

**WRITTEN STATEMENT TO BE ATTACHED TO AND MADE A PART OF THE WRITTEN  
MINUTES OF THE COMMITTEE ON LOCAL GOVERNMENT FINANCE ("CLGF") SUB-  
COMMITTEE ON ENTERPRISE AND SPECIAL REVENUE FUND GUIDANCE'S APRIL  
24, 2015 MEETING – AGENDA ITEM 2 – PUBLIC COMMENTS – IVGID'S DIR-  
ECTOR OF FINANCE WAS UNTRUTHFUL TO THE CLGF WHEN HE REPRESENTED  
ON FEBRUARY 6, 2015 THAT IVGID'S NEW PROPOSED RECRE-  
ATION "SPECIAL REVENUE FUND" FINANCIAL REPORTING FORMAT  
WOULD BE MORE TRANSPARENT THAN ITS CURRENT RECREATION  
"ENTERPRISE FUND" REPORTING**

**Introduction:** On February 6, 2015 IVGID's Director of Finance, Gerry Eick, made a presentation to the CLGF justifying his request that the CLGF approve his request on IVGID's behalf to change IVGID's Community Services and Beach (i.e., both recreation) Enterprise Fund(s) Classifications and reporting (to the public). This presentation was supported by a January 28, 2015 Memorandum ("the Memorandum"), a copy of which is attached to this written statement as Exhibit "A."<sup>1</sup> According to Mr. Eick his represented "need to make these changes (was) based on consideration of the methods by which the District has and expects to consider setting the annual Facility Fee(s) for...(IVGID's enterprise) Community Services...and...Beach Funds(s)."<sup>2</sup>

Summarizing, Mr. Eick concluded that there would be "an (alleged) intrinsic benefit to this change as it relates to...our constituency('s)...understanding (of IVGID's) finances" (i.e., greater transparency to members of our community). Breaking out "the format of Special Revenue, Capital Project and Debt Servicing financial reporting (would allegedly)...allow each element of the Facility Fee to be clearly represented both as budgeted and executed." He suggested that these changes were part of an attempt on his part to "seek better (financial) transparency," and that the proposed changes "will definitely be appreciated by our constituents."<sup>3</sup>

***The purpose of this written statement is to demonstrate that insofar as one of Mr. Eick's constituents is concerned, his representations to the CLGF were false and not appreciated by IVGID's constituents.*** As the chief architect of IVGID's financial reporting to the public, Mr. Eick has invented a new lexicon of accounting terminology (such as "smoothing" and "repurposing") to confuse lay persons into thinking his actions are innocent, industry recognized and will result in greater transparency when in-truth-and-in-fact he has hidden, nefarious motives.

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<sup>1</sup> The Memorandum is part of the CLGF's packet of materials prepared for its February 6, 2015 meeting, and it can be viewed at [http://www.tax.nv.gov/Boards/Committee\\_on\\_Local\\_Govt\\_Finance/CLGF\\_Meeting\\_Documents/CLGF\\_2015\\_Feb\\_6/02-06-2015\\_CLGF\\_Exhibit\\_Packet.pdf](http://www.tax.nv.gov/Boards/Committee_on_Local_Govt_Finance/CLGF_Meeting_Documents/CLGF_2015_Feb_6/02-06-2015_CLGF_Exhibit_Packet.pdf).

<sup>2</sup> See the language next to the asterisk placed on page 1, ¶III. Background, of the Memorandum.

<sup>3</sup> See the language next to the asterisk placed on page 5, ¶IV. Comments, of the Memorandum.



**Mr. Eick's Representations Made to the IVGID Board at its April 2, 2015 Budget Workshop Concerning His New Special Revenue Fund Reporting:** At page 6 of the packet of materials prepared by staff in anticipation of the IVGID Board's April 2, 2015 Special Workshop<sup>4</sup> ("the Board packet"), Mr. Eick states that *in response to his request*, the Board "directed...staff...to develop budgets for 2015-16 utilizing special revenue, capital projects and debt service fund accounting for the Community Services and Beach (enterprise) Funds." At page 5 of the Board packet he states that "the following pages represent a District-wide presentation (of that new fund accounting) for Fiscal Year 2015-16 with a comparison to Fiscal year 2014-15." In other words for the first time, Mr. Eick shared how these fund reporting changes would actually look and compare to our current fund reporting.

