoe County Community Demographic Information 2009 - 2017. Washoe County Schedule 4.1, 2018, 2019
- (3) Center for Regional Studies, University of Nevada, Reno 2009 - 2017. Washoe County Schedule 4.1, 2018, 2019
- (4) Washoe County School District. Washoe County Schedule 4.1, 2018, 2019
- (5) State Department of Employment, Training and Rehabilitation (DETR). Washoe County Schedule 4.1, 2018, 2019
- (6) Washoe County Building and Safety Department.
- (7) Nevada State Department of Taxation. Washoe County Schedule 4.1, 2018, 2019
- (8) Nevada State Gaming Control Board. Washoe County Schedule 4.1, 2018, 2019
- (9) Reno/Tahoe International Airport. (RTIA) Washoe County Schedule 4.1, 2018, 2019

Truckee Meadows Water Authority
Schedule No. 12 - Principal Employers
Current and Nine Years Ago

Employer	December, 2018			December, 2009		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Washoe County School District	8,750	1	3.50%	8,750	1	4.64%
Renown (Washoe) Medical Center	5,000	2	1.90%	3,750	2	1.99%
University of Nevada - Reno	4,750	3	2.00%	2,250	4	1.19%
Washoe County	3,000	4	1.20%	2,750	3	1.46%
Peppermill Hotel Casino - Reno	2,250	5	0.90%	2,250	6	0.01
Grand Sierra Resort	2,250	6	0.90%	—	—	—
Silver Legacy Resort Casino	2,250	7	0.90%	2,250	7	0.01
Atlantis Casino Resort	1,750	8	0.70%	1,750	9	0.93%
International Gaming Technology PLC	1,750	9	0.70%	2,250	5	1.19%
St. Mary's	1,750	10	0.70%	—	—	—%
City of Reno	—	—	—	1,750	8	0.93%
Eldorado Hotel & Casino	—	—	—	1,750	10	0.93%
Total Washoe Covered Employment	<u>249,828</u>			<u>188,791</u>		

Note: Each of the years reflect respective 4th quarter calendar year information. Nevada Revised Statutes Chapter 612 stipulate that actual employment for individual employers may not be published. The Nevada Department of Employment Training and Rehabilitation outsources the publication of this information to Infogroup. Infogroup publishes employee counts in ranges of 5000. The number of employees are estimated using the midpoint.

Source: Nevadaworkforce.com

Nevada Employment and Unemployment Data (DES and Laus)

Washoe County Schedule 4.2

Truckee Meadows Water Authority
Schedule No. 13 - Customer and Water Sales by Category
Last Ten Fiscal Years

2019				
Category	Average Number of Accounts	% of Total Accounts	Fiscal Year Water Revenues ⁽¹⁾	% of Total Revenues
Residential-Unmetered	663	0.5%	\$ 2,558,767	2.5%
Residential Metered	113,934	91.3%	71,651,111	70.6%
Commercial	10,161	8.1%	12,807,368	12.6%
Other ⁽²⁾	2	—%	13,230,227	13.0%
Wholesale	2	—%	1,249,439	1.2%
Total	124,762	100.0%	\$ 101,496,912	100.0%
2018				
Category	Average Number of Accounts	% of Total Accounts	Fiscal Year Water Revenues ⁽¹⁾	% of Total Revenues
Residential-Unmetered	672	0.5%	\$ 2,505,160	2.6%
Residential Metered	111,963	91.3%	67,393,330	70.8%
Commercial and Irrigation	10,038	8.2%	12,238,878	12.9%
Other (2)	2	—%	11,878,580	12.5%
Wholesale	2	—%	1,165,606	1.2%
Total	122,677	100.0%	\$ 95,181,554	100.0%
2017				
Category	Average Number of Accounts	% of Total Accounts	Fiscal Year Water Revenues ⁽¹⁾	% of Total Revenues
Residential-Unmetered	695	0.6%	\$ 2,446,144	2.6%
Residential Metered	109,939	91.2%	65,829,635	71.0%
Commercial and Irrigation	9,931	8.2%	11,369,179	12.3%
Other (2)	2	—%	11,887,395	12.8%
Wholesale	2	—%	1,154,907	1.2%
Total	120,569	100.0%	\$ 92,687,260	100.0%
2016				
Category	Average Number of Accounts	% of Total Accounts	Fiscal Year Water Revenues ⁽¹⁾	% of Total Revenues
Residential-Unmetered	2,062	1.7%	\$ 3,725,916	4.3%
Residential Metered	106,730	89.9%	60,198,267	68.8%
Commercial and Irrigation	9,873	8.3%	11,026,132	12.6%
Other (2)	3	—%	11,554,063	13.2%
Wholesale	1	—%	1,029,954	1.2%
Total	118,669	100.0%	\$ 87,534,332	100.0%
2015*				
Category	Average Number of Accounts	% of Total Accounts	Fiscal Year Water Revenues ⁽¹⁾	% of Total Revenues
Residential-Unmetered	6,224	5.2%	\$ 9,366,307	10.9%
Residential Metered	100,446	83.1%	51,796,871	60.1%
Commercial and Irrigation	9,648	8.0%	11,339,953	13.2%
Other (2)	4,528	3.7%	11,123,168	12.9%
Wholesale	2	—%	2,560,399	3.0%
Total	120,848	100.0%	\$ 86,186,698	100.0%

