

MEMORANDUM

TO: Board of Trustees

THROUGH: Steven J. Pinkerton
General Manager

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

SUBJECT: Review, discuss, and possibly adopt Resolution 1872 to augment the District's Operating Budget for Fiscal Year 2018-2019 budget by \$430,000, through the use of additional revenue of \$2,800,000 for Community Services Special Revenue Fund to cover additional expenses incurred providing a higher volume of services at the Diamond Peak Ski Resort during the 2018-19 season

STRATEGIC PLAN: Long Range Principle #2 – Finance

DATE: May 7, 2019

I. RECOMMENDATION

Staff recommends that the Board of Trustees takes action to:

1. Adopt Resolution 1872 augmenting the 2018-19 Incline Village General Improvement District Budget, including \$430,000 for the Community Services Special Revenue Fund by utilizing additional resources from the increased revenue of the Community Services Special Revenue Fund for the express purpose of providing resources for costs incurred providing a higher volume service over that included in the May 2018 authorized budget.
2. Authorize Staff to execute all documents and directing the District Clerk to file notice of the augmentation within the State of Nevada Department of Taxation Guidance.

Review, discuss, and possibly -2-
augment the District's Operating Budget for Fiscal Year
2018-2019 budget by \$430,000, through the use of
additional revenue of \$2,800,000 for Community Services
Special Revenue Fund to cover additional expenses
incurred providing a higher volume of services.

May 7, 2019

II. DISTRICT STRATEGIC PLAN

Long Range Principle #2 – Finance – With allocated resources, equate service expectations and the capability to deliver.

- Comply with Nevada Revised Statutes and Administrative Code requirement for the budget process and document content.

III. BACKGROUND

The District Community Services Special Revenue Fund contains the budget for most recreation venues. For the Fiscal 2018-2019 budget year, the actual revenues have exceeded budget by at least \$2,800,000 for the Diamond Peak Ski Resort thanks to great snow conditions and a higher number of skier visits. Higher volumes have resulted in additional Staff time and scalable costs including cost of goods sold. The District's budget compliance is determined based upon total expenditures for the Fund. Compliance is not measured on the net result, nor automatic because there is more revenue. However, when more revenue provides the opportunity, the Board of Trustees need only make a finding and augment the budget for the additional costs as long as they are within the available resources.

IV. BID RESULTS

There is no bid requirement for this action.

V. FINANCIAL IMPACT AND BUDGET

Augmentation of a fiscal budget is allowed when additional resources are available beyond those budgeted. Due to the substantial increase in skier related revenue, the Community Services Special Revenue Fund should end the year with additional revenues for Diamond Peak Ski Resort of approximately \$2,800,000. With the increased level of use and volume of customers, comes additional labor and costs to deliver those services. The Fiscal Year 2018-2019 budget was approved with scalability in mind. However, the scalability that has occurred realized increases well in excess of those authorized expenditures as necessary to comply with State Statutes. The amount of additional expenditures related to the ski resort for the Community Services Special Revenue Fund is estimated conservatively at \$430,000.

VI. ALTERNATIVES

Review, discuss, and possibly
augment the District's Operating Budget for Fiscal Year
2018-2019 budget by \$430,000, through the use of
additional revenue of \$2,800,000 for Community Services
Special Revenue Fund to cover additional expenses
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May 7, 2019

The Board of Trustees could act to authorize different amounts of either revenue, expenditures or both. However, to not act at all would almost certainly set up the District for non-compliance for its Fiscal Year 2018-2019 budget due to excess expenditures. Compliance is determined at the fund level against total expenditures.

VII. BUSINESS IMPACT

This item is not a "rule" within the meaning of Nevada Revised Statutes, Chapter 237, and does not require a Business Impact Statement.

VIII. COMMENTS

Form 4413LGF reflects an increase of expenditures of \$430,000 for the ski resort. Since the opening Community Services Special Revenue Fund Balance is also known to differ from the original Form 4404LGF, with the completion of the audit after the budget was adopted, Staff has included that known factor in the form set. However, the justification for, and source of, the augmentation is intended to be exclusively the additional revenue generated by a larger ski customer volume.

RESOLUTION



Resolution No. 1872
A RESOLUTION TO AUGMENT THE 2018-2019 BUDGET OF INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

WHEREAS, Total Available Resources of the Community Services Special Revenue Fund for the Incline Village General Improvement District were budgeted to be \$32,825,200 on July 1, 2018; and

WHEREAS, the total available resources are now determined to be \$34,755,318; and

WHEREAS, said additional unanticipated resources are as follows: \$2,800,000 in additional charges for services for operations of the Diamond Peak Ski Resort, reduced by the difference between the anticipated opening Fund Balance and the actual audited amount by \$869,882; and

WHEREAS, there is a need to apply \$430,000 of these excess resources in the **Community Services Special Revenue Fund** to expenditures arising from the higher volume of activity for the Diamond Peak Ski Resort function, and

NOW, THEREFORE, IT IS HEREBY RESOLVED, that the **Incline Village General Improvement District** shall augment its 2018-2019 budget by appropriating \$430,000 of additional charges for services from the **Community Services Special Revenue Fund** thereby increasing its appropriations from \$16,930,214 to \$17,360,214. A detailed schedule (Form 4413LGF) for the Community Services Special Revenue Fund is attached to this Resolution and by reference is made a part thereof.

