

# Sovereign Lake Nordic Club (SLNC)

## Treasurer’s Report - 2024 Annual General Meeting (AGM)

November 27, 2024

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### Introduction

The purpose of the Treasurer’s report to the AGM is to provide the members of SLNC with an overview of the financial results of the past fiscal year (June 1, 2023, to May 31, 2024) and a snapshot of the Board of Director (**BOD**) approved budget forecast for the upcoming year June 1, 2024, to May 31, 2025.

SLNC’s Treasurer is the Chair of the Finance Committee (**FC**) which is tasked with advising the SLNC BOD on financial policy, procedures, expenditure controls, and budgets. The FC meets monthly and provides the BOD with timely analysis to support the financial well-being of the Club.

Current FC members include Alexander Klein, CPA, CGA, MBA (Committee Chair and BOD member), Bill Miller, BBA, PFP (BOD member), Wendy Shannon (General Manager), and Jacqueline Kent, CPA (SLNC Accountant). 2023-24 witnessed significant change to the FC with Alex Klein, Wendy Shannon, and Candace Bourque (SLNC Bookkeeper) all being new members of the Committee. After year-end, Candace resigned from her role and a new Accountant, Jacqueline Kent, joined the organization. We thank Candace for her valuable contribution and look forward to Jacqueline’s expertise and input going forward.

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In conjunction with the Treasurer's report, readers should also refer to the unaudited financial statements prepared by our external accountants Romei Plummer LLC. These external statements are prepared on a compilation basis which includes a basic review of our internal accounting records, recommended minor adjusting journal entries where required, and the financial statements formatted to Romei Plummer's standards.

Note that much of the analysis provided in this Treasurer's report is sourced from SLNC's internal financial records which are much more detailed than the summarized financial data in the external documents.

### SLNC Financial Overview

Table-1 provides a financial overview of SLNC's results for 2023-24 compared with 2022-23.

Table-1

| <b>Sovereign Lake Nordic Club</b>   |                |                |
|---|----------------|----------------|
| <b>Financial Overview</b>   |                |                |
| <i>(Unaudited - Internally Prepared)</i>  |                |                |
|   | Fiscal Year    |                |
|   | <u>2023-24</u> | <u>2022-23</u> |
| Total Revenues  | \$ 1,155,164   | \$ 1,327,426   |
| Season Pass + Day Ticket Sales  | \$ 674,718     | \$ 733,891     |
| XC Season Pass Members <sup>(1)</sup>   | 2,076          | 2,474          |
| Total Operating Expenses including cost of goods sold   | \$ 1,176,569   | \$ 1,285,760   |
| Gross Profit %  | 91.2%          | 92.3%          |
| Operating Surplus (Deficiency)  | \$ (21,405)    | \$ 41,665      |
| Operating Surplus 5-Yr. Average <sup>(2)</sup>  | \$ 107,876     | \$ 152,023     |
| Club Net Assets (Assets less liabilities & debt obligations)  | \$ 960,647     | \$ 1,110,619   |
| Effective Household Interest Rate <sup>(3)</sup>  | 6.7%           | 5.4%           |
| <b>Notes:</b>   |                |                |
| (1) XC memberships only including SLNC add-on from SilverStar.  |                |                |
| (2) Target based on current net amortization is \$119k.   |                |                |
| (3) Source: Bank of Canada; weekly average - weighted average of various mortgage and consumer credit interest rates. |                |                |

For 2023-24 SLNC reported an operating deficiency of \$21.4k versus an operating surplus of \$41.7k for the prior year. Several factors have conspired to negatively impact SLNC's financial results:

- XC memberships declined 16% from 2023-23 continuing a negative trend that started in 2021-22. Season pass revenues were down 9% year-over-year. A more detailed analysis of season pass membership numbers is provided in the next section.
- Day ticket sales were down 6% due to the late start to the ski season coupled with variable snow conditions over the winter.

