

GUNSTOCK AREA COMMISSION MEETING

October 19, 2022 at 6PM

Gunstock Mountain Historic Lodge

DRAFT MINUTES

GAC: Doug Lambert (Chairman), Jade Wood (Vice-Chairman), Denise Conroy (Secretary),

Gunstock Personnel: Tom Day, Cathy White, Peter Weber, Robin Rowe, Patrick McGonagle, Becky LaPense.

Chairman Lambert called the meeting to order at 6:02 PM with the pledge of allegiance led by Tom Day. Chairman Lambert read the meeting notice and posting locations into the record and welcomed the Gunstock Commissioners, Gunstock Management and the members of the public.

Meeting Minutes

The Gunstock Area Commission public meeting minutes of the September 21, 2022 were reviewed.

ACTION

Motion: Secretary Conroy made a motion to accept the minutes as presented.

Second: Vice-Chair Wood.

Vote: All in favor.

Presentation of Annual Audit- Vachon Clukay & Company PC

Jared Vartanian and Jennifer Dorr from Vachon Clukay & Company PC presented the FY22 Annual Audit of financial statements for the GAC. Evidence of communication was previously submitted to the GAC with a summary of the overall process and the consideration of the GAC's internal control over financial reporting as a basis for designing the audit procedures that are appropriate for the purpose of expressing opinion on the financial statements, not for the purpose of expressing opinion on the effectiveness of the GAC's internal control. Jared stated that fieldwork was disrupted due to circumstances out of their control, so it took longer than usual to complete the field work. He also noted that there were no audit adjustments to the financial statements, and they did not identify any deficiencies in internal control that would be considered material weaknesses. Jared stated that there was an increase in cash and total assets, and total liabilities remained stable. There was an increase in operating revenues and the payment to Belknap County is \$320,285.00.

Jared reviewed the two letters for recommendations to management. Findings were not significant, but he noted that during the sample testing for credit card procedures there was one instance where there was lack of supporting documentation for a purchase on the statement. The second letter of recommendation was in regard to contracts and incentive programs. It is noted that there was an instance where a long-term contract being entered into by management without final approval by the GAC. In addition, there are payroll bonus/incentive programs that lacked formal approval by the GAC, even though they are part of the budget.

Jared also reviewed the recommendation to the GAC to review and update their internal control policies and procedures for governing control.

Chairman Lambert stated that some of the issues noted did not affect the overall financial picture and there was no "wrongdoing" just a lack of policy and procedures in some areas. He asked Jared, in his opinion, if this was a "clean bill of health" from an audit standpoint?

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Jared replied yes for financial statements, not control system. Secretary Conroy stated that the GAC has a long standing relationship with Vachon Clukay and previous audits did not flag some of policy issues/letters that were brought up in this audit. Jared replied that he can't speak on past audits. Secretary Conroy replied that she was concerned about the political influence during this audit and that one credit card transaction without evidence in a large sample size is pretty good. Jared replied that as an independent audit firm they are not influenced and they report based on government standards.

Chairman Lambert asked if issues were brought up during the process that were not usually looked into would they have made note of that? Jared replied that Vachon Clukay gave the GAC the option to look into a list of issues or if the firm should handle it. Chairman Lambert replied that the GAC received that list and went over each issue that was being brought to attention and found no issue with any.

General Manager/President Tom Day read a statement on behalf of himself and CFO, Cathy White.

"Now that the audit is final Cathy White and I would like to issue a statement dealing with the audit, because of the professionals we are, we waited until the audit was done. When we first heard rumblings of malfeasance at the delegation level Cathy spoke to Mike Sylvia, former chair of the delegation and soon to be former representative. She said that myself and her would be happy to sit in front of the delegation and present our financials and answer any questions they had. We asked multiple times and never got an answer and then soon as Ness became chair there was an audit committee. On that audit committee as a member of the delegation and Barbara Comtois and later Dawn Johnson and a member of the public John Plummer who used to be a delegate, interesting. When we asked what it's purpose was we were told it was for your protection. Then a few weeks later the attacks on Cathy and I started.

Since the inception of the audit committee we have had our honesty and integrity assaulted in print, radio and multiple gatherings. The following individuals Dave Strang, Peter Ness, Barbara Comtois, Dawn Johnson, Norm Silber and Mike Silvia have spread lies, misinformation and false accusations at both Cathy and I. Insulting our honesty and integrity over and over again at any chance they had. This is a group of petty, mean spirited people, with no moral compass they believe louder they talk, and spread unsubstantiated claims, the more they will be heard. They don't want to be informed they just want to win an argument -even if it's totally based on no evidence. It's too bad these individuals don't spend their time doing something constructive for the constituents of Belknap county - imagine all the good that could come.

Now I try to find some humor in everything even the defamation of Cathy and my honesty and integrity so let's look at the screen right now."

Cathy reviewed some financial information from November of 2019 as compared to April 2021 and April 2022. In November 2019 cash totaled \$16, 211, the GAC owed \$650,000 for RAN and long term debt totaled \$4.2mm. April of 2021 there was \$5.1mm in the bank, \$0 borrowed on the RAN, and \$3mm in long term debt. As of April 2022 there was \$7.9mm in the bank, \$0 Ran (never asked for one), and \$2.2mm in long term debt.

Chairman Lambert replied that all is well at Gunstock and the deficiencies in policies and oversight will be corrected moving forward.

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Financial MD&A and Executive Summary- September

Cathy White, Chief Financial Officer, reviewed the September financials. Total revenue from operations for September was \$533K \$102K unfavorable to budget and \$31K unfavorable to last year. Operational level EBITDA was (\$20K), \$79K unfavorable to budget and \$67K unfavorable to LY. Total revenue from operations, YTD, was \$2.4mm, \$490K unfavorable to budget and \$71K unfavorable to LY. YTD total company EBITDA was (\$1.2mm), \$238K favorable to budget and \$220K unfavorable to LY. Cathy also reviewed the September Balance sheet. Cash and cash equivalents were \$6.7mm, \$1.6mm favorable to budget and \$.7mm favorable to LY. Deferred revenue, which is mostly from season passes, was \$3.3mm, \$401K unfavorable to budget and \$562K favorable to LY. YTD Long-term debt had a decrease of \$6K. YTD Capital expenditure was \$576K and CIP at month end was \$1.0mm.

Secretary Conroy asked for clarification on the increase in accounts receivable from LY and the significant change in inventories. Cathy replied that part of the receivables is from the season pass installment plan and about \$100K is from Ford Bronco. The inventory is arriving on time this year as opposed to last year when it arrived in March, but now will be able to be sold on-time. Secretary Conroy asked about the Property and Equipment gross value, the budget was for \$45mm but is showing a little short. Cathy replied that projects are ongoing and can't be depreciated and sit in CIP. Secretary Conroy asked if some of that can be attributed to what happened during the summer. Cathy replied yes. Secretary Conroy asked why deferred revenue was off by about \$400K. Cathy replied that it was partially due to timing and that pricing tiers went from 4 tiers to 3.

Cathy reviewed the Recapture Plan. Budget YTD EBITDA for FY23 is (\$1.4mm) with actual of (\$1.1mm) and \$350K in additional expenses with timing so revised is (\$1.5mm) and about \$67K below budget. Unbudgeted legal fees amount to \$80K YTD.

Secretary Conroy asked about summer menu pricing as mentioned in the meeting materials and if there will be changes for winter menu pricing. Cathy responded that menus are currently being worked on, but they are seeing increases from some vendors.

Chairman Lambert noted that the GAC received and reviewed the check register for the month and all commissioners confirmed and that they were satisfied.

Chairman Lambert added that he received two more legal invoices on 10/19/22. The first invoice from Brand & Tapply, LLC. is for the Soulfest matter from July/August. The total amount due is \$627.00. A second invoice was received for Strang vs. Lambert with a total amount due \$2,877.00.

Winter Preparation Review-

Tom Day, GM/President stated that this time of year is a challenge to get projects completed and how to get things rolling for winter. While there is a lot happening there is a lot of discussion. Challenges will be staffing sizes. Becky LaPense, HR Director, added that it is still early, but the last 2 seasons more people have been hired than each winter before. She is cautiously optimistic. Tom acknowledged Patrick McGonagle, Facilities Director, and his teams for all the work they have been doing at the resort. Tom also stated that the tentative opening day is December 9th, with opening from the top.

