



# Tahoe Donner Association 2019 Q4 Financial Briefing

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# Tahoe Donner Association Financial Lexicon



OPF – Operating Fund

RRF – Replacement Reserve Fund

DVF – Development Fund

NEF – New Equipment Fund

PF – Property Fund

CY – current year

PY – prior year

B – Budget

F – Forecast

A - Actual

Q – Quarter

YE – Year End

Capital Funds - (all funds  
excluding Operating Fund)

EBITDA – Earnings before  
Interest Taxes Depreciation  
and Amortization (and AA)

NOR – Net Operating Result  
(OPF EBITDA)

NORBO – NOR before  
Overhead

m – millions

k – thousands

Fav – favorable

Unfav - unfavorable

b/w – between

n/a – not applicable

AA – Annual Assessment

RF – Recreation Fee

Rev – Revenue

FNY – For Next Year

**Green** numbers indicate a  
favorable variance

**Red** numbers indicate an  
unfavorable variance

# 2019 Q4 – Oct Nov Dec - Results Consolidated All Funds Q4

*\$thousands*  
*2019 unaudited*

	Actual	Budget	Prior Year	Variance to Budget		Variance to PriorYr	
				Amount	Pctg	Amount	Pctg
Revenue	\$ 2,856	\$ 2,471	\$ 2,892	\$ 385	16%	\$ (36)	-1%
Costs	(5,038)	(4,931)	(4,792)	(107)	-2%	(246)	-5%
EBITDA	(2,182)	(2,460)	(1,900)	278	11%	(282)	-15%
Depreciation Expense	(965)	(825)	(853)	(140)	-17%	(112)	-13%
<b>Net, before AA Rev</b>	<b>(3,147)</b>	<b>(3,285)</b>	<b>(2,753)</b>	<b>138</b>	<b>4%</b>	<b>(393)</b>	<b>-14%</b>
Annual Assessment Rev	2,135	2,135	2,066	0	0%	70	3%
Net Result	\$ (1,011)	\$ (1,150)	\$ (688)	138	12%	(324)	-47%
Other Financial:							
Capital Expenditures	(\$ 1,114)	(\$ 1,452)	(\$ 1,605)	338	23%	491	31%

## 2019 Q4 – Oct Nov Dec - Notables to Budget

Downhill Ski NOR of \$174,000 was favorable **\$460,000** with revenue up \$346,000 due primarily to strong business levels driven by favorable snow conditions.

Administration NOR was unfavorable **\$304,000**. General Manager severance \$235,000 and winter incentive accrual \$127,000, partially offset by savings in various areas.

Depreciation of \$965,000 was **\$140,000** unfavorable. YE true-up of annual estimate of \$3.3m was off by 4%.

XC Ski NOR of \$80,000 was favorable **\$111,000** with revenue up \$151,000 due primarily to strong business levels driven by favorable snow conditions.

Tennis NOR of \$44,000 was favorable **\$75,000**. Recreation Fee pass revenue earned YE true-up based on access scans at applicable amenities and pace of 19/20 cycle pass sales. Tennis recfee scans summer 2019 were up 78% to prior year and up 53% to 5 year average. *Marina reduced \$18k, Trout/Aquatics reduced \$8k.*

Forestry NOR of \$358,000 was unfavorable **\$71,000**. Fire camera \$41,000 not budgeted and fall burn pile efforts increased and timing b/w quarters.

## 2019 Q4 – Oct Nov Dec - Notables to Prior Year

General/Administration NORBO unfavorable **\$332,000**. General Manager severance \$235,000, Insurance expense up \$37,000, claims expense up \$36,000 (py reversal of accrual credit).

Forestry **\$165,000** unfavorable NORBO. Fire camera \$41,000 not budgeted and fall burn pile efforts increased and timing b/w quarters.

Depreciation **\$112,000** increase of 13% to prior year.

XC Ski NORBO favorable **\$90,000** with revenue up \$91,000 due primarily to strong business levels driven by favorable snow conditions and price increases.

Tennis **\$73,000** favorable NORBO. Recreation Fee pass revenue earned YE true-up based on access scans at applicable amenities and pace of 19/20 cycle pass sales. Tennis recfee scans summer 2019 were up 78% to prior year and up 53% to 5 year average.

Golf **\$59,000** unfavorable NORBO. Challenging season continued in October and winterizing course.