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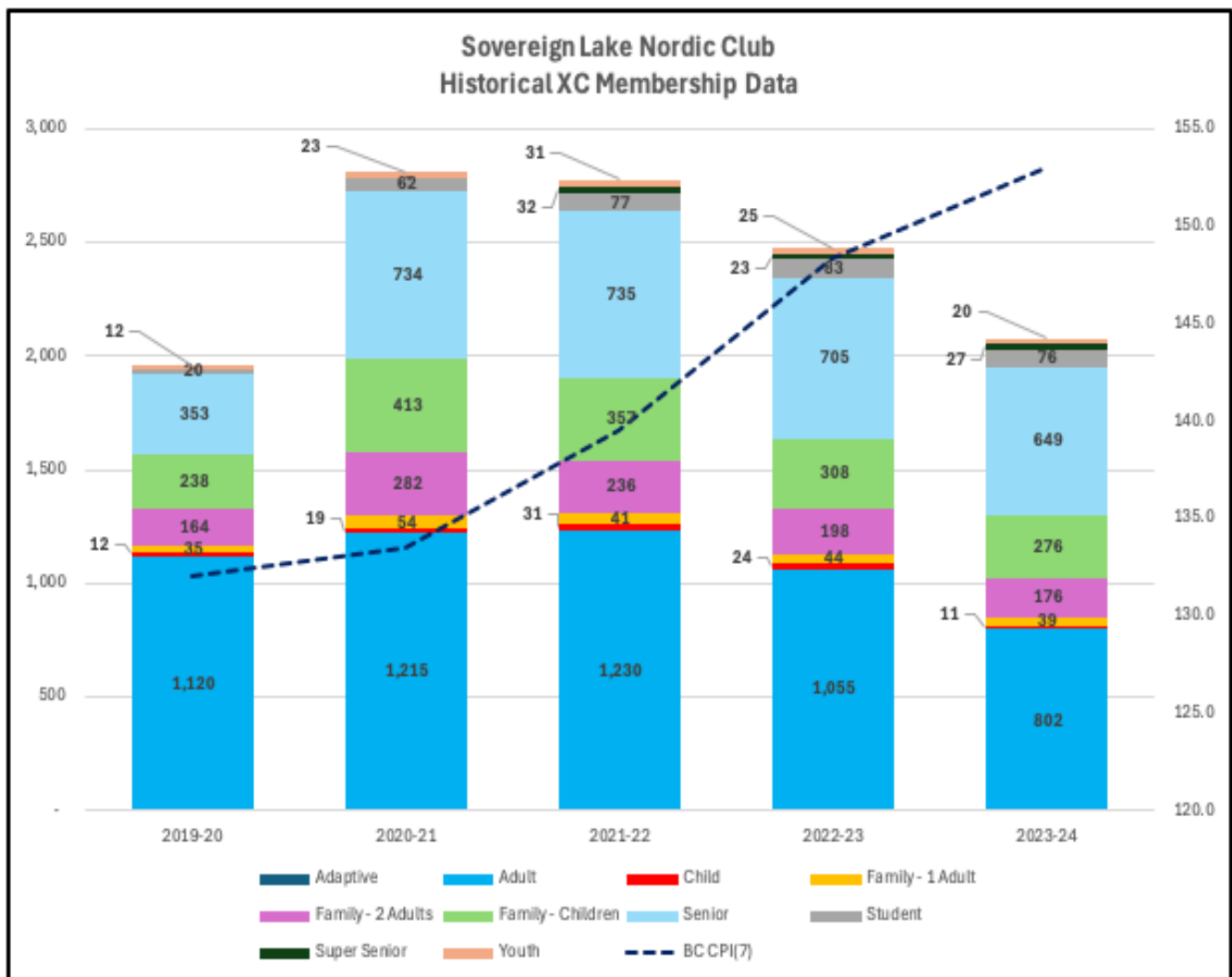
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- Lower membership numbers coupled with lower day tickets sales had a ripple effect on food, rentals, and merchandise sales which decreased a combined 16% year-over-year.
- Program revenues also declined 22% from 2022-23 due to lower participant numbers.
- On a positive note, total operating expenses including cost of sales declined 8.5% year-over-year, but the decrease was not enough to offset the decline in revenues.

