



## FINANCE COMMITTEE MEETING

### FINAL REPORT

January 16, 2025

Northwoods Clubhouse, Mezzanine Room and Zoom

1. **Call to Order / Call for Quorum (4):** The Chair (Niedringhaus) called the meeting to order at 1:35 pm PDT after noting that a quorum was present. The Chair noted that future meetings have been scheduled to begin at 1:30 pm which will allow for the 5501 Meeting to be concurrent with the Finance Committee to improve efficiency of staff utilization.

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

Members: Pontius, Niedringhaus, Rudolph, Vietor, Kodres, Ravano, Falk

Absent: None

Staff Lead: Justin Malley (Director of Finance)

Board Liaison(s): Don Koenes

LRPC Liaison to FC: Joe Veni

TDA Staff: Annie Rosenfeld (General Manager)

Member(s): Jay Wertheim (Member and Prospective Finance Committee Member)

2. **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. No Member comments were forthcoming.

3. **Follow-up Items:**

1. Approval of the December 2024 Finance Committee Minutes. The Chair indicated that all drafts had been circulated for comment prior to the meeting. Ms. Kodres indicated that there was a typographical error in the report. Subject to correction of the error, a motion to approve the Minutes was made by Mr. Niedringhaus and Ms. Kodres provided a 2<sup>nd</sup>. A unanimous approval resulted, and the Minutes would be forwarded for inclusion in the Board package.
2. Discussion about Cost of Goods Sold (COGS). Mr. Malley continued the discussion on COGS. Staff is producing an updated spreadsheet that further breaks out F&B costs. He is also investigating "bartender" software to see if there may be applicability within TD restaurant facilities. Additionally, there is also a software implementation that will capture OCR data on invoices to improve data entry and timeliness. This will continue to be a follow up item.
3. The payroll error continues to be researched, and no conclusions have been reached. This is not a material item but one that needs resolution.

#### 4. **Committee Management:**

1. **Election of Finance Committee Officers for 2025:** The Finance Committee members discussed officer positions for 2025, with Ms. Ravano nominating Mr. Niedringhaus for a new term as Chairman with Ms. Vietor providing a 2<sup>nd</sup>. Mr. Rudolph was nominated for Vice Chairman. The vote was unanimous for both Messrs. Niedringhaus and Rudolph. Mr. Niedringhaus abstained from his vote and Mr. Rudolph abstained from his vote. The outcome of the voting will be forwarded to the Board for confirmation.
2. **Accounting for annual assessment revenue:** FC members discussed the accounting treatment for the annual member assessment. At present, the assessment is a single line item in the internal financial statement that can create confusion. Several options were discussed to better reflect how the assessment is presented. It was agreed that there would be follow up on how best to present the assessment.
3. **Finance Committee Task List for 2025:** Based on various revisions that were made in the draft task list, a motion was made to finalize the draft and submit it to the Board for approval. A vote was taken, and it was unanimous to proceed with submission for Board approval.
4. **Recurring Tasks - Presentation and Discussion of December 2024 Financial Results:** Mr. Malley reviewed December results towards the end of the committee meeting. Highlights are:
  - a. NOR of \$7,044,231 (including the annual assessment of \$7,676,978) was unfavorable to budget by \$527,168 (7%). The year-to-date loss of \$7,591,385 is unfavorable to budget by \$570,537. For the month, major contributors to the unfavorable revenue variance to budget were seen at XC (\$51k mainly due to lower direct access/use), F&B (\$99k due to the direct impact of reduced XC and Downhill attendance), and Downhill (\$348k due to lower passes). Lack of snow impacted attendance at all facilities except at Trout Creek Recreation which was favorable to budget by \$10k (lack of snow drove increased visitation). Additionally, aggressive budget targets were a secondary factor for the unfavorable variances. Unfortunately, the negative December variances impacted the 2024 overall results (variance of greater than \$570k or (7%)).
  - b. Cost of Goods Sold (“COGS”) was over budget by \$14k with Food COGS actual (46.8%) vs. budget (31.0%), Beverage COGS (22.7%) actual vs. budget (25.9%) and Retail COGS (45.2%) vs. budget (54.9%).
  - c. The unfavorable revenue and COGS contributed to a Gross Margin that was unfavorable to budget by \$419k for the month.
  - d. Operating Expenses were over budget of \$89k with a late invoice providing negative results in Forestry, The Lodge (\$48k due to seasonal labor) and Maintenance (\$34k). Other key contributors to the unfavorable variance included:
    1. Salaries and wages were unfavorable to budget by \$20k.

2. Utilities were favorable to budget by \$56k due to lower fuel costs than budgeted.
  3. Supplies and Maintenance was unfavorable by \$113k mainly due to late invoice noted above for defensible space.
  4. Administrative and Other was unfavorable by \$30k due to legal, insurance and audit costs being above budget.
5. **General Discussions:** A calendar has been developed for 5501 committee meetings and all finance committee members were encouraged to volunteer for monthly sessions.
6. **Long Range Planning Update:** Ms. Kodres attended the LRPC meeting and reported that the committee is now comprised of 9 members and was tasked by the Board to produce a framework paper to establish a method for long range project planning. Mr. Veni is now our liaison to the committee.
7. **Follow-up Items:**
- a. Staff to review accounting for the annual assessment.
  - b. The Director of Finance will provide an update on the payroll error status.
  - c. The Director of Finance will review and update COGS information.
8. **5501 Meeting Attendance:** As noted above, a calendar now exists for the 2025 committee meetings and finance committee members were encouraged to volunteer for months where they could attend.
9. **Next FC Meeting:** February 20, 2025, 1:30 - 3:00 pm, Northwoods Clubhouse, Mezzanine Room + Zoom.

**Adjournment:** A motion was made to adjourn (Rudolph and seconded Ravano). The meeting was concluded at 3:15 pm PDT with a unanimous vote.

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