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Old Business

a. Capital Expenditure Projects- status reports

- i. Cannonball- Tom Day introduced Dan Carbonneau, Snowmaking/Grooming Manager, who spoke about the Cannonball project. Dan stated that all the pipe was installed a month ago, posts have been installed for the new snow guns and a welder will be in next week. The new guns and hydrants will be installed in the next month. Dan talked about the new Klick hydrants from HKD that will save time and labor during the snowmaking process
- ii. Tubing Hill building- Patrick McGonagle also acknowledged the operations team members and the whole resort staff. The tubing building has some minor electrical needs to be completed as well as signage.
- iii. Magic Carpet Relocation - Patrick stated that the contractor couldn't come in so used in-house staff. He has started to move sections over. The building and electrical needs to be finished.
- iv. Ski Patrol Equipment Storage- Patrick stated that the project is about 95% complete- the building needs to be stained and patrol will add own shelves and finishing pieces.
- v. Rental building paving is complete and will alleviate drainage problems in that area.
- vi. Summit Septic- Patrick stated that the summit plan has been completed and the well should be drilled before snowmaking starts. Chairman Lambert asked if it would usable for the season. Patrick replied that is the plan but it will be a very busy next 3-4 weeks.
- vii. Pan Pub- Patrick said the engineer is looking at the building to plan out the expansion, but will be a spring/summer project.

- b. Parking Lot- Patrick stated that the as built plan is developed and modeling has started. Grades have a lot to do with ease of access plans.

Vice-Chair Wood added that she agrees with Patrick, the employees really do care and the number of rehires coming backs shows. She appreciates Tom and Patrick for recognizing the staff. Chairman Lambert and Secretary Conroy echoed her statement.

- c. Policy Planning- Chairman Lambert stated at the last GAC meeting it was noted that this would be a workshop meeting open to the public. GAC and management will talk about dates for this workshop meeting.

New Business

GUNSTOCK AREA COMMISSION MEETING

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DRAFT MINUTES

a. "Live Like Doug" presentation

Greg Goddard spoke about the creation of the Live Like Doug group and Covered Bridge project. The project overview is attached. Before Doug Irving passed in 2018 one project, he wanted to complete was a pedestrian walkway around the pond with a covered bridge. The Live Like Doug group is hoping to create a partnership with Gunstock to complete the bridge project. Greg stated that he needs the GAC thoughts on the project before next steps can begin and under the naming policy the GAC will need to approve the project. Bob Durfee spoke about the engineering of the project including specifics on dimensions and capacity to allow a Piston Bully groomer through to groom the cross-country trails. Mr. Durfee added that once complete the bridge would be one-of-a-kind in NH and the only one in NH to have snow/trail access. Chairman Lambert thanked Greg and Bob for the presentation and asked about necessary permits. Greg replied that they need endorsement from the GAC first. Tom Day added that it would be a nice addition aesthetically and the management team would be in favor of the project. Vice-Chair Wood was happy to be honoring the legacy of Doug. Chairman Lambert stated that the GAC was in favor of the project moving forward into the next steps.

Public Comment

Chairman Lambert asked that that speakers use the podium and please write your name on the sheet provided. Limit to two minutes. No personal attacks and accusations.

Rep. Mike Sylvia (Belmont)- Stated to Chairman Lambert that he seems to be an expert on 91A and last month he expunged parts of the minutes from the August 2021 meeting minutes, and it seems misguided, even though it was at the advice of counsel. Rep. Sylvia also stated that there is a 5-year limit for leasing at Gunstock and asked why the ski club gets to renew their lease after 5 years with no other bidders or is there even a policy in place to allow for more bidders. Rep. Sylvia stated that he assumes the GAC will address the need to have secondary and backup for key personnel so the closure that happened during the summer doesn't happen again in the future. Rep. Sylvia stated that he agreed with Secretary Conroy in regard to the audit, using the same audit firm for 20 years is questionable and asked on behalf of the taxpayers that the management governance issues be addressed. Chairman Lambert thanked Rep. Sylvia for his comments.

Stephen Peterson (Gilford)- Stated that earlier in the meeting it was noted that legal fees amounted to \$80K and \$100K had been spent earlier. He said he was not up to speed on the drama and would like to know what the \$100K was for. Chairman Lambert thanked him and suggested that he review prior meeting minutes online as the commission has been open about legal billing for the past 5 months. If he has additional questions to email Chairman Lambert.

Carol Wohlers (Rochester)- Stated that as the GAC is working on policies and procedures, she suggests they have a procedure that says where public is supposed to sit at meetings

Vice-Chair Wood asked for discussion of meeting dates going forward and into next year at the November meeting. Chairman Lambert said he would add it to the agenda and that it was requested that the meeting be moved to the 4th Wednesday of the month instead of the 3rd and that can be discussed next month.

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ACTION

Motion: Secretary Conroy made a motion to adjourn the public meeting of the Gunstock Area Commission at 8:02pm.

Second: Vice-Chair Wood

Vote: All in favor.

Respectfully Submitted,

Denise Conroy, Secretary
Gunstock Area Commission

October 19, 2022

To the Board of Commissioners of the
Gunstock Area Commission

We have audited the financial statements of the business-type activities of the Gunstock Area Commission for the year ended April 28, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 4, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Gunstock Area Commission are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during 2022. We noted no transactions entered into by the Gunstock Area Commission during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper periods.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimate affecting the business-type activities financial statements was:

Management's estimate of the useful lives of capital assets is based upon historical records of utilization, necessary improvements, and replacements. We evaluated the key factors and assumptions used to develop the depreciable useful lives of capital assets in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

Due to unanticipated events and circumstances beyond our control, audit fieldwork was disrupted and delayed on multiple occasions. Such disruptions and delays were caused by conflicting information about whether or not audit fieldwork was temporarily suspended, as well as the temporary resignation of all management personnel of the Commission.

GUNSTOCK AREA COMMISSION

Financial Statements

April 28, 2022 and April 29, 2021

and

Independent Auditor's Report

GUNSTOCK AREA COMMISSION
FINANCIAL STATEMENTS
April 28, 2022 and April 29, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Gunstock Area Commission

Opinion

We have audited the accompanying financial statements of the Gunstock Area Commission, a component unit of Belknap County, New Hampshire, as of and for the years ended April 28, 2022 and April 29, 2021, and the related notes to the financial statements, which collectively comprise the Gunstock Area Commission's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Gunstock Area Commission as of April 28, 2022 and April 29, 2021, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Gunstock Area Commission, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Gunstock Area Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the

override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Gunstock Area Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Gunstock Area Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Vachon Clukay & Company PC

Manchester, New Hampshire
October 19, 2022

Gunstock Area Commission Management's Discussion and Analysis For the Fiscal Years Ending April 28, 2022, and April 29, 2021

As management of Gunstock Area Commission, we offer readers of Gunstock Mountain Resort's financial statements an overview and analysis of the financial activities for the Fiscal Years ending April 28, 2022, and April 29, 2021. We encourage readers to consider the information presented here in conjunction with additional information furnished in the financial statements and notes thereto.

Financial Highlights

Fiscal Year 2022 Operating Results

For the 12-month period ending April 28, 2022, Operating Revenues were up from the prior year. Departmental Gross Income was \$18.22mm vs. \$14.05mm prior year. Operating Income was up from the prior year, \$3.69mm FY22 vs. \$2.35mm FY21.

2021 Summer Season

Management executed a strategy to maximize revenue by running a four-day week for the summer activities. This allowed us to drive sales into limited days and utilize available staff.

2021/2022 Ski Season

Gunstock opened for its 85th season on December 10, 2021. Despite continued concerns over the COVID 19 virus, Gunstock had its most successful winter season in history. The mountain had over 198,000 skier visits, which included over 16,000-night skier visits. Grooming kept the trails in excellent shape and that continued all the way up to our last day of skiing, which was April 3, 2022.