### Season Pass Trends

Diagram-1



- *Diagram-1* provides a historical graph of SLNC's XC membership numbers for the last five seasons (left scale). The numbers include families and children as well as SLNC add-on memberships purchased at SilverStar. A downward trend in memberships began in the 2021-22 season and accelerated over the last two years.
- The end of the COVID pandemic in June of 2021 resulted in the re-opening of indoor activities in conjunction with reinstated travel and this has likely had an impact. Inflation, higher interest rates,

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and the resulting increased cost of living also cannot be ruled out as a possible factor. *Diagram-1* also shows the BC Consumer Price Index's growth over the last five years (right scale).

- From 2022-23 to 2023-24, Adult membership decreased 24%, senior memberships decreased 8%, and total family memberships (including children) decreased 11%.
- For comparative purposes note that membership sales are less than total members because children in a family membership and the 2<sup>nd</sup> adult in a family membership do not form part of the sales calculation. For 2023-24 total XC members were 2,076 but season pass sales are based on an amount of 1,712.
- To mid-November of 2024, total XC season pass sales (excluding children and the 2<sup>nd</sup> Adult that are part of a Family membership) amount to 1,391 including SilverStar add-ons. We expect more season passes to be sold during the balance of November leading up to the two competitions occurring in early December and believe that season pass sales are on track to meet our budget forecast.

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### 2023-24 Detailed Financial Review

