

## **MEMORANDUM**

**TO:** Indra S. Winquest  
Interim General Manager

**FROM:** The Office of the Director of Finance

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

**DATE:** January 13, 2020

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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 2018. The reductions so far have ranged from \$1,490 to \$3,191. The one in December was \$1,529. The State has indicated the amount may change with each payment. The remaining provision will be adjusted with the last payment for December 2019 paid in February 2020.

Audit for the Year Ended June 30, 2019 The final review and consideration of matters by the Auditors, Staff, and the Audit Committee were closed when the report was issued November 18. The final step was scheduled for the December 11, 2019 Board meeting. The item was deferred to January. Assembly of the final CAFR for issuance to the State and public will follow after that Board action. Items of special note were assembled and reviewed with the Audit Committee at the suggestion of the Audit Chair at their meeting December 11. The State has granted an extension to file the audit to January 31.

Capital Improvement Projects Reporting on Budget and Actual for the Year Ending June 30, 2019 As a part of the close of the year and preparation for the audit process, Staff completed a final year-end report for capital improvement projects. In the past, it was released only after audit fieldwork. Given the number of changes resulting from the close of the year, this was further delayed to assure both reports agree. A sample format was released for the December Board of Trustees meeting. Following that discussion, staff has changed the format and made final reconciliations that include project status and other requested details. That report is being released to the Board in January. A new format of the quarterly report will follow shortly thereafter.

Budget Preparation for the Year Ending June 20, 2021 Staff held the Budget Kickoff for October 24. All venue began their work on budgets. The ski resort staff began their budgeting the last week in September and are substantially completed ahead of their opening the ski season. The CIP projects managers continue to meet to discuss data sheet content updates with the General Manager and Finance, looking to improve change management, carry over and project estimating, and the timing of expenditure.

Transition for Replacement Director of Finance Since identifying the intent to retire by the end of 2020 in September 2017, the Director of Finance has been assembling a list of duties to facilitate the Senior Team's selection of a replacement. This has also included working with the General Manager to reduce areas of responsibility to allow for the greatest flexibility in candidate for the hire. Results of this work has been reported to the Board of Trustees by the Interim General Manager. During December, this was reviewed with the GM and used to update the job description, and review needs during the transition period.

Consideration of an Internal Control Review During the December 11 Board of Trustees meeting the possibility of conducting an Internal Control Review was discussed. Staff suggested considering which areas might be of greatest interest as internal controls can cover many combinations of activities and authorities. As requested, staff has secured the Committee of Sponsoring Organizations outline as the national standard for internal controls. Staff has also acquired the AICPA framework for conducting an internal control review. Staff has provided a summary document for the first January 2020 meeting to help the Board focus areas of interest. Staff also prepared a list of common activities that present IVGID specific groupings for controls. Presumably, the Board will decide the next steps for the review.

Investment Status at December 31, 2019 This quarter had \$2,000,000 of calls from our CD ladder. The District's regular maturities under the CD ladder will continue to be reinvested for a good spacing over three years. It is clear we now have rate decreases for our reinvestments. These changes are a doubled edged sword. Lower new rates hinder our reinvestment of maturities, but also increases our paper gain to market. However, these gains will not actually occur as we intend to hold to maturity. District holdings at face amount as of December 31, 2019 are:

	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22+</u>
CD's	\$ 750,000	\$7,750,000	\$6,500,000
US Government Agencies	\$3,500,000	\$	0 \$ 250,000

The District also holds as cash equivalents; \$874,000 in the Wells Fargo Government Money Market and \$8,430,000 in the State Treasurer's Local Government Investment Pool (LGIP). The Utility Fund has also started to use the LGIP to invest funds held for capital projects because it offers liquidity and still competitive rates. The Utility Fund investment account has \$5,073,000.

### **Risk Management**

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, 2018 fire. The District has received over \$293,000 in proceeds for some of the claim and continues to work more details for other items. The claim will remain open through the full two years after the fire in the event other conditions are discovered during the renovation.