At page 21 of the Board packet Mr. Eick attached a District Wide Summary spreadsheet of 2015-16 Budgeted Sources (i.e., revenues) and Uses (expenses), by accounting fund, which he stated represented IVGID's new financial reporting<sup>5</sup>.

**The Alleged Added "Transparency" of Reporting Our Recreational Facility Financials Via "Special Revenue" Versus "Enterprise" Accounting Funds:** I have attached as Exhibit "B" to this written statement page 44 from the current fiscal year's (2014-15) budget<sup>6</sup>. This page represents a District Wide Summary spreadsheet of current 2014-15 Budgeted Sources (i.e., revenues) and Uses (expenses) by accounting fund<sup>7</sup>. I ask the subcommittee to compare this page to Exhibit "A" because ***they both represent the same thing*** (however, one is for 2014-15 and the other is for 2015-16).

**So What Exactly are the Differences?** Well first of all, Exhibit "A" is orientated horizontally, whereas Exhibit "B" is orientated vertically. Next, Mr. Eick has changed the name of our current "Community Services" Fund – he now calls it the "Special Revenue" Fund. And, he has combined entries from the former "Community Services" and "Beach" Funds on Exhibit "B" into a single fund; i.e., the new "Special Revenue" Fund<sup>8</sup>.

Next, Mr. Eick has taken the two rows under the "Capital Expenditures" entry on Exhibit "B" (I've circled them), and turned them into a single combined column labeled "Capital Projects" on Exhibit "A."

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<sup>4</sup> See [https://www.yourtahoeplace.com/uploads/pdf-ivgid/Special\\_Meeting\\_Packet\\_-\\_Budget\\_Workshop\\_4-2-2015.pdf](https://www.yourtahoeplace.com/uploads/pdf-ivgid/Special_Meeting_Packet_-_Budget_Workshop_4-2-2015.pdf).

<sup>5</sup> I have attached a copy of this spreadsheet as Exhibit "A" to this written statement.

<sup>6</sup> See [https://www.yourtahoeplace.com/uploads/pdf-ivgid/2014-2015\\_Operating\\_Budget\\_\(194\\_Pages\)\\_rev\\_9-18-14.pdf](https://www.yourtahoeplace.com/uploads/pdf-ivgid/2014-2015_Operating_Budget_(194_Pages)_rev_9-18-14.pdf).

<sup>7</sup> By the way, these numbers differ from the similar numbers included under the column "2014-15 All Funds Summary" noted on Exhibit "A" because the latter is *not* a complete replication of the former.

<sup>8</sup> Insofar as Mr. Eick's constituents are concerned, does the subcommittee think this change is more or less transparent insofar as the two current reporting funds are concerned?



Next, Mr. Eick has taken the three rows under the "Debt Service" entry on Exhibit "B" (I've circled them), and turned them in a single combined column labeled "Debt Service" on Exhibit "A."

And finally, Mr. Eick has broken down the new "Special Revenue," Capital Projects" and "Debt Service" columns on Exhibit "A" by each of our individual recreational venues. But what he hasn't told the subcommittee is that this breakdown is not only *already* included in our budgets, but it is broken down in *greater detail* than what appears on Exhibit "A."<sup>9</sup> Our current budget already includes individual sub-fund summaries of sources and uses for each of our recreational venues. I'm not going to include all of them, but to make my point, I have attached three of them (Championship Golf, Mountain Golf and Ski) collectively as Exhibit "C" to this written statement. I have drawn circles around the 2014-15 entries for "Capital Expenditures" and "Debt Service" on all three. These entries would correspond to the "Capital Projects" and "Debt Service" entries on Exhibit "A." And if you wanted to see a breakdown of Revenues or Expenses by individual facility sub-fund, instead of examining Exhibit "A" it would be a very simple task to simply examine Exhibit "C."