Truckee Meadows Water Authority
Schedule No. 13 - Customer and Water Sales by Category
Last Ten Fiscal Years

2014				
Category	Average Number of Accounts	% of Total Accounts	Fiscal Year Water Revenues ⁽¹⁾	% of Total Revenues
Residential-Unmetered	6,379	6.7%	\$ 9,731,811	12.3%
Residential Metered	76,422	80.0%	44,137,033	55.7%
Commercial	8,743	9.1%	10,755,824	13.6%
Other ⁽²⁾	4,008	4.2%	10,720,156	13.5%
Wholesale	2	—%	3,845,593	4.9%
Total	95,554	100.0%	\$ 79,190,417	100.0%
2013				
Category	Average Number of Accounts	% of Total Accounts	Fiscal Year Water Revenues ⁽¹⁾	% of Total Revenues
Residential-Unmetered	6,927	7.3%	\$ 10,288,324	12.9%
Residential Metered	75,113	79.3%	43,957,551	55.0%
Commercial and Irrigation	8,702	9.2%	10,885,539	13.6%
Other (2)	3,965	4.2%	11,031,924	13.8%
Wholesale	2	—%	3,748,276	4.7%
Total	94,709	100.0%	\$ 79,911,614	100.0%
2012				
Category	Average Number of Accounts	% of Total Accounts	Fiscal Year Water Revenues ⁽¹⁾	% of Total Revenues
Residential-Unmetered	7,699	8.2%	\$ 10,899,330	14.3%
Residential Metered	73,836	78.3%	41,476,536	54.3%
Commercial and Irrigation	8,695	9.2%	19,245,940	25.2%
Other (2)	4,088	4.3%	1,356,952	1.8%
Wholesale	2	—%	3,473,100	4.5%
Total	94,320	100.0%	\$ 76,451,858	100.0%
2011				
Category	Average Number of Accounts	% of Total Accounts	Fiscal Year Water Revenues ⁽¹⁾	% of Total Revenues
Residential -Unmetered	8,685	9.3%	\$ 11,611,351	16.3%
Residential Metered	72,457	77.3%	37,636,859	52.7%
Commercial and Irrigation	8,564	9.1%	17,921,409	25.1%
Other (2)	4,078	4.3%	1,300,515	1.8%
Wholesale	2	—%	2,938,106	4.1%
Total	93,786	100.0%	\$ 71,408,240	100.0%
2010				
Category	Average Number of Accounts	% of Total Accounts	Fiscal Year Water Revenues ⁽¹⁾	% of Total Revenues
Residential-Unmetered	10,403	11.1%	\$ 13,115,143	18.4%
Residential Metered	70,556	75.6%	35,962,518	50.5%
Commercial and Irrigation	8,465	9.1%	17,872,178	25.1%
Other (2)	3,943	4.2%	1,134,786	1.6%
Wholesale	7	—%	3,136,081	4.4%
Total	93,374	100.0%	\$ 71,220,706	100.0%

* Fiscal Year 2015 reflects the first year of the water utility consolidation as discussed in Note 1 of the Financial Statements.

⁽¹⁾ Water Revenues are revenues that are billed and estimated for the fiscal year periods. Estimated revenues are revenues for water deliveries just prior to fiscal year end that are unbilled until July of the next fiscal year.

⁽²⁾ Includes non metered private fire protection services located on the premises of commercial and some residential customers.

