

## MEMORANDUM

**TO:** Steven J. Pinkerton  
General Manager

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

**SUBJECT:** Status Report for May 2019 – Finance/Accounting and Risk Management

**DATE:** June 25, 2019

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### Finance and Accounting

Sales Tax Refund by the State of NV affecting District Revenues Based on earlier information, the District's provision was made to absorb 18 monthly reductions up to \$3,000. The repayment of the District's share of the AT&T sales tax refund started with July 2018 being posted in October. The reductions so far have ranged from \$1,628 to \$3,191. The one in May was \$3,191. Similar reductions are expected for remaining periods. The State has indicated the amount may change with each payment. The remaining provision will be adjusted with the last payment.

Audit for the Year Ended June 30, 2019 Interim field work is planned for June. Staff has begun building worksheets for the year end. The regular fieldwork is planned for September with delivery for the December Board meeting. A framework for the CAFR has begun to be developed.

Operating and Capital Budgets for the 2019-2020 Fiscal Year Presentations were made May 22 to approve the FINAL Budget. It was filed with the Department of Taxation on May 23. This includes a updated estimation of the estimated actual results and capital project carryover. Both of these are considered for the FINAL budget.

Operating Budget for the 2018-2019 Fiscal Year The current year budget was augmented to reflect the added revenue and expenditures for the Diamond Peak Ski Resort given its substantial increase in utilization and sales.

Investment Adjustment to Market Over the last few years, the District has recognized on paper losses to the value of its portfolio as a result of being invested in fixed rate instruments during a period of rising interest rate. With the recent signaling by the Federal Reserve that no more increases may occur, the District

will begin to see reversal of the recognition of those declines. While we budget for and plan to use only the cash income, these amounts are significant and will likely result in added income for the final audited results at June 30, 2019.

### **Risk Management and Safety Initiatives**

Progress on Insurance Claim for Mountain Course Clubhouse Staff is actively working with the NV POOL, adjusters, and contractors to finalize the amount of the claim from the August 11 fire. Pricing is difficult given the current bid environment. Contractor availability is also a concern. The POOL is paying contractors to submit an estimate. They have also obtained the opinion of a structural engineer about a condition observed during the review of plans with a contractor proposing the replacement construction. It is considered a potential enhancement to the claim. Several options for replacement or renewal are being considered depending on total costs. The NV POOL has indicated a willingness to consider a different scope of work other than the insured full replacement. The operating needs for the building have changed from its former layout and it would be a better use of all resources to rebuild according to future needs. A more concise set of plans is being developed to get a firm quote for the replacement work. A tour of some of the proposal was held at the Clubhouse on March 29. The inventory and contents portion of the claim have been received. One quote for the work was received in April and is being revised based on additional items noted during a physical inspection in May. Arrangements were made to paint and carpet the Clubhouse for the 2019 summer season. The rest of any work performed will be after Labor Day.

ARC Flash Labeling We have ongoing work under the CIP budgeting for the five-year plan. Various venues have proposed projects to address updating panels. We are continuing a protocol for not working on any panel with live power. In support of the overall process of protocols for Lock Out Tag Out, District venues are inventorying and evaluating conditions for all energized equipment covered by the OSHA regulations. This will lead to other projects or operating adjustments, including establishing procedures specific to locations. This is being implemented through CIP projects affecting those locations as completed. The Staff committee on Arc Flash met during the month to review and updated request and scope of work. An updated proposal is pending to develop the required cabinet warnings. This may include some sort of District-wide protect to establish a cycle of review and updating that will allow compliance with OSHA regulations.

Safety Committee continues to promote utilization of TORCH-Learning Management System The Safety Committee and District Staff continue to work on the implementation of the record keeping system for various training and learning

opportunities. TORCH-LMS is a member service provided by the Nevada Public Agency Insurance POOL. Department Managers are actively setting up users and making class assignments.

Transfer of supervision of the Safety Specialist to Human Resources as of July 1  
The Director of Finance and the Director of Human Resources have been meeting throughout the budget process to transfer supervision of the Safety Specialist. This is directly related to allowing performance by employees under our safety programs to be part of orientation and ongoing performance measurement and management. The Director of Finance will retain responsibilities for securing and placement of insurance and be a resource for other risk management discussion coordinated by Human Resources.