IT IS FURTHER RESOLVED, that the District Clerk shall forward the necessary documents to the Department of Taxation, State of Nevada.

PASSED, ADOPTED, AND APPROVED the 22nd of the May, 2019.

AYES, and in favor thereof, Trustees:
NOES:
ABSENT:

Kendra Wong
Chairwoman

ATTEST By:

Susan A. Herron
District Clerk

SCHEDULES

REVENUES	FINAL BUDGET	REVISIONS	REVISED REVENUE RESOURCES
Charges for Services			
Championship Golf Course	3,992,444	-	3,992,444
Mountain Golf Course	690,926	-	690,926
Facilities (Chateau & Aspen Grove)	406,900	-	406,900
Ski	8,915,000	2,800,000	11,715,000
Community Programming	1,305,414	-	1,305,414
Parks	67,740	-	67,740
Tennis	159,700	-	159,700
Recreation Administration:			
Punch Cards Utilized	(510,600)	-	(510,600)
Facility Fee			
Championship Golf Course	804,580	-	804,580
Mountain Golf Course	517,230	-	517,230
Facilities (Chateau & Aspen Grove)	467,970	-	467,970
Ski	238,090	-	238,090
Community Programming	1,305,390	-	1,305,390
Parks	968,780	-	968,780
Tennis	164,200	-	164,200
Recreation Administration	1,321,810	-	1,321,810
Other miscellaneous			
Operating Grants	17,000	-	17,000
Investment income	30,000	-	30,000
Cell Tower Leases	106,480	-	106,480
Sale of Assets	-	-	-
Interfund services (green spaces)	77,920	-	77,920
Intergovernmental (IV high school fields)	21,000	-	21,000
Miscellaneous other	-	-	-
Subtotal	21,067,974	2,800,000	23,867,974
OTHER FINANCING SOURCES (specify)			
Transfers In (Schedule T)			
From Internal Services Fund	241,875	-	241,875
SUBTOTAL OTHER FINANCING SOURCES	241,875	-	241,875
TOTAL BEGINNING FUND BALANCE	11,515,351	(869,882)	10,645,469
TOTAL AVAILABLE RESOURCES	32,825,200	1,930,118	34,755,318

Incline Village General Improvement District
Schedule B - Community Services Special Revenue Fund
REVISED REVENUE SCHEDULE

EXPENDITURE BY FUNCTION AND ACTIVITY	FINAL BUDGET	REVISIONS	REVISED EXPENDITURES
Championship Golf Course			
Salaries and Wages	1,493,437	-	1,493,437
Employee Benefits	451,909	-	451,909
Services and Supplies	2,226,413	-	2,226,413
Subtotal Championship Golf Course	4,171,759	-	4,171,759
Mountain Golf Course			
Salaries and Wages	382,111	-	382,111
Employee Benefits	115,490	-	115,490
Services and Supplies	522,352	-	522,352
Subtotal Mountain Golf Course	1,019,953	-	1,019,953
Facilities (Chateau and Aspen Grove)			
Salaries and Wages	85,968	-	85,968
Employee Benefits	43,156	-	43,156
Services and Supplies	418,078	-	418,078
Subtotal Facilities	547,202	-	547,202
Ski			
Salaries and Wages	2,867,877	175,000	3,042,877
Employee Benefits	978,691	-	978,691
Services and Supplies	3,507,146	255,000	3,762,146
Subtotal Ski	7,353,714	430,000	7,783,714
Community Programming (including Rec Center)			
Salaries and Wages	1,092,992	-	1,092,992
Employee Benefits	347,964	-	347,964
Services and Supplies	909,827	-	909,827
Subtotal Community Programming	2,350,783	-	2,350,783
Parks			
Salaries and Wages	328,315	-	328,315
Employee Benefits	80,461	-	80,461
Services and Supplies	439,357	-	439,357
Subtotal Parks	848,133	-	848,133
Tennis			
Salaries and Wages	136,102	-	136,102
Employee Benefits	27,535	-	27,535
Services and Supplies	100,033	-	100,033
Subtotal Tennis	263,670	-	263,670
Community Services Administration			
Salaries and Wages	122,353	-	122,353
Employee Benefits	43,256	-	43,256
Services and Supplies	209,391	-	209,391
Subtotal Comm. Serv. Administration	375,000	-	375,000
Subtotal	16,930,214	430,000	17,360,214
OTHER USES			
CONTINGENCY (not to exceed 3% of Total Expenditures)	500,000	-	500,000
Transfers Out (Schedule T)			
Community Services Capital Projects	3,612,400	-	3,612,400
Comm. Serv. Cap. Projects (carryover projects)	228,675	-	228,675
Comm. Serv. Cap. Projects DP Culvert	2,229,600	-	2,229,600
Community Services Debt Service	410,500	-	410,500
Total Expenditures and Other Uses	23,911,389	430,000	24,341,389
ENDING FUND BALANCE	8,913,811	1,500,118	10,413,929
TOTAL COMMITMENTS & FUND BALANCE	32,825,200	1,930,118	34,755,318

Incline Village General Improvement District
Schedule B - Community Services Special Revenue Fund
REVISED EXPENDITURE SCHEDULE