

Date: 8/16/2021

To: Fiscal Affairs Committee

From: Donna Coon

RE: Status of Operating Cash Ad Hoc Committee

The Operating Cash Ad Hoc committee has met twice since our July FAC meeting. Members of the Ad Hoc committee are:

Scott Somers, CEO

David Webster, Interim CFO

Donna Coon

Nellie Johnson

Greg Wright

Steve Gilbert

Eric Sullwold

The committee agreed on 2 goals:

GOAL #1) Revisit the formula for 'average daily cash required' and the minimum level of cash needed in the operating cash accounts during the year. It is important to note that these are not reserve accounts. They are the working capital needed to fund the day-to-day operations of GVR, including funding of board approved transfers to the reserve funds.

GOAL #2) Update the Corporate Policy Manual SECTION V - FISCAL/ACCOUNTING. This section currently has 2 subsections:

SUBSECTION 1. FISCAL POLICY – GENERAL

SUBSECTION 2 - RESERVE POLICY – updated 01/29/2020

We plan to add a third subsection:

SUBSECTION 3 – OPERATING CASH POLICY

At our last meeting the Ad Hoc committee agreed on the attached formula for calculating the 'average daily cash required'. This calculation is attached below.

Donna

GVR  
Projection of Operating Cash  
Nov-21

Total Budget Expenses For 2021		\$ 11,196,453
Less Non-Cash Depreciation		\$ (1,810,173)
Less Expenses Paid by MRR Reserve		\$ (259,034)
Non Reserve Capital Purchases		\$ 205,000
Reserve Funding From Revenues:		
Maintenance Repair & Repl.	\$ 1,048,192	
MRR / MAR	\$ 169,553	
Initiatives	<u>\$ 507,315</u>	
TOTAL		<u>\$ 1,725,060</u>
Total Cash Required to Fund GVR For Fiscal Year		\$ 11,057,306
Cash Transfer of MRR in January for One Time		<u>\$ (1,048,192)</u>
Total Cash Required		\$ 10,009,114
Days Per Year		<u>365</u>
Daily Average Cash Required		<u><u>\$ 27,422</u></u>

Operating Cash Balance Projected		
November 2021	\$ 3,517,961	
Less PACF Allowance	<u>\$ (312,340)</u>	
Net Cash Available For Operating Funds		<u>\$ 3,205,621</u>
Daily Average Cash Required		<u>\$ 27,422</u>
Number of Days of Operating Cash Available		<u>117</u>
Minimum Number of Days	90	
Daily Average Cash Required	<u>\$ 27,422</u>	
Minimum Cash Required		\$ 2,468,001
Projected Net Cash Available		<u>\$ 3,205,621</u>
<b>Projected Operating Cash Above the Minimum</b>		<b>\$ 737,620</b>
Estimate Transfer August 2021		<u>\$ (500,000)</u>
Estimated Balance to Be Transferred After Books Closed in December 2021		<u><u>\$ 237,620</u></u>

With MRR