# 2019 – Jan-Dec - Annual Results Consolidated All Funds

*\$thousands*  
*2019 unaudited*

	Actual	Budget	Prior Year	Variance to Budget		Variance to PriorYr	
				Amount	Pctg	Amount	Pctg
Revenue	\$ 15,140	\$ 14,476	\$ 13,660	\$ 664	5%	\$ 1,480	11%
Costs	(20,762)	(21,435)	(19,965)	673	3%	(797)	-4%
EBITDA	(5,622)	(6,959)	(6,305)	1,337	19%	683	11%
Depreciation Expense	(3,440)	(3,300)	(3,284)	(140)	-4%	(156)	-5%
<b>Net, before AA Rev</b>	<b>(9,062)</b>	<b>(10,259)</b>	<b>(9,589)</b>	<b>1,197</b>	<b>12%</b>	<b>527</b>	<b>5%</b>
Annual Assessment Rev	12,719	12,719	12,299	0	0%	421	3%
Net Result	\$ 3,657	\$ 2,460	\$ 2,710	1,197	49%	947	35%
Other Financial:							
Capital Expenditures	(\$ 3,248)	(\$ 5,808)	(\$ 4,319)	2,560	44%	1,072	25%

## 2019 Annual – Jan-Dec – Notables to Budget

Downhill Ski NOR of \$1.2m was favorable **\$927,000** with revenue up \$876,000 due primarily to strong business levels driven by favorable snow conditions.

Golf NOR of (\$747,000) was unfavorable **\$420,000** with revenue off \$453,000 due primarily to negative impact of heavy snow winter 18/19 impact on course conditions.

Reserve Fund spend of \$988,000 was **\$331,000** or 25% under spend budget, driven by \$100,000 budget for governing documents update (\$27k incurred charged to OPF General dept), remaining primarily timing b/w years.

Administration NOR was unfavorable **\$240,000**. General Manager severance \$235,000, incentive accrual from results favorable to Budget of \$167,000, partially offset by \$63k fav investment income, & savings other areas.

XC Ski NOR of \$198,000 was favorable **\$220,000** with revenue up \$338,000 due primarily to strong business levels driven by favorable snow conditions.

Capital Funds investment income of \$448,000 was **\$183,000** favorable due to conservative budget and higher account balances.

Depreciation of \$3.4m was **\$140,000** unfavorable. YE true-up of annual estimate of \$3.3m was off by 4%.  
Communications favorable **\$123,000** due to primarily to position vacancies in department.

## 2019 Annual – Jan-Dec – Notables to Prior Year

Downhill Ski NORBO of \$1.7m was favorable **\$1,050,000** with revenue up \$1,340,000 due primarily to strong business levels driven by favorable snow conditions in Q1 and Q4, as well as, pricing increases.

Golf NORBO of (\$524,000) was unfavorable **\$411,000** with revenue off \$396,000 due primarily to negative impact of heavy snow winter 18/19 impact on course conditions.

General/Administration NORBO was unfavorable **\$322,000**. General Manager severance \$235,000, claims expense up unfav \$110,000 (py accrual credit), insurance costs up \$108,000, governing documents update \$27,000 (\$0 B); incentive costs compare fav \$64,000, investment income up favorably \$50,000, & legal costs down \$45,000.

XC Ski NORBO of \$418,000 was favorable **\$220,000** with revenue up \$424,000 due primarily to strong business levels driven by favorable snow conditions and pricing increases.

Capital Funds investment income of \$444,000 was **\$137,000** favorable due to improved investment strategies and higher account balances.

Depreciation of \$3.4m was **\$156,000** or 5% greater than prior yr, replacing fully depreciated with new assets. Communications favorable **\$123,000** due to primarily to position vacancies in department.



## 2019 Annual – Jan-Dec

Operating Fund, Consolidated – NOR Loss of \$4.8 Million (fav \$850,000/15%)

What is in this YTD DECEMBER Loss, funded at budget level by Annual Assessment?

Variance to Budget						Variance to Budget						Variance to Budget					
Actual	Amount	Pctg				Actual	Amount	Pctg				Actual	Amount	Pctg			
\$ (460,201)	\$ 97,599	17%	<b>Private Amenities</b>			(542,545)	698,755	56%	<b>Public Amenities</b>			(3,843,668)	53,232	1%	<b>HOA &amp; Amenities Support Services</b>		
(159,449)	28,151	15%	Trout Creek Rec Ctr			1,221,106	927,006	315%	Downhill Ski			(2,271,633)	(3,833)	0%	General Administration		
(223,408)	(14,208)	-7%	Aquatics			197,640	220,240	975%	Cross Country Ski			(240,327)	(240,327)	#####	Communications		
130,838	(16,462)	-11%	Beach Club Marina			55,542	(3,858)	-6%	Snowplay			122,555	122,555	#####			
(17,739)	75,561	81%	Tennis Center			(747,074)	(419,774)	-128%	Golf			64,203	64,203	#####	Information Tech		
(56,205)	(25,305)	-82%	Day Camps			(26,204)	15,396	37%	Campground			(19,189)	(19,189)	#####	Accounting		
(134,239)	49,861	27%	Recreation Programs			(167,092)	(26,592)	-19%	Equestrian			28,652	28,652	#####	Human Resources		
						(26,751)	2,750	9%	Bikeworks			(338,640)	27,060	7%	Architectural Standards		
						(203,828)	29,872	13%	Trails			27,052	27,052	#####	Member Services		
						(382,618)	(45,618)	-14%	The Lodge			24,486	24,486	#####	Risk & Facility Admin		
						(142,899)	(3,699)	-3%	Summer Food and Bev			(1,316,760)	(53,360)	-4%	Forestry		
						(163,769)	(12,069)	-8%	Pizza on the Hill			75,932	75,932	#####	Maintenance		
						(156,599)	15,101	9%	Alder Creek Caf�								
												\$ (4,846,415)	\$ 849,585	15%	<b>TDA Operating Fund</b>		

