



# FINANCE COMMITTEE MEETING REPORT

**February 14, 2019**

**Mezzanine Room, Northwoods Clubhouse**

## ATTENDANCE

Members: Leibow, Dundas, Bonzon, Eyton-Lloyd, Ravano, Stang, Wu

Absent: Anderson, Johns, Hunter

Ex-officio: Salmon, Etnyre (Absent)

Board Liaisons: Connors, Koenes

GPC Liaison: Michael Sullivan (replaced- Steve Miller for this meeting)

TD Members: Steve Mahoney

## AGENDA ITEMS

1. Call to Order, Quorum, and Agenda: 3:31 pm, quorum present. Agenda approved unanimous vote (Eyton-Lloyd 1<sup>st</sup>, Stang 2<sup>nd</sup>). January 19, 2019, FC Report approved by unanimous vote (Stang 1<sup>st</sup>, Eyton-Lloyd 2<sup>nd</sup>).
2. Member and Committee Member Comments: None
3. Committee Management: Short discussion ensued asking all committee members to prepare through research, self-education, keep questions focused on the agenda, NO sidebars, and reviewed channels of communication. Charter change recommendation still with Board and awaiting guidance.
4. Old Business:
  - a. Copy of current Investment Policy was provided to members prior to meeting for review. PowerPoint Presentation was provided that highlighted industry standards, in accordance with Davis/Stirling Act, Community Associations Institute, that form the basis of our existing investment policies and procedures. Our policies also include:
    1. Monthly review with TD Treasurer
    2. Quarterly review with BOD
    3. Quarterly review with Finance CommitteeEmphasis is on the fact that our current policies are being followed and we are using recommended best practices.
  - b. Lengthy discussion was shared regarding proposal for the need of an Investment Subcommittee. Copy of suggested format for creation of Investment Subcommittee from FC Liaison Connors was not fully discussed since it was not received in time for adequate review by Chair or Committee Members and that added coordination is required. It was resolved (unanimously) to perform our Quarterly Review scheduled next month and then decide if a Subcommittee is actually necessary and if so, what would it look like...Recommended that the Board wait until after our next meeting to decide if a Subcommittee should be established.

5. New Business:

- a. January 2019 Preliminary Financial Performance: Report is both annual and month since it is first month of new fiscal year. Good snow and snow making created positive NORBO of \$86,817; this is 158% better to budget this year and 117% better than last January. Contributing factors, a 22% increase in revenue and total operating expenses 7% lower than forecasted. As usual in good ski conditions Downhill Ski and Cross Country were big gains as well as positive performance of Trout Creek Recreation Center. On the HOA side 8 of 11 departments were in the green.
- b. Review of December 2019 Financials was cut short due to extensive discussion in item 4b above. Next month will be looking at Monthly Financials for January 2019.
- c. Annual Audit Update: Auditors have completed on site work. This will be covered in more details next month. Looks to be a clean review. Some TDA adjustments are in process as a result of end of year close out. Should result in further increase in members equity of approximately \$45,000.
- d. Members Equity overall in 2018 continued to show growth. Operating Fund Contingency Reserve will be \$1.4 million in 2019 primarily for emergency situations dealing with loss of revenue caused by unforeseeable weather conditions. Excess Equity in Operating Fund is estimated to be in the \$700,000 to \$900,000 range and will be subject of discussion at a future FC and TDABOD meetings.
- e. February has started slow, due to weather (too much snow), but is expected to pick up and hopefully recover to budget over President's Day holiday weekend.

6. Preliminary Agenda Items for next meeting **March 14, 2019 Meeting at 3:30 PM**  
NWCH

- a. Review of year-end Balances/Activity: Operating and Capital Funds – DFA
- b. February Preliminary Financial Verbal Briefing and January Financial Report Review – DFA
- c. 5501 Subcommittee Report – Anderson/DFA
- d. Review Finance/Accounting Resources Organizational Chart - DFA
- e. Investment Performance Quarterly Review - DFA
  - i. Investments
  - ii. Strategy
  - iii. Cash Flow
  - iv. Results
- f. Annual Audit Review – DFA
- g. Creation of Investment Subcommittee - Chair

7. Adjournment – 5:35pm (Stang 1st, Ravano 2<sup>nd</sup>)

Prepared and Submitted by: Corey Leibow, Chair, Finance Committee