



FINANCE COMMITTEE MEETING

FINAL REPORT

April 18, 2022

Northwoods Clubhouse (Mezzanine Room) and Zoom

1. **Call to Order / Call for Quorum (5):** The Chair (Dundas) called the meeting to order at 3:07 pm PDT after noting that a quorum was present.

Attendees (All attendees present on either Zoom Video Conference Call or in person at Northwoods Clubhouse):

Members: Dundas, Ravano, Rudolph, Vietor

Ad Hoc Member: Colbert

Absent: Niedringhaus, Kodres

Staff Lead: Martyn-Jones (DFA)

Board Liaison(s): Mahoney, Roth

LRPC Liaison: To Be Determined.

TDA Staff: Steve Hogan (Controller)

TDA Members: Peter Sawyer (Vice Chair, Trails and Open Space Committee (TOSC)), Denise Gauny (LRPC), Benjamin Levine (Chair, TOS)

McClintock Accountancy Corp.: Kendall Galka, CPA and Jamie Gignoux, CPA

2. **APPROVAL of Agenda:** A motion was made by Dundas to approve the Agenda for the meeting. Rudolph provided a 1st and Vietor a 2nd. Motion was approved 4-0.
3. **Presentation and Review of the Draft 2021 Financial Statements and Independent Auditor's Report for Tahoe Donner Association ("TDA") by McClintock Accountancy Corporation:** Representatives from McClintock (principally Galka) undertook a thorough review and commentary on the 2021 audited financial statements for the Association. The Finance Committee, Mr. Mahoney and Mr. Martyn-Jones had several questions, comments and requests for clarification. It was mutually agreed to make several changes to language and to make certain additions:
 - a. McClintock agreed to add a clarifying footnote per request of Ravano.
 - b. Agreed to modify certain notes pertaining to Covid-19.
 - c. McClintock to review a draft of a statement which will be prepared by Mahoney and Martyn-Jones pertaining to certain cash positions and presentation of such. If agreed by McClintock, the statement would be inserted into the draft.
 - d. Additional language would be inserted in the reserve review to note that as part of the 2022 reserve study, assumptions such as inflation factors, interest rates and cost of assets will be examined.

Based on the proposed additions and other changes, it was agreed to forward the draft audit to the Tahoe Donner Board of Directors for consideration and approval.

A significant amount of time was consumed to make the presentation and respond to comments and changes. The Finance Committee was appreciative of McClintock's professionalism and commended the representatives for their efforts.

4. **APPROVAL of Committee Draft Report, March 17, 2022:** There were no additional comments about the Draft Report. Vietor provided a 1st and Ravano a 2nd. The motion was passed 4-0.

5. **Member and Committee Member Comments:** A request was made by the Chair for comments by any Member or Committee Member who wished to do so. There were no Member or Committee Member comments.

6. **Committee Management:**

- a. No discussion of Special Tasks this month due to change in normal meeting date, and time constraints of presentation and review of Draft 2021 annual audit. Will resume in June.
- b. LRPC had been formed and officers appointed. Ms. Vietor has indicated a continuing interest in being the FC liaison with the LRPC begin duties as LRPC FC Liaison at the next LRPC Meeting tentatively planned for May 19th. Normally the LRPC will meet on the 2nd Thursday of the month.
 1. Chair Dundas shared the Intra-Committee Communications Tips and Guidelines developed by the GM, Chair, LRPC, Chair, TOSC, and Chair FC in conjunction with the establishment of the LRPC. The purpose of the tips and guidelines is to establish common sense expectations about helpful and harmful communications while working on tasks that have been assigned to committees. No intention to prevent communication but just to keep things in perspective while working individually and collectively in the best interests of the Association.
 2. Was advised by Denise Gauny that she would be the LRPC Liaison to the FC going forward.
- c. Dundas thanked Jim Colbert for his service on the FC. Jim is leaving to pursue working on the emerging new Nevada County Library in Truckee.

7. **Committee Tasks**

- a. Recurring Tasks (RT)
 1. **DISCUSSION:** RT #1 - Financial Performance Update.
 - a. Martyn-Jones reviewed financial statements for March 2022: Tahoe Donner recorded an Actual Net Operating deficit of approximately \$193,000 for the month with a budgeted deficit of \$150.5 thousand. This produced an unfavorable budget variance of about \$42.4 thousand. Highlights for the month:
 1. Strong season pass revenue continued at both Downhill and Cross-Country venues which helped to offset a decline in Daily Paid Visits.
 2. While minimal snowfall occurred "bluebird" ski days kept traffic coming to the ski venues during the month.

3. With the departure of J1 employees during the month, lesson revenue was off by \$47.0k.
 4. Labor (including burden) was unfavorable to budget by \$48k or 4%. This was attributed to staff shortages that then necessitated overtime to make sure sufficient staff resources were in place.
 5. Lodge revenue was down, ACAC F&B was unfavorable to budget while Pizza on the Hill and Trout Creek had favorable results to budget.
 6. COGS was unfavorable to budget by \$3.0k due to increased revenues that required more inventory and labor as well as offering certain end of the season discounts.
 7. Labor (Salaries and Wages) were unfavorable to budget by \$48.0k principally due to overtime expense and labor costs that were not included in the 2022 budget.
 8. Various other unbudgeted expense such as \$14.0k for defensible space, an overage in snow cat diesel fuel and employee recruiting initiatives contributed to overages in Other Operating Expenses.
- b. Ms. Kodres and Mr. Niedringhaus had requested responses to specific questions based on their review of the financials. Mr. Martyn-Jones provided responses and indicated he would follow up with more specifics.
2. **DISCUSSION/ACTION:** RT #2 - 5501 Subcommittee Report.
- a. FC Attendees for upcoming 5501 Subcommittee Meetings (3-5 pm) via Zoom:
 1. May 3, 2022
 - a. Member: Niedringhaus
 2. May 24, 2022
 - a. Member: Rudolph
 3. June 28, 2022
 - a. Member: Dundas
8. **Next FC Meeting:** May 19, 2022, 3:00-4:30 pm, To Be Determined: Zoom and/or Northwoods Clubhouse, Mezzanine Room + Zoom
9. **Adjournment:** Ms. Vietor left the meeting at approximately 4:30 pm. A motion was made to adjourn the committee meeting. Ravano provided a 1st and Rudolph provided a 2nd. The meeting was adjourned at 4:45 pm PDT with a 3-0 vote.

Prepared and submitted by Michael Rudolph, Vice Chair, Finance Committee