

## **Factors Affecting 2020 Operations vs Budget - Covid-19 is the driving factor.**

### **Revenue changes from 2019:**

- Closed Downhill early.
- Golf Closed (already accounted for in budget).
- Closure of all amenities from March-May and some to July.
- Limited play at tennis from opening to June due to family play only limits.
- Closure of TC to June due to State/County regulations and continued to end of June due to operational issues (i.e. hiring staff).
- Very limited occupancy when pools and gym open. No fitness classes, day care, massage.
- Closure of Beach until mid-June and strict occupancy limits thereafter.
- Cancellation of Day Camps (occupancy limits and staff issues). Refunding deposits \$157,000.
- Closure of NW Pool due to cost vs revenue considerations (occupancy).
- No Special Events (i.e. concerts) budget \$200,000 revenue.
- Alder Creek Café closed mid-March until end of June.
- The Lodge closed March-May and only takeout 3 days/week. Distance dining starts June 25. Covid Closure early July for 9 days.
- 2019 banquet income \$737,200 vs 2020 budget \$355,000 vs YTD \$6,492 (Board Decision & Covid reality).
- Equestrian Center – Boarding only, no camps. Horse leasing revenue to help offset maintenance costs.
- Possible decrease or delay in purchases of Downhill season passes. Behind 2019 pace.
- Rec Fee sales forecast \$934,750 vs budget \$1,270,000. Includes refunds.
- Refund fitness class passes for unused months.

### **Expense changes:**

- Payroll costs down. Forecast for 2020 actual \$10,066,778 vs budget \$12,905,000, \$2,838,222 lower.
- COGS down as a function of reduced retail and F&B revenue
- Operating expenses down. Forecast \$4,841,154 vs budget \$5,846,000, \$1,004,846 lower.

### **Conclusions:**

Net Operating Revenue (loss) projected to be \$(6,094,823) vs \$(6,087,000) Current forecast shows net loss higher than budget by \$7,823. Additional accounting adjustments are expected. May decrease loss.

### **Caveat – November and December ski months need to approach budget.**

A close review of Rec Fees and Daily Access Fees is required to maintain solvency of the individual amenities.

Lodge and Trout Creek need to be reviewed for the shoulder season, Oct-Dec.

Expect significant operational changes to Downhill Ski operations due to Covid operating requirements.