***So that's the extent of difference!***

***Where is the alleged greater transparency Mr. Eick?***

**The Alleged Added "Transparency" in Reporting Insofar as Where the Recreation ("RFF") and Beach ("the BFF") Facility Fees are Spent:** Remember, Mr. Eick has represented that breaking out "the format of "Special Revenue, Capital Project and Debt Servicing financial reporting (allegedly)... allow(s) each element of the Facility Fee to be (more) clearly represented both as budgeted and executed." This is another untrue statement.

I have attached as Exhibit "D" to this written statement a spreadsheet which comes from page 75 of IVGID's most current (2013-14) Comprehensive Annual Financial Report<sup>9</sup> ("CAFR"). This page breaks down in detail exactly where staff contends local property owners' RFF and BFF have been budgeted to be spent *for the last ten years!* Compare this page to Exhibit "A" and tell me which is more "clearly represented?"

Not clear enough? Each year IVGID adopts schedules [pursuant to NRS 318.199(7)] which tell local property owners where their RFF/BFF are budgeted to be spent. I have attached as Exhibit "E" to this written statement one of those schedules for 2012-13<sup>10</sup>. This document appears on IVGID's web site at <https://www.yourtahoeplace.com/uploads/pdf-parks->

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<sup>9</sup> Go to <https://www.yourtahoeplace.com/uploads/pdf-ivgid/2014CAFRReport.pdf>.

<sup>10</sup> For years staff used to prepare schedules just like this one, however, the practice mysteriously stopped after 2012-13. But that certainly does not mean it could not be reinstated if in the name of "transparency" staff were so inclined or directed.



rec/rff\_and\_bff\_sheet\_for\_counters\_for\_2012\_2013.pdf. ***Is this not a far clearer explanation than Mr. Eick's new reporting format?***

**If There is No Greater Transparency, Which There is Not, Then Why Has Mr. Eick Suggested We Jettison Our Current Recreation Enterprise Accounting Fund Reporting in Favor of New Special Revenue Fund Reporting?** It turns out that for some time staff has been clandestinely placing excess and unnecessarily assessed RFF and BFF revenues into reserves<sup>11</sup>. By way of example he tells the public that these excess sums are necessary to pay the servicing costs on a former 2003 \$5.5M general obligation bond ("GOB") when unbeknownst to us that bond was paid off in full in March of 2013<sup>12</sup>. Apparently staff has been accumulating large amounts of moneys for future unbudgeted, unappropriated and unidentified projects. And now they want to start *transferring* the moneys to "vital" purposes of their choosing. But as the subcommittee knows, there is a statutory impediment which prohibits any of these interfund transfers unless they comply with NRS 354.613. Given NRS 354.626(1) states that "any officer or employee of a local government who willfully violates NRS 354.470 to 354.626, inclusive, is guilty of a misdemeanor," can the subcommittee see that by assigning the RFF/BFF to a "special revenue" rather than any of its current "enterprise" funds, the protections of NRS 354.613 will have been completely circumvented? This circumvention is Mr. Eick's first real purpose for changing IVGID's recreation accounting funds structure.

If I understand correctly, a special revenue fund is a type of governmental fund, whereas an enterprise fund is a type of proprietary fund. Although financial statements for proprietary funds require a statement of cash flows, similar statements for government funds do not. Since IVGID operates our recreational facilities as if they were commercial, for profit business enterprises; and they lose close to \$9M annually (which is subsidized by *ad valorem* and consolidated taxes as well as the RFF); our community has an interest in monitoring each of our businesses' *cash flow*. If IVGID staff is able to eliminate or deceitfully present each of our recreation businesses' cash flow (to make them look as if they are generating "operational profits" when in-truth-and-in-fact they're generating losses

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<sup>11</sup> Mr. Eick calls this "smoothing."

