



STAFF REPORT

December 6, 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 October 31, 2021 was \$1.08M we are still within the shoulder season with minimal operations and therefore limited cash inflows. We are also anticipating a later start to winter ops and therefore delayed cash inflow. The last transfer of funds was July 2021.

OUTREACH:

NA

FISCAL IMPACT:

The Operating Fund is due \$2,356,937.80 from the following capital funds:
Replacement Reserve Fund – (\$1,775,271.34)
Development Fund – (\$563,837.54)
New Machinery and Equipment Fund – (\$17,828.92)

ALTERNATIVES:

NA

Prepared by: Todd Martyn-Jones 12/6/2021

Reviewed by:

General Manager Approval to Place on the Agenda: _____