

# TAHOE DONNER ASSOCIATION

Truckee, California

FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITORS' REPORT

December 31, 2023 and 2022

TAHOE DONNER ASSOCIATION

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Tahoe Donner Association

### ***Opinion***

We have audited the accompanying financial statements of Tahoe Donner Association, which comprise the balance sheet as of December 31, 2023, and the related statements of revenues and expenses and changes in fund balances and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tahoe Donner Association as of December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audit 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 Tahoe Donner Association and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Tahoe Donner Association's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### ***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, including omissions, 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 Tahoe Donner Association'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 Tahoe Donner Association'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.

### ***Disclaimer of Opinion on Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that Required Supplementary Information on Future Major Repairs and Replacements on pages 18 and 19 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 Financial Accounting Standards Board, which 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 audit 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.

***Other Information***

The information included on pages 16 and 17 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the audit procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

***Summarized Comparative Information***

Information for the year ended December 31, 2022 is presented for comparative purposes only and was extracted from the financial statements presented for that year, on which we expressed an unmodified opinion on our report dated April 14, 2023.

McCLINTOCK ACCOUNTANCY CORPORATION  
Tahoe City, California  
March 15, 2024

DRAFT

TAHOE DONNER ASSOCIATION

Exhibit A

BALANCE SHEETS

December 31, 2023 (with comparative totals for 2022)

	2023						2022
	Operating Fund	Replacement Reserve Fund	New Equipment Fund	Development Fund	Property Fund	Total	Total
<b>ASSETS</b>							
Cash and cash equivalents, unrestricted (Note 3)	\$ 6,694,597	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 6,694,597	\$ 8,481,306
Cash and cash equivalents, designated and restricted (Note 3)	210,277	1,313,988	25,480	5,503	-0-	1,555,248	1,329,144
Investments, unrestricted (Note 3)	1,481,375	-0-	-0-	-0-	-0-	1,481,375	2,230,403
Investments, designated and restricted (Note 3)	-0-	18,367,072	-0-	16,564,915	-0-	34,931,987	28,844,693
	8,386,249	19,681,060	25,480	16,570,418	-0-	44,663,207	40,885,546
Assessments and other member receivables, less allowance for credit losses of \$88,393 in 2023 and \$158,049 in 2022	225,721	-0-	-0-	-0-	-0-	225,721	235,223
Other receivables	31,514	115,210	-0-	119,709	-0-	266,433	481,481
Inventory	510,431	-0-	-0-	-0-	-0-	510,431	422,559
Prepaid expenses and other assets	1,767,769	36,818	-0-	-0-	-0-	1,804,587	1,632,457
Due from (to) other funds	2,874,876	(2,304,604)	(139,452)	(430,820)	-0-	-0-	-0-
Property and equipment, net (Note 4)	-0-	-0-	-0-	-0-	47,145,272	47,145,272	45,199,170
<b>Total Assets</b>	<b>\$ 13,796,560</b>	<b>\$ 17,528,484</b>	<b>\$ (113,972)</b>	<b>\$ 16,259,307</b>	<b>\$ 47,145,272</b>	<b>\$ 94,615,651</b>	<b>\$ 88,856,436</b>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities</b>							
Accounts payable	\$ 466,596	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 466,596	\$ 886,688
Accrued liabilities	1,955,961	-0-	-0-	-0-	-0-	1,955,961	1,973,372
Deferred revenue	8,468,043	-0-	-0-	-0-	-0-	8,468,043	8,483,279
Deposits from members	390,100	-0-	-0-	-0-	-0-	390,100	394,600
<b>Total Liabilities</b>	<b>11,280,700</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>11,280,700</b>	<b>11,737,939</b>
<b>Fund Balances (Deficit) - Exhibit B</b>	<b>2,515,860</b>	<b>17,528,484</b>	<b>(113,972)</b>	<b>\$ 16,259,307</b>	<b>47,145,272</b>	<b>83,334,951</b>	<b>77,118,497</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 13,796,560</b>	<b>\$ 17,528,484</b>	<b>\$ (113,972)</b>	<b>\$ 16,259,307</b>	<b>\$ 47,145,272</b>	<b>\$ 94,615,651</b>	<b>\$ 88,856,436</b>

The accompanying notes are an integral part of these statements.

TAHOE DONNER ASSOCIATION

Exhibit B

STATEMENTS OF REVENUE AND EXPENSES AND CHANGES IN FUND BALANCES  
For the Year Ended December 31, 2023 (with comparative totals for 2022)

