



## FINANCE COMMITTEE MEETING REPORT

December 18, 2025

Northwoods Clubhouse, Mezzanine Room and Zoom

1. **Call to Order / Call for Quorum (4):** The Vice Chair (Rudolph) called the meeting to order at 3:05 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, Ravano, Falk, Pontius, Vietor

Absent: Niedringhaus, Kodres

Staff Lead: Justin Malley (Director of Finance)

Board Liaison(s): Don Koenes

LRPC Liaison to FC: Jerry Meeks - Absent

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

Board Member: Jay Wertheim

2. **Member and Committee Member Comments:** A request was made by the Vice 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 October and November 2025 Finance Committee Minutes. A request was made to members of the FC for any comments or edits and one minor edit was provided. A motion for approval of the Minutes was made with Ms. Ravano providing a first and Ms. Vietor a second. A unanimous approval vote occurred, and copies of the reports will be provided for insertion in the Board material.
2. Review of draft 2026 Task Plan for the Finance Committee. FC members reviewed the draft plan and felt that the plan reflected on the committee's purpose and activities – both routine as well as any special tasks that may be requested. After discussion it was agreed that the Task Plan should be included in the Board agenda. Mr. Niedringhaus, if available or Mr. Rudolph will be available to discuss the Task Plan with the Board.
3. A review of COGS has been an ongoing item for the Finance Committee. Ms. Boutillier reported that it appears that inventory calculations and aggregation are generally accurate, but inventory count methodology may be subject to errors. Ms. Boutillier has been working to clean up various audit findings, and the audit firm is onsite to collect data. Because of the work required for the auditors, additional work

on COGS will not occur as quickly. Ms. Ravano suggested that the FC could put some questions together on COGS to assist in the overall understanding of policy and practice. For example, what is the impact of unit pricing and how we report COGS?

4. List of expenses that are capitalized versus expensed. Mr. Malley and Ms. Rosenfeld explained that the Tahoe Donner policy was that items \$2,000 or less were historically expensed but recently the policy is adjusted upwards to \$5,000 due to inflation. A determination is also made if the useful life of the item is a year or less which would be expensed even if the cost was above \$5,000. Special internal rules also apply when an item may go into the Replacement Reserve Fund (“RRF”). For example, a single computer purchase with a value of \$2,000 but with a useful life of 3-5 years would be part of the RRF and capitalized. Another example was a software purchase using SAAS (Software as a Service). The contract may be for multiple years but are annually renewed. This type of charge would be expensed versus capitalized. It was noted that the TD policy has been reviewed and accepted by the audit firm.
5. Follow up on adding a comment section to the financial reports was deferred until a later point as part of an overall discussion of management and financial reporting.

#### 4. Committee Management:

##### 1. **Recurring Tasks - Presentation and Discussion of November 2025 Financial Results:**

**Results:** Mr. Malley reviewed November 2025 financial results. Highlights are:

- a. The November Net Operating Result was unfavorable to budget by \$242k, primarily due to unfavorable payroll and other operating expenses. However, year to date, the actual results are favorable to budget by \$497k. It is also noted that there was a non-recurring item of \$1.3 million resulting from a final payment of a Covid ERC tax refund.
- b. Operating revenue for the month was favorable to budget by \$4k with the following categories contributing:
  1. Downhill ski was favorable by \$1k in Lessons/Rentals.
  2. Cross Country was unfavorable to budget by \$25k with Direct Access (-\$14k), Retail (-\$6k) and Lessons/Rentals (-\$4k) unfavorable due to lack of snow.
  3. F&B Revenue was unfavorable to budget by \$37k (Lodge: -\$37k. ACAC: -\$13k. POTH: +\$k.) with lower traffic due to lack of snow.
  4. Trout Creek was unfavorable to budget by -\$4k with lower visitation being the primary contributor.
  5. Snow Play revenue was unfavorable to budget by -\$6k.
  6. Other Operating Revenue contributed significantly with a favorable +\$86.5k actual when compared to budget.

- c. Cost of Goods Sold (“COGS”) had mixed results. Food COGS actual was 21.2% vs a 34.8% budget; Beverage COGS actual was 22.5% vs a budget of 25.9%; Retail COGS actual was 84.0% vs a budget of 27.7%. End of season sales and discounting of retail inventory created the large variance for Retail COGS.
  - d. Payroll costs were unfavorable to budget by \$86k or 7%. The primary factor for employee training expense in anticipation of winter operations opening.
  - e. Other Operating Expenses were unfavorable to budget by \$185k or -38%. Major variance categories were a) Staff expense was unfavorable by -\$27k; b) Administration was unfavorable by -\$82k; c) Utilities favorable by \$20k; d) COGS favorable by \$24k; e) Supplies and Maintenance was unfavorable by -\$137k; and Capitalized Labor favorable by \$42k. The major variances are attributable to restocking for the downhill ski lodge and undertaking certain projects that were not budgeted but done due to favorable weather.
5. **General Discussions:** February 2026 is projected to be the last month of payment for the ski lodge and final costs will be available at that time. Justin is working on a Dashboard that he is proposing and will share drafts with the FC. We need to work on the FC calendar for 2026. This will be a January task item. The Board has requested FC input into options for use of the ERC refund payments. Further discussion will be a January task.

**The Finance Committee Members also thanked Mr. Falk for his service and contributions during his time on the FC. His insights and thoughtful work were greatly appreciated and will be missed,**

6. **Long Range Planning Update:** No representative from the LRPC was available for an update. Ms. Rosenfeld indicated that there would be a special task for all committees in the coming year to participate in the TD Community Plan Listening sessions and provided background on what this special task would involve. We will be looking for an FC member to liason in LRPC meetings.
7. **Working Groups:** Members of the Finance Committee (Kodres and Vietor) are working on a Q and A for the member review. The FC is expected to receive a draft prior to publication for comment. The target date for completion of all FAQ’s is by year end and publication in January 2026. An Investment group sub-committee meeting has been scheduled for January 2026.
8. **Follow-up Items:**
- a. Further review of COGS and processing functions based on staff comments and progress made in understanding the process. Prepare a list of questions that may assist staff and the FC to further the understanding of the COGS process.
  - b. Review and update the Finance Committee calendar for 2026.
  - c. Election of Finance Committee Officers for 2026.
  - d. Discussion of ERC options.
  - e. Mr. Malley to share allocation of assessment methodology.

- f. Follow up on Mr. Koenes suggestion about adding comment section to the financial reporting package.
- 9. **Next FC Meeting:** January 15, 2026 2:00 - 3:30 pm, Northwoods Clubhouse, Mezzanine Room + Zoom.

**Adjournment:** A motion was made to adjourn by Mr. Falk and seconded by Mr. Pontius. The meeting was concluded at 4:15 pm with a unanimous vote.

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