Summary of Financial Results and Payment to Belknap County

- Department Gross Income was up \$4.16mm from last year. The winter season was up \$2.22mm from last year.
- Net Position was up \$3.51mm from last year.
- Cash and Cash Equivalents were up \$2.85mm from last year. Management did not utilize a RAN for the second consecutive year.
- Capital Expenditures for the year totaled \$1.39mm. A new rental building was completed during the year and the new parking lot at Breezy Knoll was 80% completed. An additional \$651K was in CIP at year end. (Refer to Note 3 – Capital Assets for additional information)
- Fee to Belknap County for the fiscal year was \$320,285. Payment due 45 days after approval of the Audited Financial Statements from the commissioners.

- Bonds and Capital Leases net decrease for the year was \$734K. (Refer to Note 5 – Long-Term Obligations for additional information)

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Gunstock’s financial statements. The basic financial statements comprise of four components:

- 1) Statements of Net Position
- 2) Statements of Revenues, Expenses and Changes in Net Position
- 3) Notes to Financial Statements (see auditor’s report for notes)

Gunstock Area Commission Statements of Net Position

	FY2022	FY2021
Current and Other Assets	9,214,315	6,302,353
Capital Assets	12,594,404	12,272,984
Total Assets	21,808,719	18,575,337
Current Liabilities	4,601,483	4,165,707
Noncurrent Liabilities	1,589,727	2,303,868
Total Liabilities	6,191,210	6,469,575
Net Position		
Net Invested in Capital Assets	10,297,476	9,242,395
Unrestricted	5,320,033	2,863,367
Total Net Position	15,617,509	12,105,762

Gunstock Area Commission
Statements of Revenues, Expenses and Changes in Net Position

	FY2022	FY2021
Operating Revenues:		
Departmental Gross Income	18,215,562	14,052,263
Operating Expenses:		
Departmental Expenses	8,831,025	6,640,940
General and Administrative Expenses	3,334,183	2,723,291
Marketing Expenses	700,107	555,919
Depreciation	1,662,370	1,777,992
Total Operating Expenses	14,527,685	11,698,142
Operating Income	3,687,877	2,354,121
Total Non-Operating Revenues (Expenses)	(276,226)	(158,058)
Income before Capital Contributions	3,411,651	2,196,063
Capital Contributions	100,096	68,250
Changes in Net Position	3,511,747	2,264,313
Net Position - Beginning of Year	12,105,762	9,841,449
Net Position - End of Year	15,617,509	12,105,762

Fiscal Year 2023 Operating Budget and Plan

2022 Summer Season

Management decided to extend operations to a 5-day operating schedule during the months of July and August vs. the 4-day operating week last year. May and June will operate weekends and holidays only, as we have done historically. The continued condensed week will also assist managing the shortage in the labor pool and ensure guest satisfaction. Camping will continue to operate as usual, 7 days a week.

2022/2023 Ski Season

Management has taken the lessons learned during the past two years and incorporated them into the operating plan for winter FY2023. Gunstock will continue to focus on providing a great experience by limiting the number of day tickets sold. Management will flex the quantity of tickets sold depending on season pass sales, conditions, etc. While overall number of skier visits is planned to be lower than the prior year, we budgeted overall revenue to be higher.

Income from Operations and Net Income

Income from Operations is budgeted at \$5.0mm and Net Income is budgeted at \$2.92mm.

Additional Financial Information

- Cash and Cash Equivalents at year end \$7.9mm. No RAN requested.
- Capital Expenditures budgeted at \$3.85mm. Plan includes a full- service restaurant located at the current Stockade Food Court, AC installed in the Main Lodge and a new groomer.
- Bonds and Capital Leases net decrease of \$704K.

Request for Information

This MD&A is designed to provide a general overview of Gunstock's finances for all those with an interest in the resort's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Finance Department, Gunstock Area Commission, 719 Cherry Valley Road, Gilford, NH 03249.

EXHIBIT A
GUNSTOCK AREA COMMISSION
STATEMENTS OF NET POSITION
April 28, 2022 and April 29, 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 8,349,232	\$ 5,494,251
Investments	244,977	244,009
Accounts receivable	13,347	10,668
Inventories, net	508,125	411,485
Prepaid expenses	98,634	141,940
Total Current Assets	<u>9,214,315</u>	<u>6,302,353</u>
Noncurrent Assets:		
Capital assets:		
Non-depreciable capital assets	2,848,443	2,197,595
Depreciable capital assets, net	9,745,961	10,075,389
Total Noncurrent Assets	<u>12,594,404</u>	<u>12,272,984</u>
Total Assets	<u>21,808,719</u>	<u>18,575,337</u>
DEFERRED OUTFLOWS OF RESOURCES		
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>
LIABILITIES		
Current Liabilities:		
Accounts payable	208,891	244,042
Accrued expenses	536,449	473,960
Due to other governments	320,285	247,404
Advance from grantors	59,778	59,778
Current portion of bonds payable	472,142	472,142
Current portion of capital leases payable	235,059	254,579
Unearned revenue	2,768,879	2,413,802
Total Current Liabilities	<u>4,601,483</u>	<u>4,165,707</u>
Noncurrent Liabilities:		
Bonds payable	1,469,287	1,941,430
Capital leases payable	120,440	362,438
Total Noncurrent Liabilities	<u>1,589,727</u>	<u>2,303,868</u>
Total Liabilities	<u>6,191,210</u>	<u>6,469,575</u>
DEFERRED INFLOWS OF RESOURCES		
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	10,297,476	9,242,395
Unrestricted	5,320,033	2,863,367
Total Net Position	<u>\$ 15,617,509</u>	<u>\$ 12,105,762</u>

See accompanying notes to the basic financial statements

EXHIBIT B
GUNSTOCK AREA COMMISSION
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Fiscal Years Ended April 28, 2022 and April 29, 2021

	<u>2022</u>	<u>2021</u>
Operating revenues:		
Departmental gross income	\$ 18,215,562	\$ 14,052,263
Operating expenses:		
Departmental expenses	8,831,025	6,640,940
General and administrative expenses	3,334,183	2,723,291
Marketing expenses	700,107	555,919
Depreciation	1,662,370	1,777,992
Total operating expenses	<u>14,527,685</u>	<u>11,698,142</u>
Operating income	<u>3,687,877</u>	<u>2,354,121</u>
Non-operating revenues (expenses):		
County fees	(320,285)	(247,404)
Interest expense	(106,131)	(127,732)
Interest income	6,937	4,268
(Loss) gain on dispositions of capital assets	(35,524)	12,760
Lease income	64,288	86,378
Miscellaneous	114,489	113,672
Net non-operating revenues (expenses)	<u>(276,226)</u>	<u>(158,058)</u>
Income before capital contributions	3,411,651	2,196,063
Capital contributions	<u>100,096</u>	<u>68,250</u>
Changes in net position	3,511,747	2,264,313
Net Position - beginning of year	12,105,762	9,841,449
Net Position - end of year	<u>\$ 15,617,509</u>	<u>\$ 12,105,762</u>

See accompanying notes to the basic financial statements

EXHIBIT C
GUNSTOCK AREA COMMISSION
STATEMENTS OF CASH FLOWS
For the Fiscal Years Ended April 28, 2022 and April 29, 2021

	<u>2022</u>	<u>2021</u>
Cash Flows from Operating Activities:		
Cash received from customers	\$ 18,567,960	\$ 15,455,234
Cash paid to suppliers	(7,698,185)	(5,296,625)
Cash paid to employees	(5,189,612)	(4,199,348)
Net Cash Provided by Operating Activities	<u>5,680,163</u>	<u>5,959,261</u>
Cash Flows from Capital and Related Financing Activities:		
Proceeds from capital leases		402,300
Principal paid on bonds payable	(472,143)	(1,022,143)
Principal paid on capital leases payable	(261,518)	(333,189)
Interest paid on debt financing	(109,645)	(135,637)
Payments to County	(247,404)	
Acquisition and construction of capital assets	(2,043,374)	(1,124,723)
Proceeds from capital contributions	100,096	68,250
Proceeds from sales of capital assets	24,060	59,876
Other non-operating revenues	178,777	200,050
Net Cash Used for Capital and Related Financing Activities	<u>(2,831,151)</u>	<u>(1,885,216)</u>
Cash Flows from Investing Activities:		
Purchases of investment securities	(968)	(996)
Interest on investments	6,937	4,268
Net Cash Provided by Investing Activities	<u>5,969</u>	<u>3,272</u>
Net Increase in Cash and Cash Equivalents	2,854,981	4,077,317
Cash and Cash Equivalents at Beginning of Year	5,494,251	1,416,934
Cash and Cash Equivalents at End of Year	<u>\$ 8,349,232</u>	<u>\$ 5,494,251</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating income	\$ 3,687,877	\$ 2,354,121
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	1,662,370	1,777,992
Change in assets and liabilities:		
(Increase) Decrease in accounts receivables	(2,679)	40,993
(Increase) Decrease in inventories	(96,640)	341,931
(Increase) Decrease in prepaid expenses	43,306	(31,830)
(Decrease) Increase in accounts payable	(35,151)	(63,349)
(Decrease) Increase in accrued expenses	66,003	177,425
(Decrease) Increase in unearned revenue	355,077	1,361,978
Net Cash Provided by Operating Activities	<u>\$ 5,680,163</u>	<u>\$ 5,959,261</u>
Noncash Transactions Affecting Financial Position:		
Net book value of disposed capital assets	<u>\$ 59,584</u>	<u>\$ 47,116</u>