	2023						2022	
	Operating Fund	Replacement Reserve Fund	New Equipment Fund	Development Fund	Property Fund	Total	Total	
<b>REVENUE</b>								
Members' assessments	\$ 6,893,745	\$ 5,599,145	\$ -0-	\$ 4,492,262	\$ -0-	\$ 16,985,152	\$ 15,202,575	
Downhill ski	5,756,212	-0-	-0-	-0-	-0-	5,756,212	5,530,646	
Snowplay	253,791	-0-	-0-	-0-	-0-	253,791	266,372	
The Lodge and Summer F&B	2,351,902	-0-	-0-	-0-	-0-	2,351,902	2,174,156	
Cross country center	1,775,096	-0-	-0-	-0-	-0-	1,775,096	2,065,399	
Trout Creek recreation center and aquatics	1,645,652	-0-	-0-	-0-	-0-	1,645,652	1,596,967	
Marina	776,645	-0-	-0-	-0-	-0-	776,645	710,293	
Golf course	1,327,569	-0-	-0-	-0-	-0-	1,327,569	1,641,041	
Alder Creek Café	422,498	-0-	-0-	-0-	-0-	422,498	382,229	
Pizza on the Hill	540,182	-0-	-0-	-0-	-0-	540,182	496,871	
Tennis	485,055	-0-	-0-	-0-	-0-	485,055	497,220	
Day Camp	378,388	-0-	-0-	-0-	-0-	378,388	354,797	
Equestrian	169,895	-0-	-0-	-0-	-0-	169,895	152,553	
Recreation	229,777	-0-	-0-	-0-	-0-	229,777	199,491	
Campground	135,453	-0-	-0-	-0-	-0-	135,453	100,079	
Bikeworks	223,398	-0-	-0-	-0-	-0-	223,398	142,527	
Trails	95	-0-	-0-	-0-	-0-	95	87	
Communications	292,828	-0-	-0-	-0-	-0-	292,828	300,135	
Community standards	157,538	-0-	-0-	-0-	-0-	157,538	247,164	
Forestry	297,891	-0-	-0-	-0-	-0-	297,891	502,626	
Interest income	204,444	857,417	6,827	737,511	-0-	1,806,200	426,741	
Late charges, handling, transfer fees, and other fees	118,807	-0-	-0-	-0-	-0-	118,807	101,028	
Miscellaneous income	62,758	-0-	-0-	-0-	-0-	62,758	82,970	
<b>Total Revenue</b>	<b>24,499,619</b>	<b>6,456,562</b>	<b>6,827</b>	<b>5,229,773</b>	<b>-0-</b>	<b>36,192,782</b>	<b>33,173,967</b>	
<b>OPERATING EXPENSES</b>								
Downhill ski (cost of sales of \$211,348 in 2023 and \$209,195 in 2022)	4,037,800	27,412	-0-	-0-	-0-	4,065,212	3,667,511	
Snowplay (cost of sales of \$4,979 in 2023 and \$458 in 2022)	184,091	-0-	-0-	-0-	-0-	184,091	151,383	
The Lodge and Summer F&B (cost of sales of \$725,248 in 2023 and \$762,762 in 2022)	3,120,022	67,370	-0-	-0-	-0-	3,187,392	3,070,236	
Cross country center (cost of sales of \$106,563 in 2023 and \$127,981 in 2022)	1,181,082	53,698	-0-	-0-	-0-	1,234,780	1,225,874	
Trout Creek recreation center and aquatics (cost of sales of \$24,482 in 2023 and \$20,492 in 2022)	1,565,329	148,642	-0-	-0-	-0-	1,713,971	1,310,710	
Marina (cost of sales of \$64,245 in 2023 and \$73,455 in 2022)	537,842	20,398	-0-	-0-	-0-	558,240	562,218	
Golf course (cost of sales of \$91,881 in 2023 and \$85,288 in 2022)	1,645,228	69,400	-0-	-0-	-0-	1,714,628	1,949,552	
Alder Creek Café (cost of sales of \$143,353 in 2023 and \$122,389 in 2022)	532,366	-0-	-0-	-0-	-0-	532,366	455,805	
Pizza on the Hill (cost of sales of \$147,802 in 2023 and \$159,540 in 2022)	669,484	-0-	-0-	-0-	-0-	669,484	669,235	
Tennis (cost of sales of \$26,721 in 2023 and \$32,450 in 2022)	437,879	22,855	-0-	-0-	-0-	460,734	455,830	
Day camp	213,919	35,438	-0-	-0-	-0-	249,357	247,807	
Equestrian (cost of sales of \$4,117 and \$1,242 in 2022 )	363,193	5,239	-0-	-0-	-0-	368,432	344,051	
Recreation (cost of sales of \$2,451 in 2023 and \$2,149 in 2022)	221,933	-0-	-0-	-0-	-0-	221,933	258,536	
Campground	111,027	2,219	-0-	-0-	-0-	113,246	104,508	
Bikeworks (cost of sales of \$80,817 in 2023 and \$39,461 in 2022)	252,815	-0-	-0-	-0-	-0-	252,815	182,225	
Trails	271,097	66,111	-0-	-0-	-0-	337,208	89,539	
Communications	909,472	-0-	-0-	-0-	-0-	909,472	784,663	
Architectural standards	509,487	-0-	-0-	-0-	-0-	509,487	431,518	
Forestry	1,663,177	219,592	-0-	-0-	-0-	1,882,769	2,131,482	
Homeowners' association operating expenses and G&A	6,384,817	742,876	-0-	325,187	-0-	7,452,880	6,957,611	
<b>Total Operating Expenses</b>	<b>24,812,060</b>	<b>1,481,250</b>	<b>-0-</b>	<b>325,187</b>	<b>-0-</b>	<b>26,618,497</b>	<b>25,050,293</b>	
<b>FUND EXPENSES</b>								
(Gain) Loss on disposal of assets	-0-	(39,627)	-0-	-0-	6,717	(32,910)	(46,732)	
Depreciation	-0-	-0-	-0-	-0-	3,212,178	3,212,178	3,322,358	
Income tax provision (Note 5)	30,522	80,631	618	66,791	-0-	178,562	49,267	
<b>Total Expenses</b>	<b>24,842,582</b>	<b>1,522,254</b>	<b>618</b>	<b>391,978</b>	<b>3,218,895</b>	<b>29,976,327</b>	<b>28,375,186</b>	
Revenue Over (Under) Expenses	(342,963)	4,934,308	6,209	4,837,795	(3,218,895)	6,216,455	4,798,781	
Property Fund Additions, Net (Schedule 2)	-0-	(3,481,307)	(379,685)	(1,304,005)	5,164,997	-0-	-0-	
Fund Balances, Beginning of Year	2,858,823	16,075,483	259,504	12,725,517	45,199,170	77,118,497	72,319,716	
<b>Fund Balances (Deficit), End of Year</b>	<b>\$ 2,515,860</b>	<b>\$ 17,528,484</b>	<b>\$ (113,972)</b>	<b>\$ 16,259,307</b>	<b>\$ 47,145,272</b>	<b>\$ 83,334,952</b>	<b>\$ 77,118,497</b>	

TAHOE DONNER ASSOCIATION

Exhibit C

STATEMENTS OF CASH FLOWS

For the Year Ended December 31, 2023 (with comparative totals for 2022)

