

MEMORANDUM

TO: Board of Trustees

THROUGH: Indra Winquest
Interim General Manager

FROM: Paul Navazio
Director of Finance

SUBJECT: Review, discuss and possibly amend the District's 2019/2020 budget to re-establish capital project and debt service funds for Community Services and Beach

STRATEGIC

PLAN REFERENCE(S): Long Range Principal #2 – Finance

DATE: June 25, 2020

I. RECOMMENDATION

That the Board of Trustees makes a motion to authorize the (Interim) District General Manager and Director of Finance to amend the adopted Fiscal Year (FY) 2019/20 budget to re-establish capital project and debt service funds for Community Services and Beach.

II. BACKGROUND

Concurrent with the transition of Community Services Fund(s) and Beach Fund from Enterprise fund-types to Special Revenue fund-types (beginning with the FY2015-16 fiscal year), the Board adopted Resolution Number 1838 establishing separate operating, capital and debt service funds. The District operated under this fund structure through the FY2018-19 fiscal year. However, for the current fiscal year (FY2019-20) the District's approved budget combined operations, capital, and debt appropriations into the individual Special Revenue operating funds for Community Services and Beach activities.

Following discussion at Board budget workshops held on May 7th and May 19th, the final FY2020-21 approved by the Board of Trustees at its meeting of May 2th, re-established use of separate Capital Project and Debt Service funds for Community Services and Beach activities. This agenda item seeks Board

authorization to amend the current year budget to also utilize separate capital project and debt service funds with the goal of providing for consistency with how capital project and debt service are accounted for since converting to Special Revenue fund-types starting with the FY2014-15 fiscal year.

While Staff is seeking Board approval to amend the FY2019/20 budget, as described, Staff is still in the process of determining what, if any, concurrence for this amendment may be required from the State of Nevada Department of Taxation. Staff is also reviewing this proposed amendment with our external auditors who will be performing the audit of District's FY2019-20 financial statements. Nonetheless, Board action is requested as a pre-requisite for preparing the FY2019-20 financial statements consistent with past and future practice under the District's Special Revenue fund structure as established by Resolution 1838.

IV. FINANCIAL IMPACT AND BUDGET

The proposed amendment to the FY2019-20 approved budget would not change the overall revenues and expenditures across all District Funds, but rather merely reallocates revenues and expenditures from Community Services and Beach operating funds to corresponding existing capital project and debt service funds.

The FY2019-20 approved budget includes revenues of \$8,901,165 and expenditure appropriations of \$10,267,196 within the Community Services and Beach special revenue operating funds in support of capital projects and debt service as follows:

	Revenue	Expense
Community Services		
Operating	(8,213,287.00)	(9,270,856.38)
Capital	8,213,287.00	8,886,502.00
Debt	-	384,354.38
	-	0.00
Beach Funds		
Operating	(687,878.00)	(996,339.36)
Capital	687,878.00	990,050.00
Debt	-	6,289.36
	-	0.00
Grand Total		
Operating	(8,901,165.00)	(10,267,195.74)
Capital	8,901,165.00	9,876,552.00
Debt	-	390,643.74
	-	0.00

The attachment to this Board memo provides detailed revenue and expenditure budget amendments for each specific fund.

V. ALTERNATIVES

The Board of Trustees has the option of not authorizing this budget amendment.

VI. STRATEGIC PLAN REFERENCE(S)

Long Range Principal #2 – Finance: The District will ensure fiscal responsibility and sustainability of service capacity through maintaining effective financial policies for operating budgets, fund balances, capital improvement and debt management.

VIII. 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.

Attachment:

FY2019-20 Budget Amendment – Fund Detail

FY2019-20 Budget Amendment

Fund		Revenue	Expense
Golf	320 Operating	(3,557,200.00)	(3,257,229.11)
	520 Capital	3,557,200.00	3,073,900.00
	620 Debt		183,329.11
		-	(0.00)
Facility	330 Operating	(6,500.00)	(355,408.40)
	530 Capital	6,500.00	180,400.00
	630 Debt		175,008.40
		-	-
Ski	340 Operating	(1,326,735.00)	(2,790,382.19)
	540 Capital	1,326,735.00	2,770,850.00
	640 Debt		19,532.19
		-	0.00
Recreation	350 Operating	(54,950.00)	(470,876.67)
	550 Capital	54,950.00	468,650.00
	650 Debt		2,226.67
		-	0.00
Parks	370 Operating	(689,452.00)	(1,031,720.89)
	570 Capital	689,452.00	1,028,752.00
	670 Debt		2,968.89
		-	(0.00)
Tennis	380 Operating	(2,578,450.00)	(1,365,239.12)
	580 Capital	2,578,450.00	1,363,950.00
	680 Debt		1,289.12
		-	(0.00)
Sub-Total Community Services			
	Operating	(8,213,287.00)	(9,270,856.38)
	Capital	8,213,287.00	8,886,502.00
	Debt		384,354.38
		-	0.00
Beach	390 Operating	(687,878.00)	(996,339.36)
	590 Capital	687,878.00	990,050.00
	690 Debt		6,289.36
		-	0.00
Total All Funds			
	Operating	(8,901,165.00)	(10,267,195.74)
	Capital	8,901,165.00	9,876,552.00
	Debt		390,643.74
		-	0.00