See accompanying notes to the basic financial statements

GUNSTOCK AREA COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
For the Years Ended April 28, 2022 and April 29, 2021

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Gunstock Area Commission (“the Commission”) conform to accounting principles generally accepted in the United States of America for local governmental units, except as indicated hereinafter. The following is a summary of significant accounting policies.

Financial Reporting Entity

The Commission was incorporated as a body politic and an agency of the County of Belknap (the “County”) by Act of the New Hampshire General Court, effective September 15, 1959, to provide for the operation and maintenance of the former Belknap County Recreational Area. The Commission is authorized to borrow funds to accomplish its purposes upon approval by the County Convention. All debt has been authorized pursuant to New Hampshire laws and carries the pledge of the full faith and credit of the County of Belknap.

The Commission (a component unit of Belknap County, New Hampshire) is accounted for as a separate and distinct enterprise fund from the County.

Basis of Accounting

The financial statements of the Commission have been prepared on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when they are incurred.

Cash and Cash Equivalents

For the purpose of the Statements of Cash Flows, cash and cash equivalents consist of checking accounts, savings accounts, and cash on hand.

Investments

Investments are stated at their fair value. Certificates of deposit with a maturity greater than ninety days from the date of issuance are included in investments.

Inventories

Merchandise available for sale is valued at the lower of cost (under the first-in, first-out method), or market. For the years ended April 28, 2022 and April 29, 2021, inventory is reported net of reserves for obsolescence of \$51,486 and \$55,837, respectively.

Capital Assets

All capital assets including infrastructure are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition value as of the date received. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not.

GUNSTOCK AREA COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

For the Years Ended April 28, 2022 and April 29, 2021

All reported capital assets except for land and construction in progress are depreciated. Improvements, buildings, and equipment are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

	<u>Years</u>
Land improvements	5-25
Buildings and improvements	3-33
Equipment	3-25
Leasehold improvements	5-8

Compensated Absences

Employees earn vacation leave as they provide services. Pursuant to the personnel policy, full time/year round employees earn twelve to twenty days of vacation leave on an annual basis dependent on length of service. Accrued and unused vacation leave has been included as a liability in these financial statements.

Advances from Grantors

Grants received before the eligibility requirements are met are recorded as an advance from grantors.

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Sales collected before the revenues are earned are recorded as unearned revenue. All revenues are expected to be recognized within one year of receipt.

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances on any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Commission or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

The Commission's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the Commission. For the Commission, these revenues are charges to customers for sales and services. Operating expenses, which include depreciation on capital assets, are necessary costs incurred to provide the service that is the primary activity of the Commission. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

GUNSTOCK AREA COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

For the Years Ended April 28, 2022 and April 29, 2021

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

NOTE 2--DEPOSITS AND INVESTMENTS

Deposits and investments as of April 28, 2022 and April 29, 2021 are classified in the accompanying financial statements as follows:

	<u>2022</u>	<u>2021</u>
Statement of Net Position:		
Cash and cash equivalents	\$ 8,349,232	\$ 5,494,251
Investments	<u>244,977</u>	<u>244,009</u>
	<u>\$ 8,594,209</u>	<u>\$ 5,738,260</u>

Deposits and investments as of April 28, 2022 and April 29, 2021 consist of the following:

	<u>2022</u>	<u>2021</u>
Cash on hand	\$ 15,133	\$ 8,270
Deposits with financial institutions	<u>8,579,076</u>	<u>5,729,990</u>
	<u>\$ 8,594,209</u>	<u>\$ 5,738,260</u>

The Commission's investment policy requires that deposits and investments be made in New Hampshire based financial institutions that are participants in one of the federal depository insurance programs. The Commission limits its investments to demand deposits, certificates of deposit and repurchase agreements.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Commission's deposits may not be returned.

The Commission's cash management program is based on an FDIC Insured operating account which sweeps balances daily above the FDIC limit to an Insured Cash Sweep account. The funds in the Insured Cash Sweep (ICS) are 100% FDIC Insured through placement in the Promontory Network. This is an approved method of collateralizing public funds (including Counties) in the State of New Hampshire, specifically under RSA 6:8, 29:1. The Commission has entered into an ICS Deposit Placement Agreement with Franklin Savings Bank. For the years ended April 28, 2022 and April 29, 2021, uncollateralized balances in excess of federally insured limits were \$-0-.

GUNSTOCK AREA COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

For the Years Ended April 28, 2022 and April 29, 2021

NOTE 3--CAPITAL ASSETS

The following is a summary of changes in capital assets during the years ended April 28, 2022 and April 29, 2021:

	Balance 4/29/2021	Additions	Reductions	Balance 4/28/2022
Capital assets not being depreciated:				
Land	\$ 2,197,595			\$ 2,197,595
Construction in progress	<u>23,771</u>	\$ 650,848		<u>650,848</u>
Total capital assets not being depreciated	<u>2,197,595</u>	<u>650,848</u>	<u>\$ -</u>	<u>2,848,443</u>
Other capital assets:				
Land improvements	2,667,935	86,334		2,754,269
Buildings and improvements	5,229,162	332,223	(24,286)	5,537,099
Equipment	30,169,581	973,969	(347,268)	30,796,282
Leasehold improvements	<u>737,809</u>			<u>737,809</u>
Total other capital assets at historical cost	<u>38,804,487</u>	<u>1,392,526</u>	<u>(371,554)</u>	<u>39,825,459</u>
Less accumulated depreciation for:				
Land improvements	(1,589,419)	(50,172)		(1,639,591)
Buildings and improvements	(4,321,851)	(118,779)	11,937	(4,428,693)
Equipment	(22,235,797)	(1,445,587)	300,033	(23,381,351)
Leasehold improvements	<u>(582,031)</u>	<u>(47,832)</u>		<u>(629,863)</u>
Total accumulated depreciation	<u>(28,729,098)</u>	<u>(1,662,370)</u>	<u>311,970</u>	<u>(30,079,498)</u>
Total other capital assets, net	<u>10,075,389</u>	<u>(269,844)</u>	<u>(59,584)</u>	<u>9,745,961</u>
Total capital assets, net	<u>\$ 12,272,984</u>	<u>\$ 381,004</u>	<u>\$ (59,584)</u>	<u>\$ 12,594,404</u>
	Balance 5/1/2020	Additions	Reductions	Balance 4/29/2021
Capital assets not being depreciated:				
Land	\$ 2,197,595			\$ 2,197,595
Construction in progress	<u>23,771</u>		\$ (23,771)	<u>-</u>
Total capital assets not being depreciated	<u>2,221,366</u>	<u>\$ -</u>	<u>(23,771)</u>	<u>2,197,595</u>
Other capital assets:				
Land improvements	2,667,935			2,667,935
Buildings and improvements	5,111,807	117,355		5,229,162
Equipment	29,274,442	1,031,139	(136,000)	30,169,581
Leasehold improvements	<u>737,809</u>			<u>737,809</u>
Total other capital assets at historical cost	<u>37,791,993</u>	<u>1,148,494</u>	<u>(136,000)</u>	<u>38,804,487</u>
Less accumulated depreciation for:				
Land improvements	(1,533,213)	(56,206)		(1,589,419)
Buildings and improvements	(4,164,441)	(157,410)		(4,321,851)
Equipment	(20,805,654)	(1,519,027)	88,884	(22,235,797)
Leasehold improvements	<u>(536,682)</u>	<u>(45,349)</u>		<u>(582,031)</u>
Total accumulated depreciation	<u>(27,039,990)</u>	<u>(1,777,992)</u>	<u>88,884</u>	<u>(28,729,098)</u>
Total other capital assets, net	<u>10,752,003</u>	<u>(629,498)</u>	<u>(47,116)</u>	<u>10,075,389</u>
Total capital assets, net	<u>\$ 12,973,369</u>	<u>\$ (629,498)</u>	<u>\$ (70,887)</u>	<u>\$ 12,272,984</u>