Truckee Meadows Water Authority
Schedule No. 14 - Schedule of Insurance Coverage
June 30, 2019

Coverage	Carrier/Policy	Term	Limits/Deductible
Property/Boiler and Machinery Policy	America Home Assurance Company (AIG)	6/11/2017 to 6/11/2019	Blanket limit of \$464,064,202 per occurrence with sub-limits of \$50,000,000 for Earth Movement (excluding CA properties) and \$10,000,000 for flood (excluding Glendale plant). Equipment Breakdown \$100,000,000. Deductibles for flood and earth movement are \$100,000 per occurrence for each location; general policy deductible is \$25,000.
General Liability and Business Automobile Policy	Philadelphia Indemnity Insurance Company	6/11/2018 to 6/11/2019	First \$1,000,000 in liability limits. General Liability Aggregate limit of \$3,000,000 Inland Marine Physical Damage \$834,750. General liability deductible of \$25,000 per occurrence. Auto Physical Damage deductible of \$1,000.
Excess Umbrella Liability Policy	Philadelphia Indemnity Insurance Company	6/11/2018 to 6/11/2019	First Layer Excess Liability limit of \$10,000,000.
	Travelers Insurance Company	6/11/2018 to 6/11/2019	Second Layer Excess Liability Limit of \$10,000,000.
Workers' Compensation	Employer's Insurance Company of Nevada	6/11/2018 to 6/11/2019	Fully insured for statutory limits under Workers' Compensation with no deductible. Policy also provides \$1,000,000 limit for Employer's Liability.
Employee Health Insurance	By contract with the City of Reno's health insurance programs	6/11/2018 to 6/11/2019	Varies by plan selected.
Commercial Crime/ Government Crime	Fidelity & Deposit Company of Maryland	6/11/2018 to 6/11/2019	Employee Theft/Forgery or Alteration Computer Fraud/ Funds Transfer Fraud \$3,000,000 per loss. Employee Theft including expenses, Inside/Outside Premises Money and Securities, Robbery or Safe Burglary, Money Orders, Counterfeit Currency, Credit Card Forgery, Faithful Performance, Telephone Toll \$1,000,000.
	Zurich		Fraudulent Impersonation \$250,000.
Network Security/ Cyber Risk	Ace American Insurance Company	6/11/2018 to 6/11/2019	Network Information, Communications Media, Regulatory Defense, Crisis Management, Security Breach Remediation, Computer Program/Data Restoration, Computer Fraud, E-Commerce Extortion Business Interruption \$3,000,000. Crisis Management Expenses \$1,000,000.
Kidnap and Ransom	National Union Fire Insurance Company	6/11/2018 to 6/11/2019	Ransom, In-Transit Delivery, Expenses, Judgements, Settlements, and Defense \$3,000,000 Death or Dismemberment \$250,000/\$1,250,000 person/event. Disappearance/Threat \$100,000, Hostage Crisis \$500,000.

Truckee Meadows Water Authority
Schedule No. 15 - Number of Employees by Identifiable Activity
Last Ten Fiscal Years

	Fiscal Year									
	2019	2018	2017	2016	2015*	2014	2013	2012	2011	2010
Administration/IT	30	28	25	28	22	20	18	20	22	22
Supply/Treatment Operations	44	40	40	32	30	31	26	27	28	28
Distribution Maintenance	71	65	65	63	62	48	45	44	42	45
Hydroelectric	7	7	7	6	6	6	7	8	7	5
Customer Service/Conservation	23	23	25	25	24	20	26	33	28	41
Water Planning/Resources	15	15	17	19	19	13	15	12	13	14
Engineering/Construction	31	28	25	24	23	14	15	11	14	15
Total Authorized Employees	<u>221</u>	<u>206</u>	<u>204</u>	<u>197</u>	<u>186</u>	<u>152</u>	<u>152</u>	<u>155</u>	<u>154</u>	<u>170</u>

* Fiscal Year 2015 reflects the first year of the water utility consolidation as discussed in Note 1 of the Financial Statements.

