



North Ogden City

Memorandum

To: Mayor and City Council
From: Debbie Cardenas, Finance Director *DME*
Date: 10/07/11
Re: Public Works Complex Expense Update

I would like to take this opportunity to educate the council as to the process of pulling this report together.

While it is true that we have allocated \$100,000 per year toward this project, it is strictly a budget allocation, meaning that the money is not sitting in an account in a financial institution. Therefore, it is not earning interest. Rather it is within the retained earnings in each of the enterprise funds, which I have restricted.

As to putting an expense report together, there is not one specific account that these expenses come out of. Due to the Governmental Accounting Standards Board (GASB) guidelines, and Generally Accepted Accounting Principles (GAAP), which I am required to follow, expenses are recorded out of the fund that is paying for the project. In this case the expenses are coming out of all of the enterprise funds, i.e., the Water, Sewer, Storm Water, and Solid Waste funds.

Furthermore, until this project is capitalized, I record the expense out of the account that reflects what the expense is, i.e., engineering costs are recorded in the engineering expense account, public notices are recorded in the public notice account, etc., also required by GAAP.

Because of this, there are, at this point, 16 accounts that we have recorded expenses to. In addition, Jim Harris is the project manager on this project therefore I must also coordinate with him as to any outstanding invoices and contracts. Obviously, since I try very hard to make sure that the information I provide is as accurate as possible, pulling together and summarizing this information requires some time.

Finally, in response to an email I received on Wednesday, October 5th, I was asked at the Senior Center to provide numbers at that time. I provided what information I could and I stated that it would be very helpful to know beforehand, any requests the Council may have, so I may have ample time to prepare the information. Precisely because of the reasons I stated above.

I was informed that this request was made at the last Council meeting and it has been my intent, since then, to provide an update concerning expenditures related to the Public Works complex at the October 11th, City Council meeting.

Thank you.