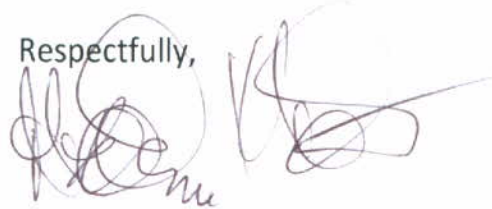
<sup>12</sup> The subcommittee's attention is again directed to Exhibit "D." I have placed an asterisk next to the \$85 number under the 2013-14 column. This is the former bond servicing cost assigned to each local property owners' RFF that was ***paid in full prior to IVGID's 2013-14 fiscal year!*** Mr. Eick calls this "smoothing." I and others I know call it: obtaining moneys based upon false written statements [NRS 205.375(1)]; or, false pretences [NRS 205.380(1)]; or, use or appropriation of money, or any part thereof, by a person in his/her capacity as the bailee of that money, for any purpose other than that for which it was deposited or entrusted [NRS 205.300(1)]; or, employing a device, scheme or artifice which acts as a fraud or deceit upon a person by means of a false representation or omission of a material fact in at least two transactions that have the same or similar pattern, intents, results, victims or methods of commission, or are otherwise interrelated by distinguishing characteristics and are not isolated incidents, in which the aggregate loss is more than \$650 [NRS 205.377(1)].

or at the least, negative cash flow), then this becomes Mr. Eick's second real purpose for changing IVGID's recreation accounting funds structure.

**If Changing Our Recreational Venue Fund Reporting From Enterprise to Special Revenue is Such a Great Idea, Then Why Isn't Mr. Eick Suggesting Our Utility Enterprise Fund be Similarly Changed?**

**Conclusion:** As a result of what IVGID and Gerry Eick are attempting to accomplish with the CLGF, for the protection of Incline Village's/Crystal Bay's local property owners, two actions need to take place. First, amendments to NRS 354.613 should be sponsored to the Legislature to make impermissible the transfer of "special revenue funds" to any other government accounting fund. Second, the Department of Taxation should not allow local governments like IVGID to change their business type enterprise accounting funds to special revenue funds.

Respectfully,

A handwritten signature in dark ink, appearing to read 'Aaron Katz', is written over a circular stamp. To the right of the signature is a large, stylized handwritten mark that resembles a checkmark or a large 'V'.

Aaron Katz

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**EXHIBIT “A”**





IVGID	Budgeted Sources and Uses - Functional					District-wide Summary			FYE June 30, 2016			2015-16		2014-15	
	General Fund	Special Revenue	Capital Projects	Debt Service	Total Governmental	Utilities Fund	Internal Services	Total Proprietary	All Funds Summary	All Funds Summary	All Funds Summary	2015-16	All Funds Summary	2014-15	All Funds Summary
Revenues:															
Ad Valorem Tax	\$ 1,464,259	\$ -	\$ -	\$ -	\$ 1,464,259	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,464,259	\$ -	\$ 1,392,186	\$ -
Consolidated Tax	1,351,000				1,351,000							1,351,000		1,248,000	
Charges for Services		12,004,032			12,004,032	11,125,300	3,000	11,128,300				23,132,332		22,261,200	
Recreation Facility Fees		6,745,700			6,745,700							6,745,700		6,745,700	
Operating Grants		31,400	1,133,000		1,164,400	160,000		160,000				1,324,400		231,400	
Miscellaneous	3,600	258,500			262,100							262,100		604,800	
Investments	25,000	35,000			60,000	60,000	25,400	85,400				145,400		142,900	
Total Revenue	2,843,859	19,074,632	1,133,000	-	23,051,491	11,345,300	28,400	11,373,700				34,425,191		32,626,186	
Expenditures by Function:															
General Government															
Operations	3,628,518				3,628,518		2,779,645	2,779,645				6,408,163		5,873,728	
Interfund Services	(1,086,000)	(101,500)			(1,187,500)	(141,400)	(2,764,282)	(2,905,682)				(4,093,182)		(3,779,600)	
Capital Expenditures	322,000				322,000							322,000		215,120	
Utilities															
Operations						6,959,139		6,959,139				6,959,139		6,739,366	
Service						3,703,695		3,703,695				3,703,695		4,913,800	
Total						636,601		636,601				636,601		637,086	
Recreation															
Championship Golf		3,049,992	412,690	180,704	3,643,386			3,643,386				3,643,386		3,579,947	
Mountain Golf		905,505	234,100	-	1,139,605			1,139,605				1,139,605		945,654	
Facilities		366,148	-	172,517	538,665			538,665				538,665		670,415	
Ski		5,311,171	636,500	924,471	6,872,142			6,872,142				6,872,142		8,012,910	
Recreation Center		2,124,531	72,000	2,201	2,198,732			2,198,732				2,198,732		2,298,076	
Recreation Admin		1,105,193	125,500	-	1,230,693			1,230,693				1,230,693		1,222,498	
Parks		697,500	1,384,800	2,913	2,085,213			2,085,213				2,085,213		1,022,906	
Tennis		254,841	46,720	1,285	302,846			302,846				302,846		271,116	
Beach		1,474,448	150,000	6,200	1,630,648			1,630,648				1,630,648		1,873,883	
Total Expenditures	2,864,518	15,187,828	3,062,310	1,290,291	22,404,948	11,158,035	15,363	11,173,398				33,578,345		34,496,905	
Operating Transfers In	-	-	1,929,310	1,290,291	3,219,601	-	-	-				3,219,601		5,014,585	
Operating Transfers (Out)	-	(3,219,601)	-	-	(3,219,601)	-	-	-				(3,219,601)		(5,014,585)	
Funded by Unres. Net Pos.	-	-	-	-	-	-	-	-				-		1,905,000	
Excess Revenue (Exp.)	\$ (20,659)	\$ 667,203	\$ -	\$ -	\$ 646,543	\$ 187,265	\$ 13,037	\$ 200,302	\$ -	\$ -	\$ -	\$ 846,846	\$ -	\$ 34,281	\$ -

