

MEMORANDUM

TO: Board of Trustees

THROUGH: Indra S. Winqest
Interim General Manager

FROM: Gerald W. Eick, CPA CGMA
Director of Finance

SUBJECT: Review, Discuss, Comment, and provide direction to Staff regarding "Popular Report" format for District Capital Improvement Projects

STRATEGIC PLAN: Long Range Principle #2 - Finance

DATE: October 14, 2019

I. RECOMMENDATION

Staff has no specific recommendation at this time rather Staff suggests continued discussion of what information needs exist and can be met by the proposed format.

A worksheet with several examples is presented for the discussion. Staff is also providing definitions that have been used for the last two years.

Staff recommends discussion on at least:

1. The different objectives of budget preparation and execution once adopted.
2. A definition of "reallocation".
3. Need for detail for multi-year or multi-phase projects versus equipment and rolling stock.

II. DISTRICT STRATEGIC PLAN

"Utilize Annual and Interim financial reports to build understanding of the different aspects between operations, capital improvement and debt service."

D. Actively manage planning and financial reporting to inform decision makers to sustain a strong financial base for operations, while increasing net assets, and maintaining care and condition of capital assets and infrastructure.

1. Prepare standard format and popular reporting presentations of financial position and results of operations to inform users about budget to actual results, capital project status and relevant performance measures.

2. Utilize the District's Financial Transparency website to provide ready access to a variety of reports and information to support a greater level of detail than standard reports allow.

III. BACKGROUND

During 2017, the Board of Trustees, General Manager, and Staff opened the discussion of developing a series of popular reports to provide an alternative way to present financial and other information from those prescribed by the State of Nevada Department of Taxation forms and the annual audit report. By avoiding a prescribed format, the desire was to give a quick overview of the District's financial status. If more information was desired, a user could then refer to the multiple other forms that exist including the Financial Transparency website.

The General Manager Committee reviewed examples from other agencies. Their 2017 status report was updated to reflect developing this example for discussion. Popular Reporting was included in the Board Work Plan for 2018. Staff has used some of the fundamentals discussed in quarterly reports issued over the least two years. This is the first re-engagement since 2017, by the Board, for a format on Capital Improvement Projects. A sample report was distributed September 25, 2019 which the Board of Trustees discussed and determined that it would be beneficial to take the submitted report and enter several project examples so that further discussion could occur.

An objective of this process is to support the budget process for determining carry over and newly funded capital projects. Adopting a Popular Reporting format will allow for internal use that provides communication on our process independent of the forms set submitted to the State.

**Incline Village General Improvement District
Management Discussion and Analysis
Capital Improvement Project Expenditures
For the Fiscal Year ending June 30, 2018**

Definitions for Status Terms

- **Added** - An unbudgeted project that meets capital improvement criteria and established after the start of the fiscal year.
- **Cancelled** - A project that was scheduled, but is no longer being considered for construction or acquisition.
- **Carried Over** - A project re-scheduled to another fiscal year, and has had its remaining budget updated.
- **Completed** - A project that has finished all phases and is set up as a capital asset.
- **Delayed** - A project timeline extended for either for a change in scope of work or the conditions, without adjustment to its budget.
- **Multi-Year** - A project scheduled to be executed over multiple fiscal years to facilitate each phase (pre-design, design and construction or acquisition).
- **Ongoing** - A project that represents a continuous flow of rehabilitation or renewal of an operating system with added revenues and costs over time.
- **Opened Early** - A scheduled project that starts ahead of plan due to a change in conditions or assumptions.
- **Postponed** - A project with some reason to not be active, but is still intended to be executed at some future time.

IVGID
Proposed CIP Report Format

Prepare report on a quarterly basis

Project Description	CIP Project Number	Original Budget	Carry Forward from Prior Fiscal Year	Capital Budget Current Fiscal Year	Projects Cancelled Current Fiscal Year	Adjustments Current Fiscal Year	Budget Reallocations Current Fiscal Year	Carryover Next Fiscal Year	Adjusted Budgeted Expenditures Current Fiscal Year	Actual Current Fiscal Year To Date Expenditures	Projected Expenditures Remainder of Current Fiscal Year	Total Expected Current Fiscal Year Expenditures	Variance	Project % Completion
How it was determined for 2019-2020 Budget														
Mountain Clubhouse Roof	3299BD1702		\$ 82,400.00	\$ 25,000.00					\$ 107,400.00		\$ 6,000.00	\$ 101,400.00		
Alternative:														
Mountain Clubhouse Roof -17	3299BD1702	\$ 12,400.00	\$ 12,400.00				\$ (12,400.00)		\$ -					
Mountain Clubhouse Roof -18	3299BD1702	\$ 70,000.00	\$ 70,000.00				\$ (70,000.00)		\$ -					
Mountain Clubhouse Roof -19	3299BD1702			\$ 25,000.00			\$ 82,400.00		\$ 107,400.00		\$ 6,000.00	\$ 101,400.00		
How it was determined for 2019-2020 Budget														
Incline Creek Restoration	4378LI1504	Acquisition	\$ 178,800.00	\$ 163,200.00					\$ 342,000.00			\$ 342,000.00		
Incline Creek Restoration	4378LI1504B	Design	\$ 37,000.00						\$ 37,000.00		\$ 1,000.00	\$ 36,000.00		
How it was determined for 2019-2020 Budget														
Check Writer Printer Replace	1212OE1601		\$ 6,000.00						\$ 6,000.00			\$ 6,000.00		
How it was determined for 2019-2020 Budget														
2004 GMC 1 Ton Flatbed #542	2097LV1746			\$ 48,000.00					\$ 48,000.00			\$ 48,000.00		
Notes							<i>Column should net to zero; includes new unbudgeted projects</i>	<i>Reflect on report as a negative number; should tie to the following year Carry Forward from Prior Fiscal Year</i>	<i>Sum cols E through K</i>		<i>Projected expenditures for the remainder of the CY</i>	<i>Sum cols M & N</i>	<i>Col K minus P</i>	<i>To be determined by Engineering</i>

As presented at October 30, 2019 Board of Trustees meeting