

# Staff Report

for the Regular Meeting of the Board of Directors March 8, 2017

**TO:** Board of Directors  
**FROM:** Marvin Davis, MBA, CPA, Finance Manager/Treasurer  
**DATE:** March 1, 2017  
**SUBJECT:** 2016 Cash Reserves, Short-term Forecast, Long-term Maturity

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***FINANCE***

## **RECOMMENDATION:**

Review and receive 2016 Cash Reserves, Short-term Cash Forecast, and Long-term Portfolio Maturity

## **BACKGROUND:**

Board policy and prudent oversight requires frequent updates on the District's cash position to ensure congruence with the fiscal spending plan. Finance prepares monthly short-term cash forecast considering fiscal liquidity requirements, long-term capital spending, and the portfolio maturity ladder. The following reports assist staff with adherence to the District's investment policy and demonstrate to the Board staff's ability to manage District assets.

- 2016 Cash Reserve Schedule – Overall cash estimated at \$96.9M with \$20.3 restricted for Series 2016A Bonds. We will create a \$500K capital reserve for Recreation and the Board approved a \$1.5M reserve for the Community Investment Program
- Short-Term Cash Forecast – December 2017 estimated at \$11.8M and fluctuates based on receipt and disbursement patterns. Our 2017 budget anticipates a \$4.6M drawdown of reserves and liquidity is sufficient to meet those needs
- Long-Term Maturity Ladder – Currently at \$60.2M (excludes \$20.3M of Series 2016A Bonds) with 65% out 5 years, the ladder is sensitive to call exercises which are dependent on financial and political variables

**BUDGETARY IMPACT:** N/A

Attachments: 2016 Cash Reserves, Short-term Forecast, Long-term Portfolio Maturity

# Nevada Irrigation District

## 2016 Cash Reserve Schedule

	Water	Electric	Recreation	Total Cash	<u>Notes</u>
<b>2015 Audited Cash:</b>	<b>\$ 37,557,602</b>	<b>\$ 30,627,013</b>	<b>\$ 130,301</b>	<b>\$ 68,314,916</b>	
2016 Revenues	63,631,899	22,214,546	2,658,560	88,505,005	Rec \$500K from Hydro
2016 Expenses	46,339,913	11,272,208	1,755,419	59,367,540	
Transfer to Recreation	-	500,000	-	500,000	
Encumbrance carryover	7,406,088	2,330,053	9,596	9,745,737	
Net Income 2016	9,885,898	8,112,285	893,545	18,891,728	Includes Encumbrance
<b>2016 Unaudited Cash</b>	<b>\$ 47,443,500</b>	<b>\$ 38,739,298</b>	<b>\$ 1,023,846</b>	<b>\$ 87,206,644</b>	
<b><u>Working Capital</u></b>					
Operating Cash	4,000,000	3,000,000	452,343	7,452,343	
<b><u>Designated</u></b>					
Accrued Leave	2,110,814	266,996	71,503	2,449,313	Equal to Liability
Operating Reserve	8,919,569	10,000,000	-	18,919,569	4.41 Mons of Op Bud
Capital Improvement	2,500,000	25,472,302	500,000	28,472,302	Reviewed with Budget
Community Investment Program	1,500,000	-	-	1,500,000	Up to \$1.5M
Watershed Stewardship	2,145,749	-	-	2,145,749	
Total	17,176,132	35,739,298	571,503	53,486,933	
<b><u>Restricted</u></b>					
Debt Service	611,180	-	-	611,180	Bond Covenants
2016A Bond Cash	20,332,020	-	-	20,332,020	
Capacity Fees	5,324,168	-	-	5,324,168	Capacity Fees
Total	26,267,368	-	-	26,267,368	
<b>Estimated - EOY 2016</b>	<b>\$ 47,443,500</b>	<b>\$ 38,739,298</b>	<b>\$ 1,023,846</b>	<b>\$ 87,206,644</b>	Includes Encumbrance
<b>Less Encumbrances</b>	<b>\$ 54,849,588</b>	<b>\$ 41,069,351</b>	<b>\$ 1,033,442</b>	<b>\$ 96,952,381</b>	

# Nevada Irrigation District

Short-term Cash Forecast (excl Series 2016A)

	Actual	Forecast			
	2016	2017	2017	2017	2017
	Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec
Wells Fargo	2,110,759				
Union Bank	2,174,109				
LAIF Bal	12,020,958				
<b>Liquid</b>	<b>16,305,826</b>				
Total Receipts		24,606,427	16,420,325	20,494,582	10,666,913
Total Disbursements		17,169,457	17,344,806	24,103,702	15,820,320
Net Rev & Exp		7,436,970	(924,481)	(3,609,120)	(5,153,406)
Wells Fargo Ending Balance		2,368,163	2,743,682	3,134,562	4,181,156
UB Mkt Ending Balance		0	0	0	0
LAIF Ending Balance		19,200,524	17,900,524	13,900,524	7,700,524
<b>Total Short-term Cash</b>		<b>\$ 21,568,687</b>	<b>\$ 20,644,206</b>	<b>\$ 17,035,086</b>	<b>\$ 11,881,680</b>

**Nevada Irrigation District**  
 Long -Term Maturity Ladder @ 12-31-2016

Month	Year					Grand Total
	2017	2018	2019	2020	2021	
Jan		250,000				250,000
Feb		250,000	750,000		1,500,000	2,500,000
Mar				2,000,000		2,000,000
Apr			250,000	464,286		714,286
May				1,225,000	3,996,400	5,221,400
Jun					250,000	250,000
Jul	947,680			500,000	9,000,000	10,447,680
Aug			1,000,000		8,250,000	9,250,000
Sep					7,000,000	7,000,000
Oct			397,059	6,250,000	250,000	6,897,059
Nov	250,000	1,989,000	3,000,000		7,977,250	13,216,250
Dec			1,500,000		1,000,000	2,500,000
<b>Grand Total</b>	<b>1,197,680</b>	<b>2,489,000</b>	<b>6,897,059</b>	<b>10,439,286</b>	<b>39,223,650</b>	<b>60,246,675</b>

Portfolio %	2%	4%	11%	17%	65%	100%
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