**EXHIBIT “B”**



IVGID Departmental Budget Summary

Total Sources and Uses by Fund

	2014-15 Budget	General Fund	Utility Fund	Community Services Fund	Beach Enterprise Fund	Internal Services Fund	Workers Comp Fund
<b>Revenues</b>							
Ad Valorem Property Tax	1,392,186	1,392,186	-	-	-	-	-
Consolidated Taxes	1,248,000	1,248,000	-	-	-	-	-
Sales and Fees	22,836,300	-	10,611,800	11,571,800	649,700	3,000	-
Concessions	147,600	-	-	85,100	62,500	-	-
Sales Allowance	(722,700)	-	-	(654,200)	(68,500)	-	-
Facilities Fees	6,745,700	-	-	5,971,400	774,300	-	-
Rents	475,000	3,600	-	352,700	118,700	-	-
Intergovernmental - Operating Grants	81,400	-	-	81,400	-	-	-
Fines and Penalties	47,200	-	47,200	-	-	-	-
Interfund Services	2,678,600	-	141,400	98,100	-	2,109,700	329,400
Central Services Revenue	1,101,000	1,101,000	-	-	-	-	-
<b>Other Financing Sources</b>							
Non Operating Leases	82,600	-	-	82,600	-	-	-
Investment Earnings	142,900	25,000	60,000	30,000	2,500	-	25,400
Capital Grants	150,000	-	150,000	-	-	-	-
<b>Total Revenues and Other Sources</b>	<b>36,405,786</b>	<b>3,769,786</b>	<b>11,010,400</b>	<b>17,618,900</b>	<b>1,539,200</b>	<b>2,112,700</b>	<b>354,800</b>
<b>Expenditures and Uses</b>							
Personnel Cost							
Salaries and Wages	10,492,810	1,553,684	2,276,634	5,015,109	631,509	1,015,874	-
Employee Fringe	4,330,851	764,398	1,178,632	1,682,800	171,035	533,986	-
Professional Services	595,000	348,100	97,000	125,900	15,000	9,000	-
Services and Supplies	6,774,856	655,786	1,566,300	3,666,750	378,520	507,500	-
Insurance	839,700	80,900	113,500	280,000	18,100	3,200	344,000
Utilities	2,356,200	50,400	1,124,300	1,090,300	84,300	6,900	-
Cost of Goods and Services Sold	827,900	-	-	827,900	-	-	-
Central Services Cost	1,101,000	-	283,000	745,000	73,000	-	-
Fuels Management	200,000	-	100,000	100,000	-	-	-
<b>Capital Expenditures</b>							
Capital Improvements	7,899,508	-	4,913,800	2,731,208	228,500	26,000	-
Capital Outlay	189,120	189,120	-	-	-	-	-
<b>Debt Service</b>							
Principal	2,240,275	-	456,276	1,513,397	270,602	-	-
Interest	428,119	-	180,510	244,400	3,209	-	-
Fiscal Agent Fees	1,166	-	300	758	108	-	-
<b>Interfund Transfers and Adjustments</b>							
Transfers In/Out	-	400,000	-	(400,000)	-	-	-
Funded Capital Resources	(1,905,000)	-	(1,300,000)	(250,000)	(355,000)	-	-
<b>Total Expenditures and Uses</b>	<b>(36,371,505)</b>	<b>(4,042,388)</b>	<b>(10,990,252)</b>	<b>(17,373,522)</b>	<b>(1,518,883)</b>	<b>(2,102,460)</b>	<b>(344,000)</b>
<b>Net Sources and Uses</b>	<b>34,281</b>	<b>(272,602)</b>	<b>20,148</b>	<b>245,378</b>	<b>20,317</b>	<b>10,240</b>	<b>10,800</b>