	2023						2022	
	Operating Fund	Replacement Reserve Fund	New Equipment Fund	Development Fund	Property Fund	Total	Total	
<b>Cash Flows from Operating Activities:</b>								
Operating Revenue Over (Under) Expenses	\$ (342,963)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ (342,963)	\$ (233,842)	
Replacement Revenue Over Expenses	-0-	4,934,308	-0-	-0-	-0-	4,934,308	4,773,275	
Non-Operating Funds Revenue Over (Under) Expenses	-0-	-0-	6,209	4,837,795	(3,218,895)	1,625,109	2,593,348	
Revenue Over (Under) Expenses	(342,963)	4,934,308	6,209	4,837,795	(3,218,895)	6,216,454	4,798,781	
Adjustments to Reconcile Operating/Replacement Revenue Over (Under) Expenses to Net Cash Provided (Used) by Operating Activities:								
Property fund additions, net	5,164,997	(3,481,307)	(379,685)	(1,304,005)	-0-	-0-	-0-	
Bad debt expense	15,349	23,083	-0-	14,583	-0-	53,015	33,571	
Depreciation expense	-0-	-0-	-0-	-0-	3,212,178	3,212,178	3,322,358	
(Gain)/Loss on disposal of assets	-0-	(39,627)	-0-	-0-	6,717	(32,910)	(46,732)	
Investment amortization	(129,485)	(445,063)	-0-	(576,147)	-0-	(1,150,695)	57,772	
Changes in:								
Assessments receivable	(5,847)	(23,083)	-0-	(14,583)	-0-	(43,513)	19,753	
Other receivables	341,485	(67,977)	-0-	(58,459)	-0-	215,049	(357,372)	
Inventory	(87,872)	-0-	-0-	-0-	-0-	(87,872)	(80,444)	
Prepaid expenses and other assets	(171,979)	(151)	-0-	-0-	-0-	(172,130)	(169,217)	
Due to/from other funds	(1,826,398)	1,391,761	129,287	305,350	-0-	-0-	-0-	
Accounts payable	(650,804)	-0-	-0-	-0-	-0-	(650,804)	290,390	
Accrued liabilities	(17,411)	-0-	-0-	-0-	-0-	(17,411)	713,186	
Deferred revenue	(15,236)	-0-	-0-	-0-	-0-	(15,236)	1,869,396	
Deposits	(4,500)	-0-	-0-	-0-	-0-	(4,500)	1,840	
Net Cash Provided (Used) by Operating Activities	2,269,336	2,291,944	(244,189)	3,204,534	-0-	7,521,625	10,453,282	
<b>Cash Flows from Investing Activities:</b>								
Acquisition of property and equipment	(4,934,285)	-0-	-0-	-0-	-0-	(4,934,285)	(5,423,410)	
Proceeds from sale of property and equipment	-0-	39,627	-0-	-0-	-0-	39,627	47,554	
Purchase of investments	(8,571,488)	(18,656,876)	-0-	(29,530,078)	-0-	(56,758,442)	(45,935,286)	
Maturity or redemption of investments	9,450,000	17,032,870	-0-	26,088,000	-0-	52,570,870	22,060,989	
Net Cash Used by Investing Activities	(4,055,773)	(1,584,379)	-0-	(3,442,078)	-0-	(9,082,230)	(29,250,153)	
Net Increase (Decrease) in Cash and Cash Equivalents	(1,786,437)	707,565	(244,189)	(237,544)	-0-	(1,560,605)	(18,796,871)	
Cash and cash equivalents, Beginning of Year	8,691,311	606,423	269,669	243,047	-0-	9,810,450	28,607,321	
Cash and cash equivalents, End of Year (Note 3)	\$ 6,904,874	\$ 1,313,988	\$ 25,480	\$ 5,503	\$ -0-	\$ 8,249,845	\$ 9,810,450	
<b>Analysis of Cash and Cash Equivalents:</b>								
Cash and cash equivalents, unrestricted	\$ 6,694,597	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 6,694,597	\$ 8,481,306	
Cash and cash equivalents, designated and restricted	210,277	1,313,988	25,480	5,503	-0-	1,555,248	1,329,144	
Cash and cash equivalents, End of Year (Note 3)	\$ 6,904,874	\$ 1,313,988	\$ 25,480	\$ 5,503	\$ -0-	\$ 8,249,845	\$ 9,810,450	
<b>Supplemental Disclosure:</b>								
Income taxes paid	\$ 76,357	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 76,357	\$ 20,000	
Acquisition of equipment financed by trade payables	\$ 230,712	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 230,712	\$ -0-	

The accompanying notes are an integral part of these statements.



# TAHOE DONNER ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023 and 2022

### 1. OPERATIONS

Tahoe Donner Association (Association) is a California nonprofit mutual benefit corporation. The Association's members own the 6,473 membership properties within the Tahoe Donner subdivision in Truckee, California. The Association was organized to provide management services and maintenance of certain common areas owned by the Association. A significant portion of revenue is derived from the assessment of member dues.

The Association operates and maintains facilities, which include a golf course and pro shop, restaurant, downhill ski area, clubhouse, Nordic ski area, beach and marina area, equestrian center, campground, tennis facilities, recreation complex, pools, and parks. Revenues are derived from member and non-member usage of these facilities.

The Association's Board of Directors is comprised of five members elected to serve three-year terms by a vote of the members. The Board of Directors governs in accordance with the Association's bylaws and declaration of covenants and restrictions. The Board of Directors establishes members' dues and user fees, and has the ability to enter into long-term contracts. Along with other actions, closing an Association amenity (as defined by the governing documents) requires a vote of the members.

### 2. SIGNIFICANT ACCOUNTING POLICIES

**Basis of presentation** - The Association's governing documents provide certain guidelines for governing its financial activities. To ensure observance of limitations and restrictions on the use of financial resources, the Association maintains its accounts using fund accounting. Financial resources are classified for accounting and reporting purposes in the following funds established according to their nature and purpose:

Operating Fund - Used to account for financial resources available for the general operations of the Association.

