

## MEMORANDUM

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

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

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

**DATE:** August 15, 2016

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### Finance and Accounting

Audit for the Year Ending June 30, 2016 The auditors have planned their return for fieldwork in September. We made substantial progress towards their requests for schedules to be prepared in advance of that work. The final close was completed as planned on August 8. We have assisted in confirmations. The audit report will be reviewed in October for delivery in November, and approval is expected in December. Work is substantially completed for the new format to accommodate the accounting changes as of July 1, 2015. These include financial the statements, as well as the statistical tables which are restated for the new alignment by activity types.

Financial Transparency Website The Accounting staff posted the June pre-audit monthly and the approved new year budget to opengov.com. With the approval of the Debt Management Policy a complete set of forms were posted, the individual CIP data sheets were left in place. The rest of the capital improvement project budget document was also left in place as approved May 18. Staff has assembled the final budget books and distributed them to staff. Electronic copies on disk are also available. The final PDF's has been posted to the website.

Development of a Popular Report Format Our General Manager has requested a format be ready for use for the 2017-2018 budget process. We will likely test several formats over the last half of 2016.

Support for implementation of point of sales systems Both Vermont and RTP are used for daily uploads and reports to review and reconcile activity. We are now in a second round of enhancements and improvements based on having used both systems 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. Those department staff are planning for a new golf system later in the fall of 2016.

EMV Processing Equipment Project deferred to summer 2016 We have opened this project. The efforts so far have identified the ability to utilize the same equipment type across all three systems to allow familiarity for IST staff as they support the installed equipment. Each vendor has their own process, but generally we have arranged for all systems to be implemented over a window of mid-October to early November. The equipment must we made live fairly quickly after receipt, as it is the only way to maintain the built in security of the tokenization process. A consequence of this process has also to change merchant processors for Vermont and for new golf system. In each case the improved systems will help with the administration of the point of sales or enhance the customer experience without much cost other than the planned equipment purchase. 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.

Capital Budget Reporting for the Year Ending June 30, 2016 A substantial effort went into predicting 2016-2017 carryover capital improvement projects as they have to be re-budgeted for the General Fund, Community Services and Beach. The Utility Fund does not have to re-budget carryover projects as technically they are only a matter of cash flow under State of NV guidance. In 2015 we learned a great deal about the challenge of setting a carryover with 3 months remaining in the fiscal year. We addressed what we could in 2016. From this year's process we learned to be even more inquisitive and thorough during the individual project analysis. There is a real challenge predicting in March what might happen by June 30, with the TRPA construction season, and weather factors. We have learned even more about the need to accept the possibility of accelerated and delayed projects. We want to be productive and to take advantage of the opportunity to act. If one project is delayed and another can be executed, we move on. However, the measure of those projects in dollars does not always match and can create issues with the flow of resources. We have also identified the flow issues caused by early opening of projects. We expect to have the inflows in hand before we start projects, the issue is really with recorded costs compared to the timing contemplated in the budget(s). As we finish the final fiscal year CIP Report we have learned even more. To help communicate about the projects, we have added a Management Discussion and Analysis. It will be released mid-August after it is reconciled to the pre-audit figures. We had an unusual number of unbudgeted projects in the last quarter to address care and condition. Long term these will not affect other projects.

Performance Measurement The staff worked on testing our ability to monitor measure and report performance measurement factors. One area of emphasis will be the relationship of depreciation and debt to total capital assets. For the new fiscal year, there will be historical references as well as projections for these particular measures presented by the mid-year. We have also expanded the audited footnote for depreciation to help create a starting point for this measure.

ICMA Insights Data System Under our General Manager's membership in the ICMA, he has added the Insights Measure program. Unfortunately, during July, we were notified the program has been discontinued and our fees will be refunded.

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

Preparation for Safety Week Events The Safety Specialist has been working with departments on events and training support for the week of August 8. Our insurance POOL is providing its popular fire extinguisher training. The District has encouraged each department to discuss evacuation drills. As always, we use this as a time to emphasize situational awareness and Safety First.

#### 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 Emergency Operations Center is now with Washoe County Sherriff and the Fire District. IVGID no longer hosts the operations center. However, the Recreation Center is the secondary evacuation location. We have a draft of a common sense based plan that provides five levels of conditions and stipulates which staff will be involved. All other factors will be driven by coordinating with other agencies. Practice drills are planned for October.

Washoe County Heath Dept. and the Incline Village Community Hospital are assessing our role under their Plan of Distribution in case there is a health event requiring a response such as a mass inoculation. District might be requested.

#### Insurance Program for 2016-2017

The District's Worker Compensation audit for calendar 2015 was finalized with our notification in June. It agreed to the estimates used for the budget. The July assessment paid the final payment under that payroll audit which is reconciled to the issued W-2's.

#### Security Services Planning for July 2016

After discussions with venue manager and our provider, we expanded the weekend coverage ahead of the fourth of July and reduced two on patrol for the 4<sup>th</sup>. In retrospect that plan worked out very well. The actual level of activity was higher for Saturday July 2<sup>nd</sup>.

Fire Inspections The North Lake Tahoe Fire Protection District Assistant Fire Marshall completed a District-wide inspection. As new to the position and our District, this provided a fresh look and perspective. The District felt very good about the outcome and is following up with the Fire Marshall's report.