Truckee Meadows Water Authority
Schedule No. 16 - Current and Historical Water Rates
Last Ten Fiscal Years

Fiscal Year																				
2019			2018			2017			2016			2015*			2014	2013	2012	2011	2010	
TMWA	WC	STMGID	TMWA	WC	STMGID	TMWA	WC	STMGID	TMWA	WC	STMGID	TMWA	WC	STMGID						
Customer Charges by Meter Size																				
3/4"	19.67	18.49	10.07	19.67	18.49	10.07	19.10	17.95	9.77	18.54	17.43	9.49	18.54	17.43	9.49	19	17	17	16	16
1"	21.64	23.79	12.32	21.64	23.79	12.32	21.01	23.09	11.96	20.40	22.42	11.61	20.40	22.42	11.61	20.40	18.80	18.80	17.30	17.30
1 1/2"	24.61	34.02	17.47	24.61	34.02	17.47	23.90	33.03	16.96	23.20	32.07	16.47	23.20	32.07	16.47	23.20	21.40	21.40	19.60	19.60
2"	28.54	45.36	n/a	28.54	45.36	n/a	27.71	44.04	n/a	26.9	42.76	n/a	26.90	42.76	n/a	26.90	24.80	24.80	22.80	22.80
3"	32.46	73.04	n/a	32.46	73.04	n/a	31.52	70.92	n/a	30.6	68.85	n/a	30.60	68.85	n/a	30.60	28.20	28.20	25.90	25.90
4"	37.34	106.98	n/a	37.34	106.98	n/a	36.26	103.87	n/a	35.2	100.84	n/a	35.20	100.84	n/a	35.20	32.50	32.50	29.80	29.80
6"	43.28	195.05	n/a	43.28	195.05	n/a	42.02	189.37	n/a	40.8	183.85	n/a	40.80	183.85	n/a	40.80	37.70	37.70	34.50	34.50
Commodity Charge (all meter sizes)																				
TMWA Tier 1	1.82			1.82			1.77			1.72			1.72			1.72	1.72	1.72	1.72	1.72
TMWA Tier 2	2.95			2.95			2.86			2.78			2.78			2.78	2.78	2.78	2.78	2.78
TMWA Tier 3	3.45			3.45			3.35			3.25			3.25			3.25	3.25	3.25	3.25	3.25
WC Tier 1		2.78			2.78			2.70			2.62			2.62						
WC Tier 2		3.47			3.47			3.37			3.27			3.27						
WC Tier 3		4.17			4.17			4.05			3.93			3.93						
WC Tier 4		5.57			5.57			5.41			5.25			5.25						
STMGID Tier 1			1.44			1.44			1.40			1.36			1.36					
STMGID Tier 2			1.91			1.91			1.85			1.80			1.80					
STMGID Tier 3			2.34			2.34			2.28			2.21			2.21					
STMGID Tier 4			2.74			2.74			2.66			2.58			2.58					
STMGID Tier 5			2.90			2.90			2.81			2.73			2.73					
Above rates are for metered single family residential service.																				
Monthly Base Rates (Meter Size)																				
3/4"	n/a	n/a	47.65	n/a	n/a	47.65	n/a	n/a	46.26	100.63	89.82	44.91	100.63	89.82	44.91	100.63	94.10	94.10	86.30	86.30
1"	n/a	n/a	47.65	n/a	n/a	47.65	n/a	n/a	46.26	144.90	90.18	44.91	144.90	90.18	44.91	144.90	135.50	135.50	124.30	124.30
1 1/2"	n/a	n/a	47.65	n/a	n/a	47.65	n/a	n/a	46.26	262.60	92.12	44.91	262.60	92.12	44.91	262.60	245.60	245.60	225.20	225.20
2"	n/a	n/a	47.65	n/a	n/a	47.65	n/a	n/a	46.26	374.30	93.55	44.91	374.30	93.55	44.91	374.30	350.10	350.10	321.00	321.00
3"	n/a	n/a	47.65	n/a	n/a	47.65	n/a	n/a	46.26	469.90	94.96	44.91	469.90	94.96	44.91	469.90	439.40	439.40	403.00	403.00
4"	n/a	n/a	47.65	n/a	n/a	47.65	n/a	n/a	46.26	595.70	99.18	44.91	595.70	99.18	44.91	595.70	557.10	557.10	510.00	510.00
6"	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Above rates are for unmetered single family residential service.																				
TMWA rates took effect on June 11, 2001, and were revised effective May 2009, May 2010, February 2012, February 2014, June 2016, May 2017, and May 2018																				

* Fiscal Year 2015 reflects the first year of the water utility consolidation as discussed in Note 1 of the Financial Statements.