Replacement Reserve Fund - Used to account for financial resources designated for the repair, restoration, replacement, or maintenance of, or litigation involving repair, restoration, replacement, or maintenance of, major components which the Association is obligated to repair, restore, replace, or maintain and for which the replacement reserve fund was established.

New Equipment Fund - Used to account for financial resources designated for the purchase of new machinery, equipment, furnishings, and fixtures.

Development Fund - Used to account for financial resources designated for use in the acquisition and enhancement of facilities, equipment, and other resources.

Property Fund - Used to account for the Association's investment in its common property and equipment, and other Association real property.

TAHOE DONNER ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023 and 2022

**Member Assessments and Allowance for Credit Losses**– Association members are subject to annual assessments to provide funds for the Association’s operating expenses, major repairs and replacements, development, and purchase of new equipment. Accounts receivable at the balance sheet date primarily represents amounts due from unit owners. The Association’s collection policy includes, among other things, assessing a late charge and interest, filing a lien, and assessing a lien fee on payments not received within the allowable time periods. In certain instances, foreclosure may be necessary.

The Association treats uncollectible assessments as credit losses. Methods, inputs, and assumptions used to evaluate when assessments are considered uncollectible include close monitoring of outstanding assessment balances by management, member payment history of outstanding assessment balances, and susceptibility to factors outside the Association's control. An allowance for credit losses is created when an account’s collectability is uncertain. Accounts are written off when the Association’s management determines that an account is uncollectible due to an event such as bankruptcy or foreclosure proceedings.

Allowance for credit losses as of December 31 was as follows:

	2023	2022
Beginning balance	\$ 158,049	\$ 221,059
Provision for expected credit loss	40,623	(33,572)
Less: write offs	(110,279)	(29,438)
Ending allowance for credit losses	\$ 88,393	\$ 158,049

**Revenue recognition** – The Association’s accounting policies with regards to revenue from contracts with customers are discussed in Note 3.

**Cash** consists of cash on hand, demand deposits at banks and money market funds.

The Association minimizes credit risk associated with cash by periodically evaluating the credit quality of its primary financial institution. The balance at times may exceed federally insured limits. As of December 31, 2023 and 2022, cash balances exceeded federally insured limits by approximately \$4,795,000 and \$7,815,000, respectively. The Association has not experienced any losses in such accounts and management believes the Association is not exposed to any significant credit risk related to cash.

**Investments** consist of debt securities and certificates of deposits, which are carried at amortized cost as the Association has the positive intent and ability to hold all debt securities and certificates of deposit until maturity.

**Inventories** consist of food, beverage and retail goods and are stated at the lower of average cost or market.

# TAHOE DONNER ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023 and 2022

**Property and equipment** of the Association includes certain facilities and land contributed by the developer in prior years. These assets are reflected in the accounts at the developers' cost basis. Purchases are stated at cost. The Association capitalizes all expenditures for property and equipment in excess of \$2,000. Depreciation is computed using the straight-line method over estimated useful lives of individual assets ranging from 3 to 60 years. These assets are recorded directly in the property fund.

Approximately 3,000 acres of undeveloped non-common area real property owned by the Association is controlled by the Association's declaration of covenants and restrictions and bylaws.

**Interest income** and the related income tax expense is allocated to the operating, replacement and reserve, new machinery and equipment and development funds in proportion to the interest-bearing assets of each fund.

**Assessments paid in advance and deferred revenue** primarily represents funds received for assessments, amenity and newsletter fees received in the current fiscal year, which apply to the subsequent fiscal year.

**Deposits from members** held by the Association are primarily security deposits from members for the construction of residential real property. The deposits are used to ensure that construction is completed in accordance with the guidelines established by the Community Standards Office. The funds are deposited in a separate trust account and are refundable upon satisfactory completion of construction.

**Advertising costs** are expensed as incurred. For the year ended December 31, 2023 and 2022 advertising costs total \$37,102 and \$46,979, respectively.

**Income taxes** - For California purposes, the Association is taxed as membership organization. As such, the Association is generally taxed only on non-member income, such as investment earnings, advertising revenue and gains on sales of assets at regular state corporate tax rates. For federal purposes, the Association has tax-exempt status as a non-profit organization under Internal Revenue Code 501(c)(4). Unrelated business income earned by the Association, such as advertising revenue, is taxed net of related expenses at regular federal corporate tax rates.

The Association has applied the accounting principles related to the accounting for uncertainty in income taxes and has determined there is no material impact on the financial statements. With some exceptions, the Association is no longer subject to U.S. federal and state income tax examinations by tax authorities for years prior to 2018.

**Carrying amounts of financial instruments**, including cash and cash equivalent, accounts receivable and accounts payable approximate their fair value due to the short-term maturities of these instruments.

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

# TAHOE DONNER ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023 and 2022

**Reclassifications** - Certain reclassifications have been made in the 2022 financial statements to conform to the classifications used in 2023. The reclassifications had no impact on the financial position or results of operations for 2022.

**Revenue recognition** - The Association adopted the provisions of Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers*, (“Topic 606” in the Accounting Standards Codification (ASC). Topic 606 superseded the revenue recognition requirements in FASB ASC 972-605, *Real Estate—Common Interest Realty Associations, Revenue Recognition*. Under Topic 606, the Association must identify a contract with a customer, among other things, and recognize revenue as the Association satisfies a performance obligation.

As described above, Association members are subject to annual assessments that provide funds for the Association’s operating expenses and major repairs and replacements. Association management has considered Topic 606 and concluded that Association members are not customers as defined in the ASC. As such, all assessment revenue, including amounts allocated to the replacement fund, is recognized in the period in which it is assessed, regardless of when it is collected or expended.