#### 1. Statement of Surplus (Deficiency)

Table-2

| Sovereign Lake Nordic Club                    |                                    |                                   |                                    |                                    |                                 |
|---|------------------------------------|-----------------------------------|------------------------------------|------------------------------------|---------------------------------|
| Condensed Statement of Surplus / (Deficiency) |                                    |                                   |                                    |                                    |                                 |
| (Unaudited - Internally Prepared)             |                                    |                                   |                                    |                                    |                                 |
|   | June 2022 to<br>May 2023<br>Actual | 2024 Actual<br>Vs. 2023<br>Actual | June 2023 to<br>May 2024<br>Actual | June 2023 to<br>May 2024<br>Budget | Actual<br>Variance to<br>Budget |
| <b>Income</b>                                 |                                    |                                   |                                    |                                    |                                 |
| Season Passes                                 | \$ 402,779                         | \$ (37,703)                       | \$ 365,075                         | \$ 421,043                         | \$ (55,968)                     |
| Day Tickets                                   | 331,112                            | (21,469)                          | 309,643                            | 344,230                            | (34,587)                        |
| Lessons                                       | 14,926                             | (2,018)                           | 12,908                             | 17,000                             | (4,092)                         |
| S'Cool & Programs                             | 263,496                            | (48,649)                          | 214,847                            | 295,415                            | (80,568)                        |
| Competition / Events / Supercamp              | 141,472                            | (11,237)                          | 130,235                            | 100,000                            | 30,235                          |
| Rentals / Food / Merch                        | 118,754                            | (18,825)                          | 99,929                             | 123,500                            | (23,571)                        |
| Grants & Donations / Sponsorships             | 50,425                             | (35,454)                          | 14,971                             | 80,999                             | (66,029)                        |
| Investment Interest & Other                   | 4,462                              | 3,095                             | 7,557                              | 2,800                              | 4,757                           |
| <b>Total Income</b>                           | <b>\$ 1,327,426</b>                | <b>\$ (172,262)</b>               | <b>\$ 1,155,164</b>                | <b>\$ 1,384,988</b>                | <b>\$ (229,824)</b>             |
| Total Cost Of Sales                           | \$ 102,333                         | \$ 562                            | \$ 101,770                         | \$ 105,785                         | \$ 4,015                        |
| <b>Gross Profit</b>                           | <b>\$ 1,225,093</b>                | <b>\$ (171,700)</b>               | <b>\$ 1,053,394</b>                | <b>\$ 1,279,203</b>                | <b>\$ (225,809)</b>             |
| <i>Gross Profit %</i>                         | <i>92.3%</i>                       |                                   | <i>91.2%</i>                       | <i>92.4%</i>                       |                                 |
| <b>Expenses</b>                               |                                    |                                   |                                    |                                    |                                 |
| Advertising/Promotion                         | \$ 12,767                          | \$ (199)                          | \$ 12,967                          | \$ 21,000                          | \$ 8,033                        |
| Staff/Vol Recognition                         | 31,442                             | 23,910                            | 7,532                              | 14,850                             | 7,318                           |
| Competition & Wax Supplies                    | 35,654                             | 19,258                            | 16,397                             | 30,200                             | 13,803                          |
| Bank Fees / Interest                          | 9,934                              | (8,054)                           | 17,988                             | 20,415                             | 2,427                           |
| Program Supplies and Expenses                 | 64,743                             | 40,484                            | 24,259                             | 38,300                             | 14,041                          |
| Insurance for Business & Vehicles             | 14,730                             | (3,261)                           | 17,991                             | 17,000                             | (991)                           |
| Office / Admin / H&S and Other                | 47,392                             | 8,883                             | 38,510                             | 38,460                             | (50)                            |
| Training & Travel                             | 19,771                             | 3,067                             | 16,704                             | 29,200                             | 12,496                          |
| Snow Removal & Trail Maintenance              | 30,461                             | (4,735)                           | 35,196                             | 40,000                             | 4,804                           |
| Building / Utilities / Alarm / Comm. Costs    | 65,595                             | 9,485                             | 56,110                             | 44,300                             | (11,810)                        |
| Equipment R&M and Fuel Costs                  | 143,235                            | 211                               | 143,024                            | 157,200                            | 14,176                          |
| Vehicle Lease & Equip Rental                  | 11,753                             | (5,448)                           | 17,201                             | 17,418                             | 217                             |
| Professional & Contractor fees                | 48,525                             | (5,798)                           | 54,323                             | 43,000                             | (11,323)                        |
| Salaries & Wages (including burden)           | 647,425                            | 30,828                            | 616,598                            | 579,808                            | (36,790)                        |
| <b>Total Operating Expenses</b>               | <b>\$ 1,183,428</b>                | <b>\$ 108,629</b>                 | <b>\$ 1,074,799</b>                | <b>\$ 1,091,150</b>                | <b>\$ 16,352</b>                |
| <b>Operating Surplus / (Deficiency)</b>       | <b>\$ 41,665</b>                   | <b>\$ (63,070)</b>                | <b>\$ (21,405)</b>                 | <b>\$ 188,052</b>                  | <b>\$ (209,457)</b>             |
| <b>Other Income</b>                           |                                    |                                   |                                    |                                    |                                 |
| Gain (Loss) on Asset Disposal                 | \$ (9,256)                         | \$ (83)                           | \$ (9,173)                         | \$ -                               | \$ (9,173)                      |
| <b>Total Other Income</b>                     | <b>\$ (9,256)</b>                  | <b>\$ (83)</b>                    | <b>\$ (9,173)</b>                  | <b>\$ -</b>                        | <b>\$ (9,173)</b>               |
| <b>Amortization</b>                           |                                    |                                   |                                    |                                    |                                 |
| Amortization of assets                        | \$ 158,307                         | \$ (17,634)                       | \$ 175,941                         | \$ 162,357                         | \$ (13,584)                     |
| Deferred Contribution Income write-off        | 55,647                             | (900)                             | 56,547                             | 55,797                             | 750                             |
| <b>Net Amortization</b>                       | <b>\$ 102,660</b>                  | <b>\$ (16,734)</b>                | <b>\$ 119,394</b>                  | <b>\$ 106,560</b>                  | <b>\$ (14,334)</b>              |
| <b>Net Surplus / (Deficiency)</b>             | <b>\$ (70,250)</b>                 | <b>\$ (79,887)</b>                | <b>\$ (149,971)</b>                | <b>\$ 81,492</b>                   | <b>\$ (232,964)</b>             |