Truckee Meadows Water Authority
Schedule No. 17 - Selected Operating and Capital Indicators
Last Ten Fiscal Years

	Fiscal Year									
	2019	2018	2017	2016	2015*	2014	2013	2012	2011	2010
Miles of water mains	2,019	1,986	1,961	1,940	1,915	1,341	1,337	1,352	1,339	1,332
Number of storage tanks	95	88	93	93	93	42	42	42	42	42
Number of Finished Water Storage	2	2	2	2	2	2	2	2	2	2
Number of pump stations	114	113	113	121	112	93	94	95	94	96
Number of wells	100	82	81	79	86	32	32	32	32	32
Treatment capacity (millions of gallons/day)										
Glendale Plant	34.5	34.5	34.5	34.5	37.5	37.5	37.5	37.5	25.0	25.0
Chalk Bluff	90.0	90.0	90.0	90.0	95.0	95.0	95.0	95.0	95.0	95.0
Longley Lane	3.6	3.6	3.6	3.6	—	—	—	—	—	—

* Fiscal Year 2015 reflects the first year of the water utility consolidation as discussed in Note 1 of the Financial Statements.

Truckee Meadows Water Authority
Schedule No. 18 - Schedule of Changes in Debt
Last Ten Fiscal Years

	Final Maturity Date	Authorized	Balance June 30, 2019	Balance June 30, 2018	Balance June 30, 2017	Balance June 30, 2016	Balance June 30, 2015	Balance June 30, 2014	Balance June 30, 2013	Balance June 30, 2012	Balance June 30, 2011	Balance June 30, 2010
2001 A Water Revenue (Tax Exempt) Bonds 3.70%-5.50%	7/1/2034	\$ 448,810,000	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 8,810,000	\$ 28,590,000
2005 Water Revenue DWSRF (Tax Exempt) Bonds 3.21%	1/1/2025	4,669,565	1,824,283	2,095,861	2,358,926	2,613,744	2,860,578	3,099,675	3,331,277	3,555,620	3,772,931	3,983,431
2005 A Water Revenue (Tax Exempt) Bonds 4.25%-5.00%	7/1/2036	40,000,000	—	—	—	—	890,000	34,795,000	35,620,000	36,415,000	37,180,000	37,920,000
2006 Water Revenue (Tax Exempt) Refunding Bonds 3.50%-4.875%	7/1/2034	150,745,000	—	—	—	400,000	148,415,000	148,785,000	149,140,000	149,485,000	149,815,000	150,135,000
2007 Water Revenue (Tax Exempt) Refunding Bonds 4.00%-5.00%	7/1/2030	218,975,000	—	—	—	214,290,000	214,800,000	215,285,000	215,745,000	216,185,000	216,605,000	217,005,000
2009 A Water Revenue DWSRF ARRA (Tax Exempt) Bonds 0%	7/1/2029	2,401,120	1,298,522	1,422,190	1,545,859	1,669,527	1,793,197	1,916,866	2,040,534	2,164,202	2,282,661	2,309,945
2010 Water Revenue (Tax Exempt) Refunding Bonds 5.00%	7/1/2015	28,240,000	—	—	—	—	9,435,000	19,855,000	28,240,000	28,240,000	28,240,000	28,240,000
2010 A Water Revenue DWSRF (Tax Exempt) Bonds 3.25%	1/1/2030	4,381,614	3,100,507	3,331,595	3,555,353	3,772,013	3,981,798	4,184,928	4,381,614	4,381,614	3,921,904	201,110
2014 Water Revenue DWSRF (Tax Exempt) Bonds 2.81%	1/1/2025	9,109,437	5,529,367	6,364,231	7,176,120	7,965,667	8,733,487	—	—	—	—	—
2015-A Water Revenue (Tax Exempt) Refunding Bonds 2.00%-5.00%	7/1/2036	28,750,000	26,185,000	27,070,000	27,920,000	28,750,000	28,750,000	—	—	—	—	—
2015-B Water Revenue DWSRF (Tax Exempt) Bonds 2.62%	1/1/2035	15,000,000	8,195,717	8,589,045	8,971,562	8,239,034	—	—	—	—	—	—
2016 Water Revenue (Tax Exempt) Refunding Bonds 5.00%	1/1/2025	124,790,000	124,790,000	124,790,000	124,790,000	124,790,000	—	—	—	—	—	—
2017 Water Revenue (Tax Exempt) Refunding Bonds 4.50% -5.00%	1/1/2025	147,415,000	147,415,000	147,415,000	147,415,000	—	—	—	—	—	—	—
2018 Water Revenue (Tax Exempt) Refunding Bonds 5.00%	7/1/2039	38,835,000	38,835,000	38,835,000	—	—	—	—	—	—	—	—
Subtotal			357,173,396	359,912,922	323,732,820	392,489,985	419,659,060	427,921,468	438,498,425	440,426,436	450,627,496	468,384,486
Less unamortized net bond discount (premium)			(47,320,705)	(52,014,598)	(51,182,862)	(28,441,399)	(3,673,290)	(35,590)	(661,198)	(1,286,806)	(3,440,321)	(4,371,510)
Total debt before tax exempt commercial paper			404,494,101	411,927,520	374,915,682	420,931,384	423,332,350	427,957,058	439,159,623	441,713,242	454,067,817	472,755,996
Tax-Exempt Commercial Paper		\$ 148,600,000	23,500,000	30,000,000	83,400,000	87,800,000	95,000,000	68,000,000	68,000,000	79,400,000	79,400,000	68,000,000
Total Debt			<u>\$ 427,994,101</u>	<u>\$ 441,927,520</u>	<u>\$ 458,315,682</u>	<u>\$ 508,731,384</u>	<u>\$ 518,332,350</u>	<u>\$ 495,957,058</u>	<u>\$ 507,159,623</u>	<u>\$ 521,113,242</u>	<u>\$ 533,467,817</u>	<u>\$ 540,755,996</u>