GUNSTOCK AREA COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

For the Years Ended April 28, 2022 and April 29, 2021

The balance of the assets acquired through capital leases as of April 28, 2022 and April 29, 2021 is as follows:

	<u>2022</u>	<u>2021</u>
Equipment	\$ 1,601,009	\$ 1,598,098
Less: Accumulated depreciation	<u>(462,964)</u>	<u>(337,373)</u>
	<u>\$ 1,138,045</u>	<u>\$ 1,260,725</u>

NOTE 4--SHORT-TERM OBLIGATIONS

Revenue Anticipation Notes

The Commission issues revenue anticipation notes during the year, if needed. These borrowings are to assist in the payment of operating expenses during the off-season and are guaranteed to be repaid from operating revenues of the Commission received during the winter months.

For the year ended April 28, 2022 the Commission did not execute a short-term revenue anticipation note and for the year ended April 29, 2021, the Commission had executed a short-term revenue anticipation note, however, no drawdowns were taken.

NOTE 5--LONG-TERM OBLIGATIONS

Changes in Long-Term Obligations

The changes in long-term debt obligations for the years ended April 28, 2022 and April 29, 2021 are as follows:

<u>Type</u>	Balance			<u>4/28/2022</u>	Amounts	
	<u>4/29/2021</u>	<u>Additions</u>	<u>Reductions</u>		<u>4/28/2022</u>	<u>Due Within</u>
Bonds payable	\$ 2,413,572		\$ (472,143)	\$ 1,941,429	\$	472,142
Capital leases	617,017		(261,518)	355,499		235,059
	<u>\$ 3,030,589</u>	<u>\$ -</u>	<u>\$ (733,661)</u>	<u>\$ 2,296,928</u>	<u>\$</u>	<u>707,201</u>

<u>Type</u>	Balance			<u>4/29/2021</u>	Amounts	
	<u>5/1/2020</u>	<u>Additions</u>	<u>Reductions</u>		<u>4/29/2021</u>	<u>Due Within</u>
Bonds payable	\$ 3,435,715		\$ (1,022,143)	\$ 2,413,572	\$	472,142
Capital leases	547,906	\$ 402,300	(333,189)	617,017		254,579
	<u>\$ 3,983,621</u>	<u>\$ 402,300</u>	<u>\$ (1,355,332)</u>	<u>\$ 3,030,589</u>	<u>\$</u>	<u>726,721</u>

General Obligation Bonds

Bonds payable at April 28, 2022 and April 29, 2021 are comprised of the following individual issues:

GUNSTOCK AREA COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

For the Years Ended April 28, 2022 and April 29, 2021

	<u>2022</u>	<u>2021</u>
\$1,600,000 bonds due in annual installments of \$182,857 through March 2025; interest at 2.145%	\$ 548,572	\$ 731,429
\$1,000,000 bonds due in annual installments of \$114,285 through March 2025; interest at 2.78%	342,857	457,143
\$3,250,000 bonds due in an annual installments of \$175,000 through January 2028; interest at 3.500% - 4.375%	<u>1,050,000</u>	<u>1,225,000</u>
	<u>\$ 1,941,429</u>	<u>\$ 2,413,572</u>

Debt service requirements to retire general obligation bonds outstanding at April 28, 2022 are as follows:

Year Ending <u>April 28,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2023	\$ 472,142	\$ 64,719	\$ 536,861
2024	472,142	50,584	522,726
2025	472,145	36,444	508,589
2026	175,000	22,313	197,313
2027	175,000	15,094	190,094
2028	<u>175,000</u>	<u>7,656</u>	<u>182,656</u>
	<u>\$ 1,941,429</u>	<u>\$ 196,810</u>	<u>\$ 2,138,239</u>

Capital Lease Obligations

Capital lease obligations represent lease agreements entered into for the financing of equipment acquisitions. Capital leases payable at April 28, 2022 and April 29, 2021 are comprised of the following individual issues:

	<u>2022</u>	<u>2021</u>
\$402,300 equipment lease due in monthly installments of \$22,270, including interest at 11.874% through March 2024	\$ 178,880	\$ 279,455
\$127,755 equipment lease due in yearly installments of \$26,582, including interest at 2.0% through June 2022	-	23,469
\$99,400 equipment lease due in annual installments of \$21,684, including interest at 3.85% through February 2024	42,760	62,074
\$40,400 equipment lease due in annual installments of \$8,851, including interest at 3.728% through February 2024	8,863	24,704
\$374,528 equipment lease due in five installments per year of \$20,375, including interest at 6.21% through April 2023	92,182	184,364

GUNSTOCK AREA COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

For the Years Ended April 28, 2022 and April 29, 2021

\$69,509 equipment lease due in monthly installments of		
\$1,114, including interest at 5.99% through December 2024	32,814	42,951
	<u>\$ 355,499</u>	<u>\$ 617,017</u>

Debt service requirements to retire capital lease obligations outstanding at April 28, 2022 are as follows:

<u>April 28,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2023	\$ 235,059	\$ 24,288	\$ 259,347
2024	111,872	12,459	124,331
2025	<u>8,568</u>	<u>156</u>	<u>8,724</u>
	<u>\$ 355,499</u>	<u>\$ 36,903</u>	<u>\$ 392,402</u>

NOTE 6--LEASE OF AREA FACILITIES

Land Parcel

The Commission has contracted with a company to lease a parcel of land to operate a facility to conduct radio telephone and other telecommunications operations. Per the agreement, commencing February 1, 2013 and each five-year anniversary thereafter, the rent for each five-year term shall increase based on the percentage change in the Consumer Price Index published by the Bureau of Labor and Statistics of the United States Department of Labor for all Urban Consumers, US City Average. In addition, the Commission will receive 25% of rental income if the land parcel is subleased to another entity.

The agreement provides that the Commission will receive rent payable in equal monthly installments. During the years ended April 28, 2022 and April 29, 2021, the annual income from the land lease was \$62,300. The lessee is responsible for real estate taxes and utilities.

Tower Leases

The Commission has entered into various agreements to lease tower space to several independent companies for telecommunication and radio operations. These lease agreements range from being renewed on an annual basis to long-term agreements for a period of five years.

Tower lease rentals are payable in monthly installments. In addition, the Commission will receive an annual trade agreement of signal time from the lessee. During the years ended April 28, 2022 and April 29, 2021, the annual income from tower leases was \$14,891 and \$27,017, respectively.

Soul Festival

During November 2016, the Commission entered into a five-year agreement with a corporation to grant them the right to conduct the Soul Festival at the Gunstock Area Commission. A one year agreement was entered into for fiscal year 2022. Terms of the agreement provide that the Commission will retain campsite sales up to \$100,000 and 50% of these sales thereafter. In addition, the Commission will retain the income from summit chair lift rides up to \$3,000 and 50% thereafter. During the year ended April 28, 2022, the annual income from the Soul Festival was as follows:

GUNSTOCK AREA COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Years Ended April 28, 2022 and April 29, 2021

	<u>2022</u>
Camping	\$ 117,073
Coaster and Add on	19,165
Chair lift rides	<u>24,036</u>
	<u>\$ 160,274</u>

During the year ended April 29, 2021, the Soul Festival was cancelled (due to the COVID-19 pandemic).

Land Lease

The Commission has contracted with a company to lease a parcel of land to operate a facility to conduct Bronco Off-Road driver training experience operations. Per the agreement, commencing June 15, 2021 through November 9, 2023, the lessee will pay rent of \$45,000 annually and an annual \$5,000 tax deductible donation for the use of the Gunstock Ski Club building.