Table-2 shows a Condensed Statement of Surplus (Deficiency) for the fiscal year with comparisons to last year (June 1 to May 31, 2023) and the 2023-24 budget. Presentation of the data is slightly different than the externally prepared Statement of Revenues and Expenditures, but the Operating Surplus (Deficiency) and Net Surplus (Deficiency) totals are identical.

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- The Operating Deficiency for fiscal 2024 was \$21.4k compared with a surplus from last year of \$41.7k and a budgeted surplus of \$188.1k.
- Despite our GM keeping overall operating costs under control (9% below last year and 2% below budget), total income fell short of expectations (13% below last year and 17% below budget). S'Cool, Events, SuperCamp, and Investment income were the only revenue categories above last year and better than budget. **Thus, the Operating Deficiency for 2023-24 is primarily explained by an expense structure that is relatively unchanged from the 2022-23 fiscal period offset by total income that declined by 13%.**
- For fiscal 2024 (June 2023 to May 2024), Season Pass revenue represented 32%, Day Ticket sales represented 27%, and Program revenues represented 16% of total revenues respectively. These three areas then account for 75% of Club total income as was the case in 2022-23.
- On the operating expense side, Salary & Wage related costs represent 57% of total operating costs with Equipment Repairs & Maintenance and Fuel amounting to 13%, and Snow Removal & Trail Maintenance 3%, bringing the total for all these categories to 73% of total costs. These percentages were similar to the previous year.
- There was significant staff change in 2022-23 with the GM and Head Coach both departing with approximately 4 months remaining in the year. These roles remained unfilled for the first four months of 2023-24. Total staff levels for 2023-24 were approximately 21 people consisting of 3 full time, 2 seasonal full time, and 16 seasonal part time employees.
- SLNC's accounting policy relating to assets is to write the initial cost of the assets off over time. The purpose is to recognize the fact that assets have a useful life and will need to be replaced at some future date. This write-off, commonly referred to as depreciation or Amortization, is an estimate and provides guidance regarding approximately how much money SLNC should be saving annually to replace its assets. For 2023-24 total net amortization amounted to \$119.4k (2022-23 \$102.7k).
- It should be recognized that economic conditions as well as snow conditions fluctuate from year to year, and this can have positive and negative consequences for SLNC's operations and financial results. For this reason, the annual net amortization of \$119k should be viewed as a target for savings. In some years the target may be exceeded and, in some years, (like 2023-24) it will not be met. Thus, it is useful to use SLNC's five-year average operating surplus as a guide to whether the Club is saving enough for the future. To the end of May 2024, the five-year average operating surplus was \$107.9k 10% below the target number.

The BOD recognizes that financial results have underperformed over the last two years and as a result several initiatives are underway which will hopefully lead to a **reduction in some expense** line items. Examples include:

- Implementation of a new Point of Sale system that should improve efficiency and should reduce sales fees and may reduce accounting costs.
- An overall review of grooming with the objective of reducing both fuel usage and salary & wage expenses.
- Investigation of alternative methods of payment for goods and services to reduce credit card fees.
- Small investments in electrical infrastructure that have reduced electricity consumption and costs.