## variances are N/A, as the Dept NOR Budget \$ amount is \$0, post-overhead allocation

# Capital Funds- 2019 Key Activities

## Replacement Reserve Fund

\$5.0 Million Expenditure Budget 2019

\$3.4 Million Expenditure Actual 2019

- Golf Remodel \$500,000 shifted \$450k to 2020
- CASp Bdg \$510k, Actual \$207k
- Trails Bdg \$348k, Actual \$63k (timing)
- Governing Documents \$101,000 B, Forecast \$0 (charging to Operating Fund per Board)

**\$12.9m Actual ending fund balance, up \$3.3m to B**

- \$1.7m less spend than Budget (timing primarily)
- **\$1.0m transfer in from Operating Fund in Oct'19**
- 500k beginning balance > B
  - \$435,00 Snowbird under 2018F/B
- \$105k investment income favorable variance to B

## Development Fund

\$1.9 Million Expenditure Budget 2019

\$0.7 Million Expenditure Actual 2019

- variance due to timing of projects between years

**\$6.8m Forecasted ending fund balance, up \$1.6m to B**

- +74k investment income favorable variance to B
- +1.2m Various projects +/- timing between years
- +355k beginning balance > B, timing of projects between years

## Key Active Projects:

TCRC Remodel project is on Budget and Schedule

# Balance Sheet as of December 31, 2019

Refer to section f10/F11/F12 of monthly financial statements for full details

Information is TDA Consolidated (all funds) unless otherwise indicated

## Assets

**\$71.5 Million – Total Assets (\$11,043 per owner)**

up \$4.4m or 6% to 12/31/2018

**\$41.3 Million – Net Property & Equipment (incl'd depreciation)**

(\$6,385 per owner)

down \$0.223m or 1% to 12/31/2018

+ YTD Capital Expenditures \$3,248,000 - YTD Depreciation Expense \$3,440,000

**\$28.4 Million – Cash & Investments (\$4,390 per owner)**

up \$4.4m or 18% to 12/31/2018

**See next page for Cash Flow Information**

## Liabilities and Members Equity

**\$8.0 Million – Total Liabilities (\$1,237 per owner)**

up \$0.695m or 10% to 12/31/2018

- Accounts Payable, Deferred Assessment and other Revenues, Deposits
- No long term debt.

**\$63.5 Million – Members Equity (ME) (\$9,806 per owner)**

up \$3.7m or 6% to 12/31/2018

\$2.3 Million – Operating Fund **(\$870,000 over policy target)**

\$12.9 Million – Replacement Reserve Fund

\$6.8 Million – Development Fund

\$0.2 Million – New Equipment Fund

\$41.3 Million – Property Fund

As RRF/DVF/NEF spend capital, decreases ME in those funds and increases ME in Property Fund; reinvesting in the Association. The Property Fund ME decreases by Deprecation.

1/24/2020

# Cash and Investments Position Overview

Refer to section f10/F11/F12 of monthly financial statements for full details

\$thousand Information is TDA Consolidated (all funds) unless otherwise indicated

## 2019 Top Level 'basic' Cash Flow:

<u>\$24,007</u> cash/investments, beg balance
(4,846) OPF NOR Loss
( 999) Capital Funds, Expense Expenditures
(3,248) Capital Funds, Capital Expenditures
444 Capital Funds investment income
12,719 2019 Annual Assessment
<u>342</u> all other/working capital, net
<u>\$ 28,419</u> cash/investments, ending balance

## Current Cash Balance – Flow Thru

Current Month End Balance	28,419
OPF NOR Loss (remaining Mths @ Bdg)	-
RRF Spend 2019 forecast to go	-
NEF Spend 2019 forecast to go	-
DVF Spend 2019 forecast to go	-
less AA payments received FNY (def rev)	(3,774)
All other cash flow, net working capital	(2,504)
Raw Ending Balance *	<u>22,141</u>

## Distribution of Raw Ending Balance

YE Forecasted Members Equity, RRF	12,878	
YE Forecasted Members Equity, NEF	208	
YE Forecasted Members Equity, DVF	6,763	
PYE Members Equity, OPF	2,442	
YTD NOR Performance to Bdg, OPF	850	
ME Transfer to RRF, OPF	(1,000)	2,292 OPF

* Raw Ending Balance * - excludes misc	<u>22,141</u>
working capital items and AA pmts FNY	-

# Thank you

Monthly financial statements are unaudited.

Annually the financial statements are audited by an independent CPA audit firm. The audit is conducted in February, report released in March.

The audit report is included in the Annual Report to members which is released in the May issue of TDNews magazine and available online.

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