

MEMORANDUM

TO: Steven J. Pinkerton
General Manager

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

SUBJECT: Status Report for August 2016 – Finance/Accounting and Risk Management

DATE: September 19, 2016

Finance and Accounting

Audit for the Year Ending June 30, 2016 The auditors scheduled their onsite fieldwork through September 16. The final close was completed as planned on August 8. Staff assembled the requested worksheets and schedules. The Director of Finance has been preparing the financial statements including all changes to reflect the new accounting methods for Community Services and the Beach. The audit report will be reviewed in October for delivery in November, and approval is expected in December. This is an opportunity to improve notes to the financial statement to inform users. Since we are fully adopting fair value accounting for investment, this area will have the greatest format change. We have also made our disclosures and presentation of the pooled cash more understandable, as in the past, users did not understand that the due to and from accounts represented that fund's share of the cash pool. Work is substantially completed for the new format. These include the statistical tables which are restated for the new alignment by activity types.

An example of part of the format for investments is:

Investment Maturities by type as of June 30 are:

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>Total</u>
Certificates of Deposit	\$1,353,023	\$6,572,898	\$1,509,961	\$1,107,122	\$10,543,004
US Agencies	497,191	1,405,266	500,793	2,609,984	5,013,234
Nevada Treasurer's Local Government Investment Pool (average weighted maturity of 142 days)					
General Account	\$6,028,941	\$ -	\$ -	\$ -	\$ 6,028,941
EPA SRF Reserve	215,126	-	-	-	215,126
TRPA Project Reserve	81,681	-	-	-	81,681
Workers Comp Reserve	101,752	-	-	-	101,752
Subtotal interest bearing					21,983,738
State of Nevada Deposit	<u>6,075</u>	-	-	-	<u>6,075</u>
All Investment Types	\$8,283,789				<u>\$ 21,989,813</u>

One District – One Team

Financial Transparency Website The Accounting staff posted the July monthly with a format more in line with the budget document combinations. We have also posted a capital improvement project report on the web site for the fiscal year. We have added discussion and analysis to explain some of the reported items.

Development of a Popular Report Format Our General Manager has requested a format be ready for use for the 2017-2018 budget process. We have reviewed the format used by Tahoe Donner and Washoe County as examples to be considered. We will likely test several formats over the last half of 2016.

Support for implementation of point of sales systems The audit preparation process allowed us to evaluate more functionality of Vermont and RTP reports to review and reconcile activity. All District staff is active in a second round of enhancements and improvements based on having used both systems in place for many months. The respective vendors are helping with best practices, reconfiguration and other support tasks. We have continued the discussion of the best solution for golf with the Director of Community Services Director, the Director of Golf, and the IST Director.

EMV Processing Equipment Project We have opened this project and have been able to identify a common vendor for equipment. This has led to a change in merchant processing for Vermont that will be implemented in October. Ski's equipment is on order and should arrive in October. The overall cost of the project has increased because of a larger than expected number of devices for the ski resort. The original plan of \$25,500 is now approximately \$32,000. The additional cost will be covered by the Ski Capital Projects account.

Performance Measurement The staff worked on testing our ability to monitor measure and report performance measurement factors. Another area of emphasis is the scheduling, monitoring and reporting of labor across days, weeks and seasons. The General Manger is working with accounting staff and department managers to develop internal reports for labor monitoring.

Risk Management and Safety Initiatives

Safety Week Events The Safety Specialist and the Safety Committee are to be commended for a successful program of events and training support for the week of August 8. Our insurance POOL provided its popular fire extinguisher training. The District encouraged each department to discuss evacuation drills. As always, we used this as a time to emphasize situational awareness and Safety First. Many departments held their own sessions to reflect on items particular to their venue.

ARC Flash Labeling

Staff has evaluated each location for its electrical panel condition. We are analyzing the scope of the issues and the possible solutions. We can handle much of the labeling ourselves with the purchase of a software calculation and labeling package. We are considering ways to address physical conditions. After looking at the preliminary results, we have decided to convene a group of managers from several venues to determine a priority for addressing our needs. This will include standards for our actions. We are maintaining a protocol for not working on any panel with live power.

Emergency Preparedness

We continue to work on the update to our Emergency Operations Plan. The new direction will be based on two main factors. These are to have knowledgeable staff present for an incident and then empower them to use common sense appropriate to the event. The current Plan proposes five levels of conditions. As each condition escalates, so does the overall perspective and involvement of the District' management. Two actual minor events have been studied by using the new method and have been found generally to fit their needs. The Senior Team will be the next step in the review process. Practice drills are planned for October.

Insurance Program for 2016-2017

The District's Worker Compensation prior to July 1, 2103 was self-insured. As a part of that coverage, the District has an ongoing requirement and liability for lifetime claims incurred prior to that date. The District budgeted for an updated provision to the liability for the 2016-17 fiscal year. The actuarial study has set the estimated liability at \$156,000. An entry was made in August, effective July 1 to bring the claims liability to that level. Only \$56,000 was needed, while \$100,000 had been budgeted. There are no known active claims outstanding to draw on this amount.

Security Services Planning

Once the summer season has been completed for the Beaches, staff will begin a debrief and process to set a scope for the process of soliciting proposal for services beginning July 1, 2017. A considerable lead time is necessary to get this in place. The Request for information will go out later in October.

Implementation of Recordkeeping for training

As a part of member services, the Nevada Public Agency Insurance POOL has made an online tool available to record training that is required for all staff under OSHA. This is very comprehensive system that would cost the District considerable expense. The Safety Committee and staff are working to implement this program over the next months. It has been in the planning stage for a year.