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There are also initiatives underway to **enhance income**. These include:

- Review and implementation of a pass screening process with the objective of ensuring that all users of the SLNC trail network either have purchased a season pass or a day ticket.
- Implementation of reciprocal agreements with other Nordic ski areas to drive up tourism and generate new day pass revenue.
- Continual monitoring of Programs and engagement of coaching staff to promote and recruit participants.
- A review of donations and sponsorship contracts to ensure all amounts committed to are being received.
- Small investments in timing equipment to ensure the success of competitions.
- Potential recruitment of volunteers to assist with and better administer and monitor the identification of grants and streamline the application process and follow-up.
- On-going participation of BOD members in Community Chamber of Commerce events to actively promote SLNC and all that it has to offer.

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### 2. Programs Financial Summary

Table-3

| <b>Sovereign Lake Nordic Club</b>                |                    |                     |
|--|--------------------|---------------------|
| <b>Programs Operating Surplus / (Deficiency)</b> |                    |                     |
| <i>(Unaudited - Internally Prepared)</i>         |                    |                     |
|  | <b>2023-24</b>     | <b>2022-23</b>      |
| Youth, Masters, Masters HP, Biathlon, General    | \$ 2,597           | \$ (10,353)         |
| Academy Programs                                 | \$ (102,489)       | \$ (91,155)         |
|  | <b>\$ (99,892)</b> | <b>\$ (101,508)</b> |
| <u>Add: Subsidies</u>                            |                    |                     |
| S2S Income                                       | \$ 18,050          | \$ 11,262           |
| Net Competition Income                           | \$ 27,042          | \$ 45,957           |
| Membership Support                               | \$ 19,330          | \$ 26,120           |
|  | <b>\$ 64,422</b>   | <b>\$ 83,339</b>    |
| <b>Programs Surplus / (Deficiency)</b>           | <b>\$ (35,470)</b> | <b>\$ (18,169)</b>  |

- Objective #2 of the 2018-23 Strategic Plan is to increase the scale and support of Programs at SLNC. Providing programs for youth development is essential to the long-term survival of the Club.
- A Special Committee was established in 2021 to develop a plan of action for the subsequent two years. Consequently, considerable Program expansion has occurred over the last several years. Unfortunately, coaching changes and restructuring have delayed participant recruitment and therefore registrations and revenues have fallen short of expectations.
- Table-3 displays a Programs Operating Surplus / (Deficiency) summary for the last two fiscal years. Long-standing programs including Youth, Masters, Masters HP, and Biathlon are self-sustaining, however, Academy Programs have struggled to break even. Subsidies for Programs fell short in 2023-24 due to lower membership numbers and cancelled competitions due to poor early snow conditions.
- For 2023-24, overall costs were 9% below budget, however, revenues were 27% below budget.
- The Board is committed to establishing a set of Programs that ensure we develop interest in skiing at all levels for life to ensure long term viability of the club. To ensure this is done in a fiscally responsible manner, the revitalized Programs committee is now developing a detailed strategic plan with a targeted completion date of January 2025.



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### 3. SLNC Cash Position

Table-4

| <b>Sovereign Lake Nordic Club</b>                                |             |                 |
|--|-------------|-----------------|
| <b>Statement of Changes in Cash Position - Fiscal 2023/24</b>    |             |                 |
| <i>(Unaudited - Internally Prepared)</i>                         |             |                 |
| Cash, beginning of the fiscal year (June 1, 2023)                | \$          | 639,304         |
| <b>Cash Provided by (Used in) Operations</b>                     | <b>\$</b>   | <b>(29,676)</b> |
| <b>Financing Activities</b>                                      |             |                 |
| Term loan Increase (principal repayment)                         | \$ (73,990) |                 |
| Increase (decrease) in charitable/fundraising assets             | (1,833)     |                 |
| Increase (decrease) in Lodge Renewal grants/donations            | 104,070     |                 |
|  | \$          | 28,247          |
| <b>Investing Activities</b>                                      |             |                 |
| Net Cash invested in capital assets                              | \$          | (88,050)        |
| Cash, May 31, 2024   | \$          | 549,825         |
| <b>Less: Cash Restricted or Designated for Specific Purposes</b> |             |                 |
| AFT - Restricted Overdraft re: payroll                           | \$ 52,200   |                 |
| Jessica Eaman Funds held in Trust                                | 38,738      |                 |
| Fundraising for Nationals  | 9,278       |                 |
| Donations and grants received for Lodge Renewal                  | 104,070     |                 |
| Capital approved for Lodge Renewal but unspent                   | 36,985      |                 |
| <b>Cash Restricted or Designated for Specific Purposes</b>       | <b>\$</b>   | <b>241,271</b>  |
| Cash, Available for General Use, May 31, 2024                    | \$          | 308,555         |