Truckee Meadows Water Authority
Schedule No. 19 - Debt by Service Connection
Last Ten Fiscal Years

	Fiscal Year									
	2019	2018	2017	2016	2015*	2014	2013	2012	2011	2010
Total Debt	\$ 357,173,396	\$ 359,912,922	\$407,132,820	\$ 480,289,985	\$514,659,060	\$495,921,468	\$506,498,425	\$519,826,436	\$ 530,027,496	\$ 536,384,486
Total Service Connections	122,597	120,746	118,348	116,653	114,529	89,070	88,268	87,464	87,013	86,781
Debt per Service Connection	<u>\$ 2,913</u>	<u>\$ 2,981</u>	<u>\$ 3,440</u>	<u>\$ 4,117</u>	<u>\$ 4,494</u>	<u>\$ 5,568</u>	<u>\$ 5,738</u>	<u>\$ 5,943</u>	<u>\$ 6,091</u>	<u>\$ 6,181</u>

Note: Service Connections include residential and commercial connections only. Irrigation, fire protection, and wholesale connections have been excluded.

* Fiscal Year 2015 reflects the first year of the water utility consolidation as discussed in Note 1 of the Financial Statements.

Compliance Section

Truckee Meadows Water Authority



**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 Directors
Truckee Meadows Water Authority
Reno, 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 Truckee Meadows Water Authority (TMWA), as of and for the years ended June 30, 2019 and 2018, and the related notes to the financial statements, which collectively comprise TMWA's basic financial statements, and have issued our report thereon dated November 25, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered TMWA'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 TMWA's internal control. Accordingly, we do not express an opinion on the effectiveness of TMWA's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether TMWA'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.

The signature is written in a cursive, handwritten style. It reads "Eide Bailly LLP". The "E" is large and loops around the "ide". "Bailly" is written in a fluid cursive, and "LLP" is in a slightly more formal, but still cursive, style.

Reno, Nevada
November 25, 2019



Auditor's Comments

To the Board of Directors
Truckee Meadows Water Authority
Reno, Nevada

In connection with our audit of the financial statements of the Truckee Meadows Water Authority (TMWA) as of and for the year ended June 30, 2019, and the related notes to the financial statements, nothing came to our attention that caused us to believe that TMWA 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 TMWA's noncompliance with the requirements of Nevada Revised Statutes cited below, insofar as they relate to accounting matters.

Statute Compliance

The required disclosure on compliance with Nevada Revised Statutes and the Nevada Administrative Code is contained in Note 2 to the financial statements.

Progress on Prior Year Statute Compliance

TMWA conformed to all significant statutory constraints on its financial administration during the year ended June 30, 2018.

Prior Year Recommendations

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

Current Year Recommendations

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

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

Reno, Nevada
November 25, 2019