



**Tahoe Donner Association
Finance Committee
Task**

**Changing Year End
Analysis**

December 15, 2018

**Tahoe Donner Changing Year End Analysis
Finance Committee Report
December 15, 2018**



- The Finance Committee and Management was asked to review the impact of changing the fiscal year of Tahoe Donner.
- The concern was that our current calendar year does not capture the full seasonality of our amenities, Cross Country and Down Hill Skiing which are spread across two fiscal years.
- It would not be the intent to change when member assessments are due but rather to show a more complete financial picture especially in years when snow fall may be strong or weak.

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• Process

- This issue has been discussed many times in the past. The Finance Committee discussed the history of this topic with Mike Salmon, DFA
- We reviewed a comprehensive 2001 memo prepared by David Gravell, TD In-House Council where he listed the Pros and Cons of changing the year end. His conclusion was “While a fiscal year adjustment is possible, the benefits, if any, do not appear to outweigh the difficulties- especially in light of our ability to generate accurate *seasonal* reporting for the winter operations.”
- We forwarded Gravell’s memo and other relevant documents to Gilbert Associates for their review and comments. Their response gave no recommendation other than to say they agree with the pros and cons of the 2001 Gravell memo.

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- Finance Committee Discussion

- We currently receive accurate seasonal amenity financial statements so changing the year end does not improve the quality of this information.
- Changing the year end would require a short period filing (budget/audit/assessment) which is estimated to have a high cost, estimated to be over \$40,000, with no clear benefit.
- Changing the year end would cause problems with the current C&R's regarding timing of assessments, budgets and payments resulting in additional time and unnecessary expense.

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- Finance Committee Discussion (con't)
 - Changing the year end could require the audit and Annual Report to fall during the Holiday period.
 - The FC believes there is a benefit in separating the ski season into two years. It spreads the benefits of a good year and risks of a bad year.

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- Conclusions

- At our July FC meeting, after much discussion, it was the unanimous decision of the Committee that the primary business of Tahoe Donner is running the HOA, which by our governing documents, is a calendar year.
- Because there are many more important projects that need to be completed, **our recommendation to the Board is to not consider changing the year end of Tahoe Donner.**