- Table-4 summarizes the changes in cash position of the Club from June 1, 2023, to May 31, 2024.
- Overall, the Club's cash position declined \$89.5k from \$639.3k to \$549.8k but remains healthy.
- On a positive note, the Club paid down \$74k of principal on the Vantage One term loan for the PB400 Groomer. A balance of \$161.3k remains on this loan. Principal payments equate to \$3.7k/month or \$44k annually. The loan matures on January 1, 2028.
- Of the \$549.8k cash balance as of May 31, 2024, \$241.3k is restricted or designated for specific purposes as outlined on the statement.
- The FC has been proactive by investing available cash with the objective of maximizing interest revenue and on May 31, 2024, a total of \$353k was invested in both term deposits and a redeemable GIC.

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### 4. 2024-25 Operations Budget

Table-5

| <b>Sovereign Lake Nordic Club</b>         |                     |                     |
|---|---------------------|---------------------|
| <b>Operating Budget</b>                   |                     |                     |
| <b>2024-25 BUDGET vs. 2023-24 ACTUAL</b>  |                     |                     |
| <i>Fiscal Period June 1 to May 31</i>     |                     |                     |
| <i>(Unaudited - Internally Prepared)</i>  |                     |                     |
|   | <b>Budget</b>       | <b>Actual</b>       |
|   | <b>24/25</b>        | <b>23/24</b>        |
| <b>INCOME</b>                             |                     |                     |
| Total Income                              | \$1,236,415         | \$1,155,164         |
| Cost of Sales                             | 105,768             | 101,770             |
| <b>Gross Profit</b>                       | <b>\$1,130,647</b>  | <b>\$1,053,394</b>  |
| <i>Gross Profit %</i>                     | <i>91.4%</i>        | <i>91.2%</i>        |
| <b>EXPENSES</b>                           |                     |                     |
| Salaries, Wages, & Benefits               | 660,861             | 616,598             |
| Equipment R&M and Fuel                    | 136,667             | 143,024             |
| Office Admin / H&S / Other                | 41,450              | 46,042              |
| Professional / Consulting Fees            | 63,840              | 54,323              |
| All Remaining Expenses                    | 220,892             | 214,812             |
| <b>Total Operating Expenses</b>           | <b>\$1,123,710</b>  | <b>\$1,074,799</b>  |
| <b>Operating Surplus (Deficiency)</b>     | <b>\$ 6,937</b>     | <b>\$ (21,405)</b>  |
| Other Income (Loss)                       | -                   | (9,173)             |
| Net Amortization                          | 119,000             | 119,394             |
| <b>Net Operating Surplus (Deficiency)</b> | <b>\$ (112,063)</b> | <b>\$ (149,971)</b> |

- The Finance Committee took a zero-based approach to budgeting whereby all major line items were examined from the ground up with justifications and analysis to support the budget figures.
- The result of this process was an operational surplus of \$6.9k for the 2024-25 fiscal period which is far below where the Board of Directors would like SLNC's financial results to be (Table-5). Despite this the budgeted surplus is a reversal of the downward trend of the last two years.
- Of course, risk factors remain that could impact the forecasts. These include but are not limited to:
  - Lack of snow due to warm weather conditions that could negatively impact day ticket sales and the running of events.
  - Shortfalls in season pass sales and program sales.
  - Non-budgeted expenditures and cost-overruns for unexpected repairs, maintenance or other operational needs.
- Assumptions underlying significant budget line items include the following:

