



## STAFF REPORT

July 15, 2021

### TITLE:

Capital Funds Transfer

### RECOMMENDATION:

By motion: approve the transfer of Capital Funds to the Operating Fund as required per Board Resolution 2020-4

### BACKGROUND:

The State of California approved Assembly Bill Number 2912 on September 14, 2018 which added Civil Code Section 5502, which dictates specific Board of Directors approval of fund transfers over \$10,000 from all accounts. The law went into effect January 1, 2019.

Item 2 of Board Resolution 2020-4 which was approved October 23, 2020 states “transfers from (out of) Replacement Reserve Fund, Development Fund or New Machinery and Equipment Fund accounts, require Board action at regular Board meetings as necessary throughout the year”

Tahoe Donner Association pays for Board approved Capital expenditure out of the Operating Fund during the normal course of business, either via check payments thru Accounts Payable or via wire when required. This ultimately creates a Due To / From transfer requirement from the Replacement Reserve Fund, Development Fund and the New Machinery and Equipment Fund to the Operating Fund. This is normal practice for TDA to operate in such a manner.

### ANALYSIS:

While the Operating Fund Cash on Hand (non invested) balance at July 15, 2021 is \$1.3MM we are approaching the shoulder season with minimal operations and therefore limited cash inflows. We also anticipate considerable spending on various capital projects over the next 4 – 5 months. Given that there has been no transfer to date for 2021 from the Capital Funds, mid year was deemed to be the appropriate time to make the transfer and true up the various funds.

### OUTREACH:

NA

### FISCAL IMPACT:

The Operating Fund is due \$3,138,635 from the following capital funds:

Replacement Reserve Fund – (\$2,986,822.38)

Development Fund – (\$222,717.93)

New Machinery and Equipment Fund due \$70,904.91

### ALTERNATIVES:

NA

Prepared by: Todd Martyn-Jones 7/15/2021

Reviewed by:

General Manager Approval to Place on the Agenda: \_\_\_\_\_