## **EXHIBIT "C"**



# IVGID Departmental Budget Summary

## Championship Golf Summary

### Sources and Uses

	2012-13 Actual	2013-14 Budget	2013-14 Est. Actual	2014-15 Budget	\$ Chg Bud to Bud	\$ Chg Est Act to Bud
<b>Revenues</b>						
Sales and Fees	2,518,382	2,690,800	2,630,500	2,845,000	154,200	214,500
Facilities Fees	1,005,349	752,100	752,100	752,560	460	460
<b>Other Financing Sources</b>						
Proceeds from capital assets dispositions	1,985	-	6,200	-	-	(6,200)
Debt Proceeds	1,630,818	-	-	-	-	-
<b>Total Revenues and Other Sources</b>	<b>5,156,534</b>	<b>3,442,900</b>	<b>3,388,800</b>	<b>3,597,560</b>	<b>154,660</b>	<b>208,760</b>
<b>Expenditures and Uses</b>						
Personnel Cost						
Salaries and Wages	958,343	960,673	954,500	1,025,619	64,946	71,119
Employee Fringe	254,654	298,344	285,300	300,038	1,694	14,738
Professional Services	7,927	14,900	8,100	14,900	-	6,800
Services and Supplies	764,105	846,400	800,000	893,700	47,300	93,700
Insurance	34,534	38,000	37,500	38,500	500	1,000
Utilities	195,937	184,900	195,100	202,300	17,400	7,200
Cost of Goods and Services Sold	392,559	416,600	430,700	449,200	32,600	18,500
<b>Capital Expenditures</b>						
Capital Improvements	204,297	248,450	189,700	389,500	141,050	199,800
Capital Carry Forward	6,052	-	-	-	-	-
<b>Debt Service</b>						
Principal	722,217	226,637	226,637	234,578	7,941	7,941
Interest	66,701	39,208	39,208	31,312	(7,896)	(7,896)
Fiscal Agent Fees	269	418	418	300	(118)	(118)
<b>Total Expenditures and Uses</b>	<b>3,607,595</b>	<b>3,274,530</b>	<b>3,167,163</b>	<b>3,579,947</b>	<b>305,417</b>	<b>412,784</b>
<b>Net Sources and Uses</b>	<b>1,548,939</b>	<b>168,370</b>	<b>221,637</b>	<b>17,613</b>	<b>(150,757)</b>	<b>(204,024)</b>