**New Accounting Pronouncement** - In 2023, the Association implemented ASU 2016-13 Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments (ASC 326). This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (“CECL”) methodology. CECL requires an estimate of credit losses for the remaining estimated life of the financial asset using historical experience, current conditions, and reasonable and supportable forecasts and generally applies to financial assets measured at amortized cost, including held-to-maturity debt securities, and accounts receivable. Financial assets measured at amortized cost will be presented at the amount expected to be collected, net of an allowance for credit losses. There were no transition adjustments required to be made as a result of implementing the new standard.

## REVENUE FROM CONTRACTS WITH CUSTOMERS

### *Revenue Recognition*

The following provides information about the Association’s composition of revenue recognized from contracts with customers, the performance obligations under those contracts, and the significant judgments made in accounting for those contracts:

Downhill Ski, Cross Country and Golf revenue is derived from a wide variety of sources, including, among other things: lift, trail, and course access revenue, which includes sales of lift tickets, trail access, golf course access and pass products; ski school and lesson revenue, which includes the revenue derived from ski school and lesson operations; food and beverage sales; retail sales and equipment rental revenue. Revenue is recognized over time as performance obligations are satisfied as control of the goods or services (e.g. access to ski areas, trails and golf course, provision of ski school and lesson services, etc.) is transferred to the customer, except for the retail sales, rentals and food and beverage operations revenue which are recognized at a point in time when performance obligations are satisfied by transferring control of the underlying goods to the customer. The Association records deferred revenue primarily related to the sales of the pass products. Deferred

# TAHOE DONNER ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023 and 2022

revenue is recognized throughout the ski and golf seasons as the Association's performance obligations are satisfied as control of the service (e.g. access to the ski areas throughout the ski season) is transferred to the customer. The transfer of control is based on the number of days that have passed in the season relative to total expected season days. Total expected season days are based on historical data, and the Association believes this estimate provide a faithful depiction of its customers pass product usage.

Trout Creek recreation center and aquatics, Snowplay, Marina and Tennis are accessible via an annual recreation pass or daily access fees. Revenue is derived from recreation pass usage, daily access fees, lessons, classes and trainings, retail sales, equipment rentals and food and beverage sales. Revenue is recognized over time as performance obligations are satisfied as control of the goods or services (e.g. access amenities, provision of lessons, classes, and training services, etc.) is transferred to the customer, except for the retail sales, rentals and food and beverage operations revenue which are recognized at a point in time when performance obligations are satisfied by transferring control of the underlying goods to the customer. The Association records deferred revenue primarily related to the sales of the recreation pass. Deferred revenue is recognized throughout recreation pass period as the Association's performance obligations are satisfied as control of the service (e.g. access to amenities throughout the pass period) is transferred to the customer. The transfer of control is based on an estimated number of pass holder visits relative to total expected visits. The total expected visits are estimated based on historical data, and the Association believes this estimate provides a faithful depiction of its customers' pass product usage.

Food and beverage revenue (The Lodge and Summer F&B, Alder Creek Café, and Pizza on the Hill) is derived from restaurants and cafes, room rentals and banquets. Revenue is recognized at a point in time when performance obligations are satisfied by transferring controls of the underlying goods to the customer.

Communications revenue is derived primarily from newsletter ad sales. Revenue is recognized over time as performance obligations are satisfied as control of the good (e.g. inclusion of ad in the monthly newsletter) is transferred to the customer. Deferred revenue relates sales of newsletter ad space for multiple monthly publications in advance.

Other revenue sources not previously mentioned provide revenue from a variety of means including other amenity access fees, lessons and camps, retail sales, equipment rentals, special events and concerts, food and beverage sales, architectural fees, and forestry grants revenues. Revenue is recognized over time as performance obligations are satisfied as control of the (e.g. completions of lessons or camps) is transferred to the customer, except for retail sales, equipment rentals and food and beverage sales which are recognized at a point in time when performance obligations are satisfied by transferring control of the underlying goods to the customer.

### *Arrangements with Multiple Performance Obligations*

Some of the Association's contracts with customers include multiple performance obligations, primarily related to bundled services such as multiple events, camps, class and lesson packages. For such contracts, revenue is allocated to each distinct and separate performance obligation based on its relative standalone selling price. The standalone selling prices are generally based on observable prices charged to customers or estimated based on historical experience and information.

# TAHOE DONNER ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023 and 2022

### *Contract Balances*

Contract liabilities are recorded primarily as deferred revenues when payments are received or due in advance of the Association's performance, including amounts which may be refundable. The deferred revenue balance is primarily related to accounts receivable or cash payments recorded in advance of satisfying the Association's performance obligations related to advance purchase products consisting primarily of recreation passes, ski and golf passes, amenity related lessons and programs. Deferred revenue balances related to contracts was approximately \$2,288,000 and \$2,455,000 as of December 31, 2023 and 2022, respectively. For the years ended December 31, 2023 and 2022, the Association recognized approximately \$2,445,000 and \$2,602,000 of contract revenue that was included in the deferred revenue balance as of the previous fiscal year, respectively.

Contract assets are recorded as trade receivables when the right to consideration is unconditional. Trade receivable balances were approximately \$-0- as of December 31, 2023 and 2022, respectively. Payments from customers are based on billing terms established in the contracts with customers, which vary by the type of customer, the location and the products or services offered. The term between invoicing and when payment is due is not significant. For certain products or services and customer types, contracts require payment before the products are delivered or services are provided to the customer. Impairment losses related to contract assets are recognized through the Association's allowance for doubtful accounts analysis. Contract asset write-offs are evaluated on an individual basis.

### *Costs to Obtain Contracts with Customers*

The Association expects that credit card fees paid in order to obtain season pass products contracts are recoverable. Accordingly, the Association recognizes these amounts as assets when they are paid prior to the start of the pass season. As of December 31, 2023 and 2022, approximately \$-0- of costs to obtain contracts with customers were recorded within prepaid expenses and other current assets, respectively.

Utilizing the practical expedient provided for under Topic 606, the Association has elected to expense credit card fees related to non-pass products and services as incurred, as the amortization period is generally one year or less for the time between customer purchase and utilization. These fees are recorded within departmental expenses on the Association's Statement of Revenue and Expenses and Changes in Fund Balances.