NOTE 7--RETIREMENT PLANS

Profit Sharing Plan

Effective September 1, 2008, the Gunstock Area Commission entered into a profit-sharing defined contribution plan. The plan provides for participation by employees who have 1,000 hours of service in a twelve-month consecutive period and have attained the age of 21. Eligible employees may elect to enroll in this pension plan on a semi-annual basis and are eligible for normal retirement after age 62. Once eligible, employer contributions are vested in increments of 20% for each year of service. After six years of service, the employer contributions are 100% vested. The plan further provides that the Commission may contribute a uniform percentage of each participant's compensation at its sole discretion. An employee must be actively working on April 30 to receive an employer contribution.

If a participant terminates employment prior to attaining the normal retirement age, the maximum distribution amount is \$5,000. Prior to termination of employment, a participant may elect a distribution from his/her vested account in the event of hardship or if he/she has attained the age of 59½. Once a participant reaches the normal retirement age of 62 the remainder of their funds are available.

The Commission did not make contributions to the plan for fiscal years 2022 or 2021.

457(b) Plan

Effective September 1, 2008, the Gunstock Area Commission entered into a 457(b) defined contribution plan. Employees may participate in the plan following one year of continuous service and have attained the age of 21. Under the plan, employees are eligible for normal retirement after age 62. Maximum contribution amounts are set by IRS regulations. In addition, participants are permitted to make age 50 catch-up contributions. A matching contribution of 3% is made by the Commission. A participant's contributions are 100% vested immediately without regard to additional service of employment. Prior to termination of employment, a participant may elect a distribution from his vested account in the event of an unforeseeable emergency or if he or she has attained the age of 70½. The Commission's contributions to the plan during fiscal years 2022 and 2021 were \$89,955 and \$31,102, respectively.

GUNSTOCK AREA COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Years Ended April 28, 2022 and April 29, 2021

NOTE 8--RISK MANAGEMENT

The Commission is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended April 28, 2022, the Commission participated in a public entity risk pool (Trust) for worker's compensation coverage. Coverage has not been significantly reduced from the prior year and settled claims have not exceeded coverage in the past year.

The Trust agreements permit the Trust to make additional assessments to members should there be a deficiency in Trust assets to meet its liabilities. Accounting principles generally accepted in the United States of America require members of pools with a sharing of risk to determine whether or not such assessment is probable and, if so, a reasonable estimate of such assessment. At this time, the Trust foresees no likelihood of an additional assessment for any of the past years. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. Based on the best available information there is no liability at April 28, 2022.

Property and Liability Insurance

The general liability insurance provides a limit of \$1,000,000 for each occurrence with no general aggregate. The self-insured retention is \$15,000 per occurrence and \$75,000 annual aggregate. Primary Excess liability extends coverage over the general liability, auto liability and employer's liability up to \$9,000,000 per occurrence and \$18,000,000 aggregate. A secondary excess liability extends coverage over the general liability, auto liability and employer's liability for an additional \$3,000,000 per occurrence and aggregate, providing a total occurrence liability limit of \$13,000,000. There is no retention on the primary or secondary excess liability layer.

Business Income and Extra Expense coverage is \$4,000,000 with a \$10,000 deductible.

The Commission has a blanket limit of coverage in the amount of \$23,442,962 for scheduled buildings and property. Limit for scheduled lifts, permanent snow making and night lighting equipment is \$16,479,115. The Commission's deductible is \$10,000 per occurrence, except for flood, earthquake, or equipment breakdown at \$25,000 per occurrence.

Commission's scheduled mobile equipment coverage is \$3,184,477. A \$1,000 deductible applies per occurrence.

NOTE 9--COMMITMENTS AND CONTINGENCIES

Settlement

In August 2020, the Commission reached a settlement agreement with the company previously contracted with to provide food services. Terms of the settlement agreement state an amount of \$247,147 will be paid by the Commission to the other party with an upfront payment of \$130,000, a monthly payment of \$10,000 for 11 months and a final payment of \$7,147 within 12 months following the execution of the agreement. This amount is included in the April 29, 2021 financial statements within 'Accounts payable'. As of April 28, 2022, the agreement has been paid in full.

GUNSTOCK AREA COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Years Ended April 28, 2022 and April 29, 2021

Litigation

Gunstock Area Commission is involved in certain litigations in the ordinary course of business, primarily its ski operations. Management, based on discussions with its insurer, is of the opinion that the ultimate disposition of these matters will not result in a material effect on the financial condition or results of operations at Gunstock Area Commission.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 19, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Gunstock Area Commission's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Gunstock Area Commission's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention. Additionally, during our audit we noted an area we considered to be an internal control deficiency. This deficiency is documented in our report on internal controls dated October 19, 2022.

Restriction on Use

This information is intended solely for the use of the Board of Commissioners and management of the Gunstock Area Commission and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Vachon Clukay & Company PC

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS**

To the Board of Commissioners
Gunstock Area Commission

In planning and performing our audit of the financial statements of the Gunstock Area Commission, as of and for the year ended April 28, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered the Gunstock Area Commission's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Gunstock Area Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Gunstock Area Commission's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as discussed below, we identified certain deficiencies in internal control that we consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in internal control to be a significant deficiency:

GOVERNANCE CONTROL

Observation

As part of our audit, we performed testing procedures over the significant financial transaction classes of the Commission which included inquiry, inspection, examination of individual transactions and review of control policies. In performing such procedures, we noted that the Commission lacks formal policies and procedures that allow or require the Board of Commissioners to exercise control as the governing body of the Commission. More specifically this includes no formal review or approval process over cash

disbursements, payroll transactions, contracts, bank accounts, and a detailed budget of Commission expenditures.

Implication

Internal control over financial reporting processes is weakened when those charged with governance are not actively involved and participating in the review and approval process. Lack of formal policy and procedures which include governance oversight, makes it difficult for the Board of Commissioners to exercise its authority over the Commission. When those charged with governance are not formally reviewing and approving expenditures, contracts, bank accounts, and a detailed budget, there is an increased risk that inappropriate or unauthorized transactions will be paid for by the Commission.

Recommendation

We recommend that the Commission review and update their internal control policies and procedures over significant financial transaction classes. Such policies and procedures should include formal review and approval by the Board of Commissioners over vendor and payroll disbursements, binding contractual agreements, bank accounts, and a detailed budget of the Commission's expenditures.

This communication is intended solely for the information and use of management, the Board of Commissioners, and others within the Gunstock Area Commission, and is not intended to be and should not be used by anyone other than these specified parties.

Vachon Clukay & Company PC

Manchester, New Hampshire
October 19, 2022

October 19, 2022

To the Board of Commissioners
Gunstock Area Commission

In planning and performing our audit of the financial statements of the Gunstock Area Commission, as of and for the year ended April 28, 2022, we considered Gunstock Area Commission's internal control structure to determine audit procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit we became aware of matters that represent an opportunity for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding these matters. We previously reported on the Gunstock Area Commission's internal control structure in our report dated October 19, 2022. This letter does not affect that report or our report on the basic financial statements dated October 19, 2022.

We have already discussed these comments and suggestions with the Commission, and we would be pleased to discuss them in further detail at your convenience. The purpose of this letter is to provide constructive and meaningful recommendations to you.

Sincerely,

Vachon Clukay & Company PC

CREDIT CARD PURCHASES

Observation

As part of our audit procedures, we reviewed monthly statements for all credit cards held by the Commission. Additionally, we selected a sample of transactions from the monthly statements for further testing, which included comparing select charges on the statements to supporting documentation. In performing our testing procedures, we noted an instance where a purchase on the statement lacked supporting documentation.

Implication

Controls over the disbursements of the Commission are weakened, as a lack of sufficient supporting documentation to substantiate purchases increases the likelihood of misuse or abuse of credit cards. Additionally, supporting documentation for meals and like purchases should include a detailed receipt.

Recommendation

We recommend that all charges on the credit card statements contain proper supporting documentation which indicates the date, amount and details of the purchase. Furthermore, we recommend the Commission communicate to the individual card holders the importance of maintaining and submitting supporting documentation for credit card purchases to the finance office.

