



FINANCE COMMITTEE MEETING

FINAL REPORT

April 17, 2025

Northwoods Clubhouse, Mezzanine Room and Zoom

1. **Call to Order / Call for Quorum (4):** The Chair (Niedringhaus) called the meeting to order at 1:34 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, Ravano, Falk, Kodres

Absent: None

Staff Lead: Justin Malley (Director of Finance)

Board Liaison(s): Don Koenes, Jim Roth (joins at 2:21)

LRPC Liaison to FC: Not present

TDA Staff: Annie Rosenfeld (General Manager), Nicole Bouteiller (Controller)

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 March 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. Ravano providing a first and Mr. Rudolph providing a second. A unanimous approval was provided.
2. Discussion about Cost of Goods Sold (COGS). Mr. Malley indicated the new F&B Manager is reviewing COGS as a priority project. The newly hired Controller will also be involved. This will continue to be a follow up item in May.
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 within 60 days.
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. A draft of the Annual Report is being reviewed which incorporates the Audit. Discussion occurred on the report and the presentation format. It was agreed that the Annual Report presents a significant amount of information and detail to the Membership.

4. Committee Management:

1. **Capital Planning Project:** Several meetings have occurred with the Capital Planning group, staff and Board members. The focus has been on the Operating Fund policy and several iterations of the policy have occurred based on input from the project members. The capital policy will need to incorporate elements of Davis Sterling. There may also be a need to have a transition strategy. The next steps will be to present the Operating Fund policy at the April 25th Board meeting for comment.
2. **Recurring Tasks - Presentation and Discussion of January 2025 Financial Results:** Mr. Malley reviewed March 2025 financial results. Highlights are:
 - a. The net operating result for March was unfavorable to budget by approximately \$19k (-3%). Results were primarily influenced by an overestimation of budgeted Delinquency fees.
 - b. Revenue for March was favorable to budget by \$57k (+3%).
 1. Downhill and Cross Country Direct Access and Use contributed \$71k (+10%) of the favorable variance with Lessons and Rentals contributing \$59k (+19%).
 2. Operating costs were over budget by \$73k (+4%). Contributing factors were actual payroll costs over budget by \$93k (+19%) with a partial offset of Other Operating Expenses being lower than budget by \$20k favorable. The net result was a \$19k unfavorable variance to budget.
 3. Consolidated Food and Beverage revenue was slightly favorable to budget by \$9k with the Lodge being the main contributor of the negative variance (-\$28k), offsetting favorable variances at ACAC (\$26k) and POTH (\$10k).
 - c. Cost of Goods Sold (“COGS”) had lower actuals than budgeted with Food COGS actual of 30.5% versus budget of 34.2%; Beverage COGS actual of 30.2% versus budget of 26.1% and Retail COGS actual of 64.3% versus budget of 63.4%. Examining these categories in more depth will be a priority project of the incoming F&B Manager and the new Controller.
 - d. Payroll costs were over budget by \$93k or 6%. It was explained that the unfavorable variance was due to timing differences. Other Operating Expenses offset some of the unfavorable variance. The Other Operating Expense category was favorable (lower) to budget by \$20k, Allocated Overhead (capitalized labor) contributed \$49k of the favorable variance due to a “true up” of the 2nd quarter allocations.
 - e. For the 1st quarter of the year, the Association is \$366k (+33%) to budget and \$476k (+435%) when compared to the same period last year.

5. **General Discussions:** Finance Committee members had several comments and concerns about making sure that there was comparability of data between periods with potential reporting changes that might occur with the revised Operating Fund policy. Certain Finance Committee Members reiterated concerns about operating losses at The Lodge and questioned if there are financial goals or plans to reduce losses.
6. **Long Range Planning Update:** Mr. Veni has apparently left the LRPC. Ms. Ravano will talk with the LRPC chair regarding a replacement for a liaison with the Finance Committee.
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. Mr. Malley will follow up on scheduling a meeting. The meeting should include the current money managers that are employed by the Association.
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. Update on the Investment Management working group meeting schedule.
9. **Next FC Meeting:** May 15, 2025, 1:30 - 3:00 pm, Northwoods Clubhouse, Mezzanine Room + Zoom.

Adjournment: A motion was made to adjourn by Ms. Victor and seconded by Ms. Kodres. The meeting was concluded at 3:23 pm PDT with a unanimous vote.

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