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### Revenues

- A general 5% increase to ticket pricing and season passes. Pricing was compared to other Nordic centres and kept in-line with what SilverStar was planning for the upcoming season. No growth was forecast for the number of season passes or day tickets sold.
- A 3% inflation increase to most Programs but significant price increases to some of the high performance Programs to align the pricing on a cost/hr basis with other program categories. No growth was forecast for Program participants.
- Competitions to include only three events.
- Net Supercamp income in-line with 2023-24.
- No change to the 30% profit margins on food, merchandise, and rental sales.
- A conservative \$0 budgeted for grants.
- Limited sponsorship funding.

### Expenses

- Salaries and Wages – A general 3% increase to hourly rates for seasonal part-time staff to compensate for inflation plus increases to salaried staff where appropriate. Three new positions including: a) an Assistant Biathlon Coach, b) XC Masters/Heroes Coordinator/Coach, and c) Volunteer Coordinator. These three positions added \$27.4k (4%) to overall salaries, Wages, and benefits.
- No change to sales and credit card fee rates even though a potentially new POS system should lead to sales fee savings.
- Term loan interest was forecast at \$1,400/month but with recent Bank of Canada interest rate decreases, the variable component of the interest on the Term Loan should be lower.
- Reduction in office/administration costs and Program expenses where possible.
- A fuel budget based on a detailed analysis of past fuel usage and costs. Diesel consumption is estimated to be 39,000 litres in-line with the past four-year average. Diesel prices were assumed to average \$1.50/litre based on a world oil price of US\$80/bbl. A carbon tax of \$0.2074/litre was also assumed based on BC's carbon tax rate schedule. This is a 23% increase from the previous year. No savings were forecast based on the potential for efficiency improvements from potential procedural grooming changes.
- An increase in professional fees based on the addition of a new fully qualified Accountant.
- Trail maintenance and repairs & maintenance to equipment and lodge were kept in line with 2023-24 costs.

# Sovereign Lake Nordic Club (SLNC)

## Treasurer's Report - 2024 Annual General Meeting (AGM)

November 27, 2024

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### 5. 2024-25 Capital Budget

Table-6

| Sovereign Lake Nordic Club           |                  |
|--------------------------------------|------------------|
| 2024 - 2025 Essential Capital Budget |                  |
| Grooming equipment                   | \$ 25,000        |
| Operations                           | 29,500           |
| Competitions                         | 1,500            |
| Environmental Sustainability         | 5,000            |
| Health & Safety                      | 45,000           |
| Lodge Renewal                        | 37,500           |
|                                      | <hr/>            |
|                                      | 143,500          |
| Less: Fundraising & Grants           | 57,200           |
| <b>Net 2024-25 Capital Budget</b>    | <b>\$ 86,300</b> |
|                                      | <hr/>            |
| 2023-24 Actual Capital Spending      | \$ 88,000        |
|                                      | <hr/>            |

- For 2024-25, the Finance Committee separated capital spending requests into three different categories including Essential (*Table-6*), Priority, and Deferred and this was approved by the BOD.
- As a result of the 2023-24 financial results and the fact that several grant applications were not approved, in August the Finance Committee recommended to the BOD that all capital spending for 2024-25 be re-prioritized and limited to only the most important operational items until the end of December 2024. At this point better information would be available regarding the state of season pass and program sales, snow conditions, and grant applications.
- It was felt that the suspension of capital spending would not unnecessarily delay the Lodge Renewal project as the Lodge Committee still had \$104k of donations to work with as well as \$36k of previously approved funds.