

**OLYMPIC VALLEY PUBLIC SERVICE DISTRICT
FINANCE COMMITTEE MEETING
DATE: NOVEMBER 16, 2020**

Pursuant to the Governor's Executive Order N-29-20, issued March 17, 2020, the Olympic Valley Public Service District Community Room was not be accessible to the public for this Board meeting. All Directors and attendees participated via video/teleconference only.

Call to order at 3:00 P.M.

Public comment – None.

Directors Present: Directors Katy Hover-Smoot and Victoria Mercer

Attendees: Jessica Asher, Board Secretary; Brandon Burks, Operations Superintendent; Kendall Galka, McClintock Accountancy Corporation; Mike Geary, General Manager; Jaime Gignoux, McClintock Accountancy Corporation; Danielle Grindle, Finance & Administration Manager; Jessica Grunst, Account Clerk II/HR Specialist; Dave Hunt, District Engineer; and Allen Riley, Fire Chief.

Items reviewed by the Committee include the following:

F-1 Audit Report for Fiscal Year 2019-2020

At the end of each fiscal year, the District undergoes an audited evaluation by a certified third-party to assure the annual financial statements of the District are reported without any material misstatement and are performed in accordance with Generally Accepted Accounting Principles (GAAP). The District engaged the services of McClintock Accountancy Corporation.

Ms. Grindle reviewed the staff report and discussed the audit using a PowerPoint presentation provided in the Board Exhibit. Ms. Galka reviewed the report to the Board of Directors and discussed the audit process. McClintock Accountancy Corporation had an unmodified, or clean opinion, of the financials, which is the highest opinion. McClintock did not propose any audit adjustments. There were no significant changes to the footnotes from last year. Ms. Galka said that Ms. Grindle and the administrative team do an exceptional job of providing meaningful financial information to the Board throughout the year. An upcoming accounting pronouncement will change the requirements for accounting for lease revenue and expenses beginning in 2022.

Director Mercer said she had initial concerns about potential blind spots since the relationship is efficient and mutually positive between the District and McClintock, but noted that after speaking with the audit team she was confident that they were sensitive to the same concerns and the process is efficient due to high quality work product produced.

D-1 Operating Account Check Register: Ms. Grunst reviewed the Operating Check Register numbers 48398-48434 and ACH payments. Staff provided an explanation of the payments greater than \$800 and gave a summary of electronic payments (ACH).

Check #	Name	Amount	Description
48398	Alpine Lock & Key, Inc	2856.82	New Lock System for Operations Dep Exterior Door bld 305
48400	AmeriGas	2216.74	Heating Fuel both locations
48403	Burtens Fire, Inc	1606.44	Annual Pump Testing-Fire
48405	California Special Districts	7253.00	Membership Renewal 10/01/20-9/30/21
48414	Goldak, Inc.	821.13	Repair Locating Device- Ops Dep
48415	Hunt & Sons, Inc.	2477.35	Diesel & Regular Fuel
48417	Liberty Utilities	7199.81	Oct Electricity- All Locations
48429	Thomas S Archer	2210.00	(\$950) Billable to RSC and Altera remaining \$1260 General Legal
48431	Tyres International	970.28	Two new loader tires
48432	U.S. Bank Corp Payment System	5907.81	All Cal Card Statements for Nov 2020

Ms. Grindle reviewed exhibits D-2 through D-7:

D-2 Operations Enterprise Fund, Revenue vs. Expenditure/Balance Sheet

The statement shows 33% of the year has elapsed. Revenue is at 93% of the budget and expenditures are at 29% of the budget. Compared to the prior year at this time, the District's net surplus is \$154k higher, which is mostly due to not making an additional payment to the California Public Employees' Retirement System (CalPERS) at this time. Ms. Grindle reviewed and explained selected line items of the Operations Enterprise Income Statement and Balance sheet.

D-3 Fire Government Fund, Revenue vs. Expenditure/Balance Sheet

The statement shows 33% of the year has elapsed. Revenue is at 46% of the budget and expenditures are at 36% of the budget. Compared to the prior year at this time, our net surplus is \$390,000 higher, which is mostly due to assisting in wildland fires. Ms. Grindle reviewed and explained significant line items of the Fire Department Income Statement and Balance sheet.

Ms. Grindle reviewed the expenses due to the District's name change. Approximately \$8,000 has spent on expenses related to the District's name change, which is primarily costs related to website costs, IT expenses, and new Fire Department Uniforms.

D-4 Capital Reserve Fund Balance Sheet/Income Statement

The income statement shows 33% of the year has elapsed. Revenue is at 13%, or \$544,000, and expenditures are at 33%, \$1.2M. There were 2 new connections during the month of October. The District has received the Estimated Allocation of Property Taxes for Fiscal Year 2021, the total anticipated tax revenue, less any fees from the county, is estimated to be \$3,727,000. This is \$71,000 greater than the budgeted amount.

There was a brief discussion about the increased revenue from connection fees compared to years past.

D-5 Combined Revenues/Expenditures/Balance Sheet

This report is for internal use only as a tool but is not intended to be an audited financial report. The report captures the District's position, including enterprise funds (Operations/Administration Dept.),

governmental operations (Fire Dept.), and Capital Reserves. The statement shows 33% of the year has elapsed, revenue is at 59% and expenditures are at 33%.

D-6 Fund Balance Statement

The statement shows the highest yielding funds are Pro Equities Certificate of Deposit #2 at 3.10%. The Pro Equities Certificate of Deposit #3 is at 2.70% and Pro Equities Certificate of Deposit #1 is at 2.40%. Total funds on deposit is approximately \$9.3M. As of the meeting not all October statements has been received due to the earlier meeting date.

Ms. Grindle reviewed the following payment:

D-7 Progress Payment – McClintock Accountancy – Fiscal Year 2019-2020 Audit

Mr. Hunt reviewed the following progress payments and provided a brief update on each project:

D-8 Progress Payment – Farr West Engineering – West Tank Recoating Project

D-9 Progress Payment – Farr West Engineering – Sewer Master Plan

Mr. Hunt said that he hopes to present the Board with results of the sewer asset and risk evaluation study and the capital plan for sewer rehabilitation and replacement project, scheduled to begin in 2021, soon.

No further business coming before the Finance Committee, the meeting was adjourned at 4:05 P.M.

By, JA/DG