CONTRACTS AND INCENTIVE PROGRAMS

Observation

In performing our audit, we noted an instance of a long-term contract being entered into by management without formal approval by the Board of Commissioners. In addition, we noted several payroll bonus/incentive programs, that are approved for payment by management and lacked formal approval by the Board of Commissioners. While such payroll bonus/incentive programs are part of the budget, the Board of Commissioners oversight of such programs is limited to the approval of the overall budget of the Commission.

Implication

Internal control over financial reporting processes is weakened, as those charged with governance may not be aware of the existence of such contracts and incentive programs. All significant and binding contracts entered into by the Commission should include presentation to the Board of Commissioners for approval. Additionally, all payroll bonus/incentive programs should be presented in detail to the Board of Commissioners for formal approval to allow for a segregation of duties, whereas management is not solely responsible for approving payment of such programs, which they also receive benefit from. Lack of formal approval for incentive programs increases the risk of program abuse or unauthorized payments.

Recommendation

We recommend that all significant and binding contracts be presented to the Board of Commissioners for approval prior to the Commission entering into such agreements. In addition, we recommend that the Board of Commissioners is provided with a detailed listing of all payroll bonus/incentive programs for formal review and approval, which includes documentation of participation and/or performance measures satisfied, prior to such payments being made.

BRAND & TAPPLY, LLC
555 WASHINGTON STREET, SUITE 6
WELLESLEY, MA 02482
781.431.7878

Invoice Date: **October 17, 2022**

tday@gunstock.com / dlambert@GunstockCommissioners.org

Invoice No.: **26486**

BRAND & TAPPLY, LLC TAX ID NO.: 61-1724969

BILLED THROUGH: September 30, 2022

In Reference **SOULFEST**
To:

Professional Services

		<u>Hrs/Rate</u>	<u>Amount</u>
3/1/2022	TWT A104 Review/analyze REVIEW FINALIZED CONTRACT AND MULTIPLE CORRESPONDENCE WITH GUNSTOCK AND SOULFEST COUNSEL REGARDING SAME L120 Analysis/Strategy	0.70 \$165.00/hr	\$115.50
	TWT A104 Review/analyze REVIEWED FINALIZED CONTRACT AND MULTIPLE CORRESPONDENCE WITH GUNSTOCK AND SOULFEST COUNSEL REGARDING SAME L120 Analysis/Strategy	0.90 \$165.00/hr	\$148.50
7/26/2022	TWT A104 Review/analyze RECEIPT, REVIEW AND ANALYSIS OF CORRESPONDENCE FROM COUNSEL FOR SOULFEST AND RESPOND TO SAME L120 Analysis/Strategy	0.20 \$165.00/hr	\$33.00

		<u>Hrs/Rate</u>	<u>Amount</u>
7/26/2022	TWT A106 Communicate (with client) PREPARE CORRESPONDENCE TO GUNSTOCK AREA COMMISSION REGARDING SOULFEST CONTRACT AND IMPACT OF SAME L120 Analysis/Strategy	0.10 \$165.00/hr	\$16.50
7/27/2022	TWT A107 Communicate (other external) TELECONFERENCE AND MULTIPLE EMAIL CORRESPONDENCE WITH SOULFEST COUNSEL REGARDING CONTRACT AND OPERATIONAL STATUS L120 Analysis/Strategy	0.50 \$165.00/hr	\$82.50
7/28/2022	TWT A107 Communicate (other external) MULTIPLE TELECONFERENCES AND EMAIL CORRESPONDENCE WITH COUNSEL FOR SOULFEST AND GUNSTOCK AREA COMMISSION REGARDING DEMAND, LITIGATION THREATS AND SOULFEST STATUS L120 Analysis/Strategy	0.60 \$165.00/hr	\$99.00
8/1/2022	TWT A107 Communicate (other external) CORRESPONDENCE WITH COUNSEL FOR SOULFEST REGARDING FESTIVAL STATUS AND RESPONSE TO DEMAND L120 Analysis/Strategy	0.20 \$165.00/hr	\$33.00
	TWT A107 Communicate (other external) TELEPHONE CALL WITH COUNSEL FOR SOULFEST REGARDING DEMAND ON GUNSTOCK AND SOULFEST STATUS L120 Analysis/Strategy	0.20 \$165.00/hr	\$33.00
8/17/2022	TWT A107 Communicate (other external) PREPARE CORRESPONDENCE TO COUNSEL FOR SOULFEST REGARDING DEMAND AND RESOLUTION POST EVENT L160 Settlement/Non-Binding ADR	0.10 \$165.00/hr	\$16.50
8/21/2022	TWT A107 Communicate (other external) FURTHER CORRESPONDENCE WITH COUNSEL FOR SOULFEST REGARDING RESOLUTION OF	0.30 \$165.00/hr	\$49.50

	<u>Hrs/Rate</u>	<u>Amount</u>
ISSUES		
L160 Settlement/Non-Binding ADR		
Total fees	3.80	\$627.00

PLEASE REFERENCE BRAND & TAPPLY, LLC'S INVOICE NUMBER WITH ALL PAYMENTS.
PLEASE MAKE CHECKS PAYABLE TO BRAND & TAPPLY, LLC.

Timekeeper Summary			
<u>Name</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Timothy W. Tapply	3.80	\$165.00	\$627.00

BRAND & TAPPLY, LLC
555 WASHINGTON STREET, SUITE 6
WELLESLEY, MA 02482
781.431.7878

Invoice Date: **October 17, 2022**

tday@gunstock.com / dlambert@GunstockCommissioners.org

Invoice No.: **26487**

BRAND & TAPPLY, LLC TAX ID NO.: 61-1724969

BILLED THROUGH: September 30, 2022

In Reference STRANG v. LAMBERT
To:

Professional Services

		<u>Hrs/Rate</u>	<u>Amount</u>
8/30/2022	TWT A104 Review/analyze RECEIPT, REVIEW AND ANALYSIS OF ALL PLEADINGS, DELEGATION MINUTES AND BYLAWS L210 Pleadings	1.30 \$165.00/hr	\$214.50
	TWT A101 Plan & Prepare for STRATEGIZE OPPOSING MOTION TO ADD COMMISSION AND MOTION TO DISMISS FOR FAILURE TO STATE A CLAIM L120 Analysis/Strategy	0.40 \$165.00/hr	\$66.00
	TWT A107 Communicate (other external) MULTIPLE CORRESPONDENCE WITH PLAINTIFF'S COUNSEL REGARDING CASE STATUS AND RECENT FILINGS L120 Analysis/Strategy	0.10 \$165.00/hr	\$16.50

		<u>Hrs/Rate</u>	<u>Amount</u>
8/30/2022	TWT A107 Communicate (other external) TELECONFERENCE WITH COMMISSIONERS REGARDING STATUS OF CASE AND LITIGATION PLAN L110 Fact Investigation/Development	0.80 \$165.00/hr	\$132.00
	TWT A104 Review/analyze RECEIPT, REVIEW AND ANALYSIS OF MEETING MINUTES AND VIDEO IN ORDER TO INCORPORATE INTO OPPOSITION TO EMERGENCY MOTION L110 Fact Investigation/Development	0.50 \$165.00/hr	\$82.50
	TWT A101 Plan & Prepare for FINALIZE OPPOSITION TO PLAINTIFF'S EMERGENCY MOTION TO STRIKE 8/31/22 MEETING L250 Other Written Motions and Submissions	0.70 \$165.00/hr	\$115.50
	PS A101 Plan & Prepare for PREPARED AND FILED OPPOSITION TO EMERGENCY MOTION TO DELAY L250 Other Written Motions and Submissions	2.00 \$135.00/hr	\$270.00
8/31/2022	TWT A101 Plan & Prepare for FURTHER REVISIONS TO OPPOSITION TO EMERGENCY MOTION REGARDING 8/31 HEARING AND STRATEGIZE MOTION TO DISMISS L250 Other Written Motions and Submissions	0.40 \$165.00/hr	\$66.00
	TWT A104 Review/analyze RECEIPT, REVIEW AND ANALYSIS OF PLAINTIFF'S REPLY TO OPPOSITIONS AND STRATEGIZE RESPONSE 8/31 MEETING L250 Other Written Motions and Submissions	0.40 \$165.00/hr	\$66.00
	PS A102 Research LEGAL RESEARCH ON THE EFFECT OF SERVICE WAIVERS L110 Fact Investigation/Development	1.00 \$135.00/hr	\$135.00
9/1/2022	PS A102 Research REVIEWED "EMERGENCY MOTION" AND PERFORMED LIMITED RESEARCH INTO	1.00 \$135.00/hr	\$135.00