### **3. CASH AND INVESTMENTS**

At December 31, the Association's cash and investments consisted of undesignated, designated, and restricted accounts as follows:

TAHOE DONNER ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023 and 2022

	2023		
	Cash	Investments	Total
Replacement reserve fund - designated	\$ 1,313,988	\$ 18,367,072	\$ 19,681,060
Development fund - designated	5,503	16,564,915	16,570,418
New equipment fund - designated	25,480	-0-	25,480
Operating fund - undesignated and unrestricted	6,694,597	1,481,375	8,175,972
Operating fund - Trust - restricted 457(b)	24,500	-0-	24,500
Operating fund - Architectural standards deposits - restricted	185,777	-0-	185,777
Total	<u>\$ 8,249,845</u>	<u>\$ 36,413,362</u>	<u>\$ 44,663,207</u>

  

	2022		
	Cash	Investments	Total
Replacement reserve fund - designated	\$ 606,423	\$ 16,298,003	\$ 16,904,426
Development fund - designated	243,047	12,546,690	12,789,737
New equipment fund - designated	269,669	-0-	269,669
Operating fund - undesignated and unrestricted	8,481,306	2,230,403	10,711,709
Operating fund - Trust - restricted 457(b)	24,500	-0-	24,500
Operating fund - Architectural standards deposits - restricted	185,505	-0-	185,505
Total	<u>\$ 9,810,450</u>	<u>\$ 31,075,096</u>	<u>\$ 40,885,546</u>

Board designated funds in the replacement reserve fund cannot be expended for any purpose other than the repair, restoration, replacement, or maintenance of, or litigation involving repair, restoration, replacement, or maintenance of, major components which the Association is obligated to repair, restore, replace, or maintain and for which the replacement reserve fund was established as mandated by state law.

Designated funds in the development fund are controlled by board-adopted policy that affords the board discretion in expenditure, except where member approval is required in connection with the intended project.

Cash consists of cash on hand, demand deposits at banks and highly liquid money market funds.

Association investments consist of municipal and corporate securities, and governmental securities. Varying types and levels of safety protection cover the various Association investments, including FDIC insurance, SIPC insurance, privately funded bank insurance, and the backing of the US Treasury and its agencies.

Municipal and corporate securities, governmental securities and certificates of deposit are carried at amortized cost as they are classified as held to maturity investments since the Association has the positive intent and ability to hold all securities until maturity.

TAHOE DONNER ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023 and 2022

The amortized cost of held-to-maturity investment securities at December 31, 2023 and 2022 are as follows:

	2023	2022
	Amortized Cost/Net Carrying Value	Amortized Cost/Net Carrying Value
Held to maturity:		
Corporate Notes	\$ 11,482,174	\$ 5,088,020
Corporate Bonds	2,155,867	2,837,978
Municipal Bonds	1,555,053	2,114,610
U.S. Treasury	21,220,268	21,034,488
Total held to maturity	\$ 36,413,362	\$ 31,075,096

The maturities of the held to maturity securities at December 31, 2023 and 2022 are all within one to five years.

**4. PROPERTY AND EQUIPMENT**

Property and equipment consist of the following:

	2023	2022
Buildings	\$ 35,290,229	\$ 35,155,668
Fixtures and facility improvements	21,425,517	19,257,339
Equipment	27,195,669	22,889,428
Land and land improvements	12,941,316	12,941,316
Furnishings	1,551,645	1,189,722
Total	98,404,376	91,433,473
Less accumulated depreciation	(53,417,153)	(50,426,468)
	44,987,223	41,007,005
Construction in progress	2,158,049	4,192,165
Total	\$ 47,145,272	\$ 45,199,170

**5. INCOME TAXES**

The provision for income taxes for the year ended December 31, 2023 and 2022 is as follows:

	2023	2022
State	\$ 178,562	\$ 45,444
Federal	-0-	3,823
	\$ 178,562	\$ 49,267



# TAHOE DONNER ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023 and 2022

### 6. REPLACEMENT RESERVE FUND

The Association's policy is to maintain replacement funding levels sufficient to pay for capital replacements, refurbishments, and repairs. Funds for replacement of common area property and equipment is accounted for through a replacement reserve fund. The funds are designated for major repairs and replacement. When major repairs or replacement occur, the expenditures are charged against the fund balance or, if certain conditions are met, a transfer is made for property and equipment to the property fund and the expenditures are capitalized.

Replacement funding levels, as determined by a study updated in 2023, are forecast on a 30-year basis with annual updates to replacement schedules, as they become known. The percent funded level is to exceed 25% and the replacement reserve fund balance is to equal or exceed 10% of net replacement reserve assets (total property and equipment less land and land improvements). The annual assessment allocation to the replacement reserve fund is determined by the Board of Directors with input from management. Actual expenditures, however, may vary from the estimated amounts and the variations may be material. If additional funds are needed, the Association has the right, subject to any necessary member approval, to increase regular dues, to levy special assessments, or modify and adjust the scheduled major repairs and replacements as necessary.

### 7. INTERFUND ACTIVITY

The Association maintains five funds. The reserve fund's portion of the overall assessment are deposited first to the operating fund and transferred to the reserve fund. All fund expenses are paid first by the operating fund and subsequently paid back by cash transfer. At various times during the year there is a receivable/payable (due to/from) among the funds.

### 8. RETIREMENT PLANS

The Association sponsors a 401(k)-retirement plan for the benefit of Association employees who meet plan eligibility requirements. Under this plan, the Association will contribute a Safe Harbor match of up to 4% to all employees enrolled in the plan. Matching contributions expense was \$219,238 and \$165,991 for December 31, 2023 and 2022, respectively.

