



## FINANCE COMMITTEE MEETING

### FINAL REPORT

March 20, 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.

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

Members: Rudolph, Pontius, Niedringhaus, Vietor

Absent: Kodres, Ravano, Falk

Staff Lead: Justin Malley (Director of Finance)

Board Liaison(s): Don Koenes

LRPC Liaison to FC: Not present

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 January 2025 and February 2025 Finance Committee Minutes. The Vice Chair indicated that all drafts had been circulated for comment prior to the meeting. A motion was made for approval of the Minutes with Ms. Vietor providing a first and Mr. Niedringhaus providing a second. A unanimous approval was provided.
2. Discussion about Cost of Goods Sold (COGS). Mr. Malley indicated that additional review was being done and that the new F&B Manager would have this as a priority project. The newly hired Controller will also be involved. This will continue to be a follow up item.
3. The payroll error continues to be researched and has been incorporated into the audit process. This is not a material item but one that needs resolution. Mr. Malley will have the new Controller review the issue and resolve.
4. Mr. Niedringhaus had produced a draft 2025 calendar of events for the Finance Committee which was an agenda item. Ms. Rosenfeld and Mr. Malley will work to conclude their review and comments after finishing the annual audit. It will then be presented to the Board.

5. The Controller position has been filled and Mr. Malley announced that new Controller will start on 3/31. Based on the background and experience Mr. Malley presented, the Finance Committee felt that she will be an excellent addition to staff.

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

1. **Capital Planning Project:** Discussion of capital planning occurred to update the members. Meetings will be scheduled in April for FC input and review of a draft policy statement. The TD capital policy will need to incorporate elements of Davis Sterling. There may also be a need to have a transition strategy.
2. **Recurring Tasks - Presentation and Discussion of January 2025 Financial Results:** Mr. Malley reviewed February 2025 financial results. Highlights are:
  - a. The operating result for February was favorable to budget by approximately \$184k (98%).
  - b. Revenue for February was favorable to budget by \$224k (12%).
    1. Downhill ski operations were favorable to budget by \$282k with Direct Access and use contributing \$111k of the favorable variance with Lessons and Rentals contributing \$71k. Cross Country revenue was unfavorable to budget by \$51k with all categories not meeting budget. It would appear that expectations for lower volumes of visitors at the downhill ski operation due to the ski lodge construction project have been underestimated. And, cross country visitor expectations may have been overestimated in the budgeting process.
    2. Snow play revenue was favorable to budget by \$13k and Trout Creek Center revenue was favorable to budget by \$11k.
    3. Food and Beverage revenue was unfavorable to budget by \$37k with the Lodge being the main contributor of the negative variance (-\$27k). ACAC was also unfavorable to budget by \$15k while POTH had a favorable variance of \$5k.
  - c. Cost of Goods Sold (“COGS”) had higher actuals than budgeted with Food COGS actual of 40.4% versus budget of 33.8%; Beverage COGS actual of 30.3% versus budget of 26.6% and Retail COGS actual of 55.7% versus budget of 52.9%. Examining these categories in more depth will be a priority project of the incoming F&B Manager.
  - d. Operating costs were over budget by \$37k or 2%. Total payroll including burden was unfavorable to budget by \$85k (6% higher). Other Operating Expenses offset some of the unfavorable variance. The Other Operating Expense category was favorable to budget by \$48k, Allocated Overhead (capitalized labor) contributed \$30k of the favorable variance.
5. **General Discussions:** Finance Committee members had several comments and suggestions on further improvements in the financial statements for easier “readability” and understanding. Mr. Malley agreed to review the suggestions and incorporate enhancements

where appropriate. Mr. Malley indicated that the budget files were being transferred and set up to get an earlier start on the 2026 budget and planning process. It was also noted that the ski lodge project was about 6 weeks behind schedule but indications were that much of the current delay could be made up.

6. **Long Range Planning Update:** Mr. Veni was not available for an update.
7. **Investment Working Group:** The working group met in early March and reviewed various investment policies, investment managers and portfolios. It was agreed that a follow up meeting would be appropriate probably in the latter part of April.
8. **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.
  - d. Any items that might emanate from the draft audit issuance.
9. **Next FC Meeting:** April 17, 2025, 1:30 - 3:00 pm, Northwoods Clubhouse, Mezzanine Room + Zoom.

**Adjournment:** A motion was made to adjourn by Mr. Rudolph and seconded by Ms. Vietor. The meeting was concluded at 3:18 pm PDT with a unanimous vote.

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