# IVGID Departmental Budget Summary

## Mountain Golf Summary

### Sources and Uses

	2012-13 Actual	2013-14 Budget	2013-14 Est. Actual	2014-15 Budget	\$ Chg Bud to Bud	\$ Chg Est Act to Bud
<b>Revenues</b>						
Sales and Fees	629,233	686,400	613,800	662,200	(24,200)	48,400
Facilities Fees	404,152	253,425	253,425	253,580	155	155
<b>Other Financing Sources</b>						
Non Operating Leases	31,299	31,200	38,500	31,200	-	(7,300)
<b>Total Revenues and Other Sources</b>	<b>1,064,684</b>	<b>971,025</b>	<b>905,725</b>	<b>946,980</b>	<b>(24,045)</b>	<b>41,255</b>
<b>Expenditures and Uses</b>						
Personnel Cost						
Salaries and Wages	314,463	296,490	297,300	330,968	34,478	33,668
Employee Fringe	78,576	73,700	77,800	88,226	14,526	10,426
Professional Services	1,000	4,300	2,800	4,800	500	2,000
Services and Supplies	285,570	277,900	257,400	301,550	23,650	44,150
Insurance	16,512	12,700	17,400	12,800	100	(4,600)
Utilities	84,147	79,800	83,700	87,600	7,800	3,900
Cost of Goods and Services Sold	44,314	50,300	49,500	58,200	7,900	8,700
<b>Capital Expenditures</b>						
Capital Improvements	146,200	160,000	135,300	61,510	(98,490)	(73,790)
Capital Carry Forward	(129,726)	-	-	-	-	-
<b>Total Expenditures and Uses</b>	<b>841,056</b>	<b>955,190</b>	<b>921,200</b>	<b>945,654</b>	<b>(9,536)</b>	<b>24,454</b>
<b>Net Sources and Uses</b>	<b>223,628</b>	<b>15,835</b>	<b>(15,475)</b>	<b>1,326</b>	<b>(14,509)</b>	<b>16,801</b>





# IVGID Departmental Budget Summary

## Ski Summary

### Sources and Uses

	2012-13 Actual	2013-14 Budget	2013-14 Est. Actual	2014-15 Budget	\$ Chg Bud to Bud	\$ Chg Est Act to Bud
<b>Revenues</b>						
Sales and Fees	5,967,266	6,516,500	5,308,900	6,690,500	174,000	1,381,600
Concessions	79,667	84,500	63,000	85,100	600	22,100
Sales Allowance	(158,898)	(84,000)	-	(84,000)	-	(84,000)
Facilities Fees	158,774	997,350	997,350	997,960	610	610
Rents	-	-	2,800	-	-	(2,800)
Interfund Services	-	-	300	23,700	23,700	23,400
<b>Other Financing Sources</b>						
Non Operating Leases	37,295	36,400	77,800	51,400	15,000	(26,400)
Proceeds from capital assets dispositions	(16,519)	-	(13,300)	-	-	13,300
Debt Proceeds	173,750	-	-	-	-	-
<b>Total Revenues and Other Sources</b>	<b>6,241,335</b>	<b>7,550,750</b>	<b>6,436,850</b>	<b>7,764,660</b>	<b>213,910</b>	<b>1,327,810</b>
<b>Expenditures and Uses</b>						
Personnel Cost						
Salaries and Wages	1,708,037	1,984,082	1,825,700	1,990,484	6,402	164,784
Employee Fringe	531,067	710,875	599,700	702,877	(7,998)	103,177
Professional Services	9,859	10,500	34,200	85,500	75,000	51,300
Services and Supplies	1,179,328	1,376,800	1,298,100	1,421,800	45,000	123,700
Insurance	137,316	160,200	168,400	166,600	6,400	(1,800)
Utilities	439,589	578,800	550,900	558,000	(20,800)	7,100
Cost of Goods and Services Sold	216,407	235,000	208,900	235,400	400	26,500
<b>Capital Expenditures</b>						
Capital Improvements	597,223	1,098,166	937,800	1,608,100	509,934	670,300
Capital Carry Forward	(227,976)	-	-	-	-	-
<b>Debt Service</b>						
Principal	905,565	1,022,322	1,022,322	1,061,509	39,187	39,187
Interest	251,684	226,837	226,837	182,211	(44,626)	(44,626)
Fiscal Agent Fees	454	482	482	429	(53)	(53)
<b>Interfund Transfers and Adjustments</b>						
Funded Capital Resources	-	(111,000)	(111,000)	(250,000)	(139,000)	(139,000)
<b>Total Expenditures and Uses</b>	<b>5,748,553</b>	<b>7,293,064</b>	<b>6,762,341</b>	<b>7,762,910</b>	<b>469,846</b>	<b>1,000,569</b>
<b>Net Sources and Uses</b>	<b>492,782</b>	<b>257,686</b>	<b>(325,491)</b>	<b>1,750</b>	<b>(255,936)</b>	<b>327,241</b>

**EXHIBIT “D”**



# INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

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

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

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

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

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

SOURCE: Incline Village General Improvement District

**EXHIBIT “E”**





## ABOUT THE 2012-2013 RECREATION FACILITY FEE AND BEACH FACILITY FEE

Your Recreation Facility Fee is used to support the various recreational amenities available to the parcel owners and residents of Incline Village/Crystal Bay community. Your Beach Facility Fee is used to support beach operations for Burnt Cedar, Incline, and Ski Beaches and is assessed only to parcels within the District as of June 1, 1968, per deed restrictions listed on the beach property.

