



## STAFF REPORT

May 11, 2022

### TITLE:

Capital Funds Transfer

### RECOMMENDATION:

By motion: approve the transfer of Capital Funds to the Operating Fund as required per Board Resolution 2022-1

### 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.

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. **Amount to be transferred to the Operating Fund \$1,856,963.47 from the RRF \$1,528,412.15 and from the DF \$328,551.32**

In addition, Annual Assessments funds are deposited into the Operating Fund account of which a portion needs to be transferred to the Replacement Reserve Fund and Development Fund. No transfer needed to the New Machinery and Equipment Fund for 2022. **Amount to be transferred from the Operating Fund \$8,893,617 to the RRF \$5,375,472 and \$3,518,145 to the DF**

### ANALYSIS:

Having collected 98% of Assessment payments as of May 11, 2022 now is the time to transfer those funds to the RRF and DF.

### OUTREACH:

NA

### FISCAL IMPACT:

Operating Fund Transfer Net transfer out to the following capital funds: \$7,036,653.53  
Replacement Reserve Fund – \$3,847,059.85  
Development Fund – \$3,189,593.68  
New Machinery and Equipment Fund – \$0

### ALTERNATIVES:

NA

Prepared by: Todd Martyn-Jones 05/11/2022

Reviewed by:

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