		<u>Hrs/Rate</u>	<u>Amount</u>
	SITUATIONS WHERE SAME HAS BEEN GRANTED L110 Fact Investigation/Development		
9/2/2022	PS A104 Review/analyze PREPARED AN OPPOSITION TO PLAINTIFF'S MOTION TO ADD GUNSTOCK AREA COMMISSION AS A PARTY AND MOTION TO DISMISS L240 Dispositive Motions	2.40 \$135.00/hr	\$324.00
9/3/2022	TWT A101 Plan & Prepare for FURTHER PREPARATION OF OPPOSITION TO PLAINTIFF'S MOTION TO AMEND AND CROSS MOTION TO DISMISS L240 Dispositive Motions	0.80 \$165.00/hr	\$132.00
9/5/2022	TWT A107 Communicate (other external) EMAILS WITH PLAINTIFF'S COUNSEL REGARDING DEMANDED STIPULATIONS AND RESPONSE THERETO L120 Analysis/Strategy	0.10 \$165.00/hr	\$16.50
9/6/2022	TWT A101 Plan & Prepare for FINALIZE OBJECTION TO MOTION TO AMEND AND CROSS MOTION TO DISMISS L250 Other Written Motions and Submissions	0.30 \$165.00/hr	\$49.50
	PS A104 Review/analyze COMPLETED OPPOSITION TO MOTION TO ADD GUNSTOCK AREA COMMISSION AND MOTION TO DISMISS L240 Dispositive Motions	2.00 \$135.00/hr	\$270.00
9/7/2022	TWT A107 Communicate (other external) EMAILS AND TELECONFERENCE WITH HANOVER REGARDING COVERAGE FOR CLAIM/SUIT L120 Analysis/Strategy	0.40 \$165.00/hr	\$66.00
	TWT A104 Review/analyze RECEIPT, REVIEW AND ANALYSIS OF COURT ORDER ON THE MOTION TO AMEND L250 Other Written Motions and Submissions	0.20 \$165.00/hr	\$33.00

			<u>Hrs/Rate</u>	<u>Amount</u>
9/7/2022	TWT	A104 Review/analyze REVIEW DOCKET TIMING AND SUPERIOR COURT RULE 12 REGARDING MOTION FOR RECONSIDERATION AND ISSUES WITH SAME L250 Other Written Motions and Submissions	0.70 \$165.00/hr	\$115.50
	TWT	A101 Plan & Prepare for PREPARE AND FILE MOTION FOR RECONSIDERATION OF DECISION ON MOTION TO AMEND L250 Other Written Motions and Submissions	0.70 \$165.00/hr	\$115.50
	TWT	A106 Communicate (with client) TELECONFERENCE WITH DOUG LAMBERT REGARDING CURRENT LITIGATIONS STATUS AND BACKGROUND OF ADDITIONAL ISSUES L120 Analysis/Strategy	1.20 \$165.00/hr	\$198.00
9/8/2022	TWT	A107 Communicate (other external) CORRESPONDENCE WITH PLAINTIFF'S COUNSEL REGARDING CURRENT HEARINGS AND STATUS OF FILINGS L120 Analysis/Strategy	0.20 \$165.00/hr	\$33.00
9/13/2022	TWT	A104 Review/analyze RECEIPT, REVIEW AND ANALYSIS OF ADDITIONAL RECORDS FROM COUNSEL REGARDING COMMUNICATIONS FROM PLAINTIFF L120 Analysis/Strategy	0.30 \$165.00/hr	\$49.50
9/14/2022	PS	A104 Review/analyze DIVIDED MOTIONS TO CORRECT FILINGS OF DISMISSAL AND THE OPPOSITION TO MOTION AMEND COMPLAINT L240 Dispositive Motions	1.30 \$135.00/hr	\$175.50
Total fees			<u>19.20</u>	<u>\$2,877.00</u>

PLEASE REFERENCE BRAND & TAPPLY, LLC'S INVOICE NUMBER WITH ALL PAYMENTS.
PLEASE MAKE CHECKS PAYABLE TO BRAND & TAPPLY, LLC.

Timekeeper Summary

<u>Name</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Timothy W. Tapply	9.50	\$165.00	\$1,567.50
Philip Schreffler	9.70	\$135.00	\$1,309.50

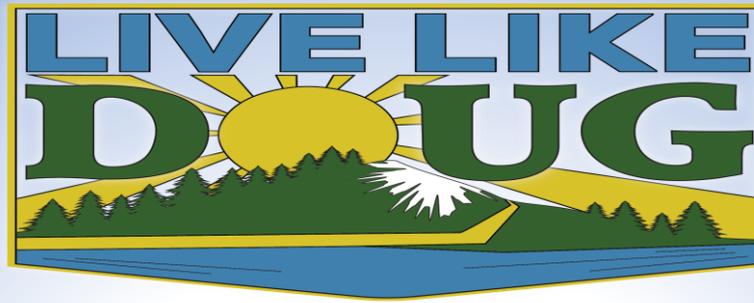


Live Like Doug Education Center

Covered Bridge Project

Presented to the Gunstock Area Commission

October 19, 2022



Doug Irving was the heart, soul, and backbone of Gunstock Mountain Resort in Gilford, NH for his entire career - 44 years. Tragically, he passed away suddenly in 2018 at the age of 67.

The Live Like Doug Education Center is a non-profit (501c3) organization whose mission is to foster interest in environmental awareness, conservation, stewardship and the use of the outdoor environment for healthy mental and physical enjoyment.

We are dedicated to fulfilling some of the dreams Doug envisioned.



The Origin of the Live Like Doug Project:

Doug Irving was the heart, soul, and backbone of Gunstock Mountain Resort in Gilford, NH. He dedicated his entire professional career to the resort for over 44 years, and lived, breathed and bled Gunstock that whole time. Doug had a hand in all the improvements to lifts, trails, buildings, snowmaking, and base lands since the early 1980s. As remembered by his friend of over 50 years, Greg Goddard, “Doug was a tireless advocate for the resort, its employees and its guests. He was an outstanding role model, mentor, and coach for countless managers who worked for him.”

He was especially committed to being a good land steward, working closely with the Belknap County Conservation District, the Belknap Range Trail Tenders, and numerous other naturalists and environmentalists to protect the beautiful landscapes, vistas, streams, woodlands, and wetlands which make Gunstock special.

Doug always dreamed of constructing a timber frame covered bridge over the dam adjacent to the historic main lodge building. We hope this project fulfills his dream.



- Friends and colleagues of Doug's have formed a board to make this a reality. These folks include:
 - Former managers of Gunstock Mountain Resort operations
 - Engineers
 - A groundwater hydrologist
 - Two members of Belknap Range Trail Tenders
 - An attorney
 - Specialists in the tourism and banking industry
 - An ecologist specializing in environmental permitting



Project Background

The pond dam at the Gunstock base area was reconstructed in 2001. Doug Irving headed up the project. He insisted that the design of the new dam include provisions to add the necessary infrastructure to accommodate eventual construction of a covered bridge over the dam. Unfortunately, due to other budget priorities the bridge was never built. LLDEC hopes to partner with the GAC to raise the funds, secure the materials and construct the bridge in Doug's memory.



Bridge Concept





Project Plan

- Collect logs at Alpine Ridge upper lot and mill to size using a portable sawmill.
- Begin fundraising efforts for both cash and in-kind donations
- Once ready to build, transport the materials to suitable staging area adjacent to pond dam
- Construct dam using volunteer labor and (hopefully) donated equipment



- GAC Next Steps:
 - Approve concept so LLDEC can begin fundraising and materials procurement.
 - At a future meeting, approve dedication of the bridge to Doug Irving's memory under the GAC "Naming Policy."
 - Consider requests for in-kind donation of materials, construction equipment, and operators as needed during construction.