The Association maintains two defined contribution plans which qualify under Section 457(b) and Section 457(f) of the Internal Revenue Code, respectively (the 457 Plans). The 457 Plans allow for additional Association contributions and salary deferrals subject to limitations for eligible executive employees. Contributions to the 457 Plans funds are considered deferred compensation until certain future date conditions are met. The Association's contribution to the 457 Plans was \$25,000 for the years ended December 31 2023 and 2022, respectively.

### 9. SUBSEQUENT EVENTS

Subsequent events have been evaluated through March 15, 2024, the date the financial statements were issued.

TAHOE DONNER ASSOCIATION

Schedule 1

SCHEDULE OF REVENUE AND EXPENSES AND CHANGES IN FUND BALANCES  
BY NATURAL CLASSIFICATION  
For the Year Ended December 31, 2023 (with comparative totals for 2022)

	2023							2022	
	OPERATIONS			CAPITAL				Total	Total
	Amenities	Homeowners' Association	Total Operating Fund	Replacement Reserve Fund	New Equipment Fund	Development Fund	Property Fund		
Revenue									
Assessments	\$ -0-	\$ 6,893,745	\$ 6,893,745	\$ 5,599,145	\$ -0-	\$ 4,492,262	\$ -0-	\$ 16,985,152	\$ 15,202,575
Access and use fees	7,767,814	-0-	7,767,814	-0-	-0-	-0-	-0-	7,767,814	8,147,982
Retail sales	4,684,461	-0-	4,684,461	-0-	-0-	-0-	-0-	4,684,461	4,419,797
Lessons and rental revenue	3,276,830	16,555	3,293,385	-0-	-0-	-0-	-0-	3,293,385	3,162,656
Late charges, fines and fees	-0-	306,639	306,639	-0-	-0-	-0-	-0-	306,639	391,399
Other revenues	742,503	606,628	1,349,131	-0-	-0-	-0-	-0-	1,349,131	1,422,817
Interest income	-0-	204,444	204,444	857,417	6,827	737,511	-0-	1,806,200	426,741
Total Revenue	16,471,608	8,028,011	24,499,619	6,456,562	6,827	5,229,773	-0-	36,192,782	33,173,967
Operating Expenses									
Salaries and wages	7,229,487	5,000,425	12,229,912	-0-	-0-	-0-	-0-	12,229,912	11,859,832
Cost of good sold	1,630,007	-0-	1,630,007	-0-	-0-	-0-	-0-	1,630,007	1,636,867
Payroll taxes and employee benefits	1,855,935	1,399,910	3,255,845	-0-	-0-	-0-	-0-	3,255,845	3,071,938
Supplies and maintenance	1,355,462	1,018,942	2,374,404	-0-	-0-	-0-	-0-	2,374,404	2,576,850
Utilities	958,434	180,771	1,139,205	-0-	-0-	-0-	-0-	1,139,205	1,120,573
Other employee expenses	604,359	206,326	810,685	-0-	-0-	-0-	-0-	810,685	511,892
Insurance	906,959	691,850	1,598,809	-0-	-0-	-0-	-0-	1,598,809	1,355,767
Income tax	-0-	30,522	30,522	80,631	618	66,791	-0-	178,562	49,267
Other expenses	811,284	961,909	1,773,193	23,083	-0-	14,583	-0-	1,810,859	1,759,201
Total Operating Expenses	15,351,927	9,490,655	24,842,582	103,714	618	81,374	-0-	25,028,288	23,942,187
Fund Expenses									
(Gain) Loss on disposal of assets	-0-	-0-	-0-	(39,627)	-0-	-0-	6,717	(32,910)	(46,732)
Depreciation	-0-	-0-	-0-	-0-	-0-	-0-	3,212,178	3,212,178	3,322,358
Fund expenses	-0-	-0-	-0-	1,458,167	-0-	310,604	-0-	1,768,771	1,157,373
Total Expenses	15,351,927	9,490,655	24,842,582	1,522,254	618	391,978	3,218,895	29,976,327	28,375,186
Revenue Over (Under) Expenses	\$ 1,119,681	\$ (1,462,644)	\$ (342,963)	\$ 4,934,308	\$ 6,209	\$ 4,837,795	\$ (3,218,895)	\$ 6,216,455	\$ 4,798,781
Property Fund Additions, Net	-0-	-0-	-0-	(3,481,307)	(379,685)	(1,304,005)	5,164,997	-0-	-0-
Fund Balances, Beginning of Year	-0-	-0-	2,858,823	16,075,483	259,504	12,725,517	45,199,170	77,118,497	72,319,716
Fund Balances (Deficit), End of Year	\$ -0-	\$ -0-	\$ 2,515,860	\$ 17,528,484	\$ (113,972)	\$ 16,259,307	\$ 47,145,272	\$ 83,334,952	\$ 77,118,497

The accompanying notes are an integral part of these statements.