The total Recreation Facility Fee (RFF) of \$730 and Beach Facility Fee (BFF) of \$100 represents the amounts needed to support recreational and beach activities for fiscal year 2012-2013. The fees are made up of three components (1) operating, (2) capital expenditures, and (3) debt service on a per parcel/dwelling unit basis. A dwelling unit is a structure that is designed for residential occupancy by one or more persons for living and sleeping purposes, consisting of one or more rooms, including a bathroom and kitchen. The \$258 total RFF operating component is determined by taking the operating expenses and backing out back depreciation. It also includes \$75 for Community Services reserves to fund the Board's Policy and Practice statements to insure appropriate level of fund balances are available to meet obligations. There is also \$12 for Defensible Space. The \$199 total RFF capital component represents the 2012-2013 planned capital expenditures for equipment and structures. The \$273 total RFF debt service component is to pay for bonds used for capital purchases. All three components are divide by the number of billable parcel/dwelling units to come up with the per parcel/dwelling unit amounts on the property tax bills. The Beach Facility Fee (BFF) has a \$66 operating component, and \$17 each for capital and debt service.

Both fees are annually billed on the Washoe County property tax bills and are listed as separate items. Billing the Recreation Facility Fee and Beach Facility Fee, on the Washoe County property tax bill, is a cost effective method to keep the cost of administrating both facility fees. The two allocation tables summarize how the RFF and the BFF break out by component for operations, capital expenditures, and debt service on a per parcel/dwelling unit basis for the following recreational amenities.

There are 8,248 parcels/dwelling units assessed the \$730 Recreation Facility Fee and 7,811 parcels/dwelling units assessed the \$100 Beach Facility Fee within Incline Village and Crystal Bay. For more information regarding RFF and BFF please call Director of Finance, Accounting and Risk Management Gerry Eick at (775) 832-1365.



## ABOUT THE 2012-2013 RECREATION FACILITY FEE AND BEACH FACILITY FEE

	Components			Total Facility Fee
	Operating	Capital	Debt Service	
<b>Recreation (8248 Parcels)</b>				
Championship Golf	\$ 26	\$ 29	\$ 32	\$ 87
Mountain Golf	10	30	-	40
Chateau	8	-	23	31
Aspen Grove	4	-	-	4
Catering <sup>(1)</sup>	(14)	6	-	(8)
Diamond Peak Ski Resort <sup>(1)</sup>	(196)	87	21	(88)
Parks	60	40	2	102
Tennis	4	2	-	6
All Youth	15	-	-	15
All Adult Programs	2	-	-	2
Senior Programs	16	-	-	16
Recreation Center	99	5	-	104
Recreation Admin	137	-	-	137
Reserves	75	-	-	75
Defensible Space	12	-	-	12
Debt Service 2003 Bond <sup>(2)</sup>	-	-	85	85
Debt Service 2008 Bond <sup>(3)</sup>	-	-	110	110
<b>Recreation Facility Fee</b>	<b>\$ 258</b>	<b>\$ 199</b>	<b>\$ 273</b>	<b>\$ 730</b>
<b>Beach (7811 Parcels)</b>				
<b>Beach Facility Fee</b>	<b>\$ 66</b>	<b>\$ 17</b>	<b>\$ 17</b>	<b>\$ 100</b>

(1) Bracketed numbers indicate a reduction in RFF/BFF

(2) Bond Payments is completed in 2013 for Champ Golf, Diamond Peak Quad, and Tennis Courts

(3) Bond payments is completed in 2018 for Diamond Peak Phase 1 & 2 renovation, Snowmaking, and BMPs