TAHOE DONNER ASSOCIATION

Schedule 2

SCHEDULE OF CAPITAL FUNDS' EXPENDITURES  
BY DEPARTMENT

For the Year Ended December 31, 2023

	Replacement Reserve Fund		New Equipment Fund		Development Fund		Capital Funds Total	
	Capital Additions	Major Maintenance	Capital Additions	Major Maintenance	Capital Additions	Major Maintenance	Capital Additions	Major Maintenance
<b>PRIVATE AMENITIES</b>								
Trout Creek Recreation Center	\$ 394,250	\$ 148,642	\$ -0-	\$ -0-	\$ 2,738	\$ -0-	\$ 396,988	\$ 148,642
Beach Club Marina	33,225	20,398	-0-	-0-	40,464	-0-	73,689	20,398
Tennis Center	22,775	22,855	-0-	-0-	-0-	-0-	22,775	22,855
Northwoods Pool / Aquatics	15,119	-0-	-0-	-0-	-0-	-0-	15,119	-0-
Camps & Recreation Programs	24,286	35,438	-0-	-0-	-0-	-0-	24,286	35,438
<b>TOTAL PRIVATE AMENITIES</b>	<b>489,655</b>	<b>227,333</b>	<b>-0-</b>	<b>-0-</b>	<b>43,202</b>	<b>-0-</b>	<b>532,857</b>	<b>227,333</b>
<b>PUBLIC AMENITIES</b>								
Golf	508,183	69,400	38,971	-0-	49,132	-0-	596,286	69,400
Downhill Ski	207,240	27,412	-0-	-0-	804,887	-0-	1,012,127	27,412
Cross Country Ski	142,111	53,698	187	-0-	268,140	-0-	410,438	53,698
Campground	-0-	2,219	-0-	-0-	-0-	-0-	-0-	2,219
Equestrian	8,362	5,239	14,999	-0-	-0-	-0-	23,361	5,239
Trails	171,674	66,111	-0-	-0-	40,032	-0-	211,706	66,111
Bikeworks	43,098	-0-	48,067	-0-	-0-	-0-	91,165	-0-
The Lodge	658,951	67,370	103,153	-0-	21,433	-0-	783,537	67,370
Pizza on the Hill	4,805	-0-	-0-	-0-	-0-	-0-	4,805	-0-
Alder Creek Café	4,394	-0-	-0-	-0-	-0-	-0-	4,394	-0-
<b>TOTAL PUBLIC AMENITIES</b>	<b>1,748,818</b>	<b>291,449</b>	<b>205,377</b>	<b>-0-</b>	<b>1,183,624</b>	<b>-0-</b>	<b>3,137,819</b>	<b>291,449</b>
<b>TOTAL AMENITIES</b>	<b>2,238,473</b>	<b>518,782</b>	<b>205,377</b>	<b>-0-</b>	<b>1,226,826</b>	<b>-0-</b>	<b>3,670,676</b>	<b>518,782</b>
<b>HOMEOWNERS ASSOCIATION and G&amp;A</b>								
General HOA	162,493	38,157	-0-	-0-	13,820	-0-	176,313	38,157
Facility Administration	-0-	253,869	-0-	-0-	-0-	310,604	-0-	564,473
Administration	122,137	34,839	-0-	-0-	63,359	-0-	185,496	34,839
Information Technology	335,326	359,186	32,444	-0-	-0-	-0-	367,770	359,186
Forestry	193,781	219,592	141,864	-0-	-0-	-0-	335,645	219,592
Maintenance	429,097	33,742	-0-	-0-	-0-	-0-	429,097	33,742
<b>TOTAL HOMEOWNERS ASSOCIATION and G&amp;A</b>	<b>1,242,834</b>	<b>939,385</b>	<b>174,308</b>	<b>-0-</b>	<b>77,179</b>	<b>310,604</b>	<b>1,494,321</b>	<b>1,249,989</b>
<b>TOTAL</b>	<b>\$ 3,481,307</b>	<b>\$ 1,458,167</b>	<b>\$ 379,685</b>	<b>\$ -0-</b>	<b>\$ 1,304,005</b>	<b>\$ 310,604</b>	<b>\$ 5,164,997</b>	<b>\$ 1,768,771</b>

**REQUIRED SUPPLEMENTARY INFORMATION ON  
FUTURE MAJOR REPAIRS AND REPLACEMENTS**

December 31, 2023

(Unaudited)

It is the policy of the Association to fund a reserve program that will adequately provide for repair and replacement of existing Association-owned assets. A 30-year reserve funding and expenditure plan is produced every three years, and updated annually, to schedule and analyze the funding needs. The Association and a consultant updated the study in 2023 to estimate the remaining useful lives, the lives after replacement, and the replacement costs of the components of common property. The estimates were based on estimates from management, contractors, and historical costs. Estimated current replacement costs have been adjusted to reflect a 3.5% inflation factor, 1% investment interest rate, and an 8% tax provision on investment income.

The Association does not designate the balance of the replacement fund by component. The total available for major repairs and replacements as of December 31, 2023 is \$17,528,484. The 2024 budget includes \$5,527,942 of dues allocated to the replacement fund.

The Association has not included the replacement of building structures as a component of the replacement study. These structures generally have an original useful life greater than 30 years.

The following table is based on the study and presents significant information about the components of common property.

<i>Reserve Component</i>	<i>Range of Service Life Remaining (Years)</i>	<i>Current Replacement Costs</i>
Administration	0-47	\$ 2,412,830
Alder Creek Café	0-32	164,989
Bikeworks	0-3	69,000
Campground	0-38	480,838
Capital projects	0-5	246,650
Chalet house	2-22	349,519
Cross country	0-36	3,611,906
Equestrian center	0-26	903,679
Food trailer	5-8	65,500
Forestry	0-36	2,452,948
General maintenance	0-14	676,157
Golf complex	0-15	1,000,753
Golf course	0-47	13,902,324
IT	0-39	2,320,989
Maintenance	0-50	3,558,028
Marina	0-36	1,353,770
Northwoods pool building	0-20	437,323
Northwoods	0-36	3,426,448
Pizza	0-36	535,714

**REQUIRED SUPPLEMENTARY INFORMATION ON  
FUTURE MAJOR REPAIRS AND REPLACEMENTS**

December 31, 2023

(Unaudited)

<i>Reserve Component (continued)</i>	<i>Range of Service Life Remaining (Years)</i>	<i>Current Replacement Costs</i>
Recreation	0-21	656,797
Ski area - mountain operations	0-36	6,375,024
Ski area - mountain operations - all areas	1	165,000
Ski area - mountain operations - lift maintenance	0-36	4,088,183
Ski area - mountain operations - rental-retail	0-17	1,123,173
Ski area - mountain operations - snowmaking	0-18	1,060,213
Ski area - mountain operations - top shop	0-18	302,874
Ski area - mountain operations - winter food-beverage	0-1	502,812
Snowplay	0-5	148,730
Tennis complex	1-20	2,146,266
The Lodge	0-50	3,723,727
Trails	0-34	3,471,576
Trout Creek building	0-29	2,464,125
Trout Creek pool and spa	0-15	1,468,357
		<u>\$ 65,656,222</u>

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