

2025

# BUDGET REPORT

## **\$3,300 ASSESSMENT**

An Increase of \$393, or 13.5%, from 2024

## **\$27.4 MILLION**

Total Operating Revenues  
Including Assessments

## **RECREATION FEE**

EFFECTIVE JAN. 1, 2025 THROUGH DEC. 31, 2025

Up to 2 People: **\$305**

Up to 4 People: **\$500**

Additional Members 5-8: \$155 per member

### **PRIVATE AMENITY DAILY ACCESS FEES:**

Member Without Paid Recreation Fee: **\$12** NO INCREASE FROM 2024

Personal Guest with Member: **\$15** NO INCREASE FROM 2024

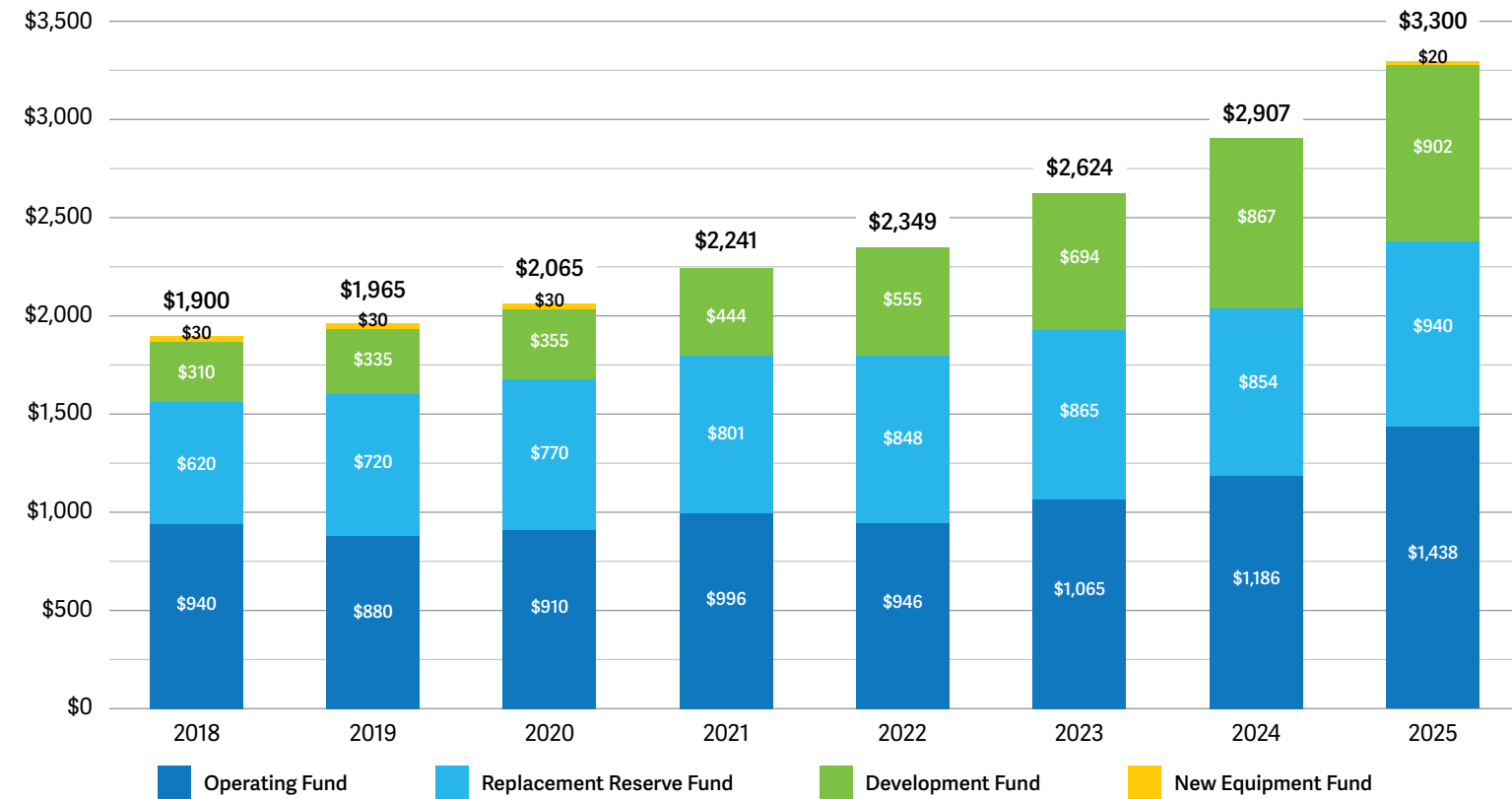
Personal Guest Without Member: **\$15** DECREASE OF \$5 FROM 2024

Short-Term Rental Tenant with Card: **\$24** NEW FOR 2025



## Annual Assessment History

Per Owner



## Introduction

The Tahoe Donner Association Board of Directors approved the 2025 Budget at the public Oct. 10, 2024 Special Board Meeting. Led by our professional staff, the budget was developed and approved over the course of five intensive open workshops, with member participation through the Finance, Long-Range Planning and Trails + Open Space committees, as well as general member comment.

The 2025 Annual Assessment is \$3,300 per property. Operating expenses and capital funding needs increased by \$332 (11.1%). Factoring in the one-time reduction in the 2024 assessment by applying a prior year's operating fund surplus, the out-of-pocket increase for 2025 is \$393 (13.5%) over the 2024 out-of-pocket assessment.

Factors impacting the 2025 assessment include (1) increased operation costs, principally labor (the association's largest expense category) and insurance, (2) a decrease in revenue contributions from winter operations during the construction of the new Downhill Ski Lodge and (3) an update to HOA industry Reserve Study Standards expanding the scope of what is covered by our Replacement Reserve Fund, plus continuing inflationary pressures on reserve projects. Operational efficiencies amounting to \$19 per household were identified to partially offset these cost pressures.

Regarding Downhill Ski Lodge construction, reduced winter operations still positively contribute \$61 per home to the 2025 budget, favorably offsetting the assessment. Last year, before construction, winter operations positively contributed \$303 per home. The reduced contribution adds to the 2025 out-of-pocket assessment increase though not as much as would be if downhill ski operations were entirely shut down during construction.

The 2025 Tahoe Donner Annual Assessment is dedicated as follows:

**OPERATING FUND** — \$ 1,438  
This fund covers the net operating costs of our association including amenities, customer service, staff payroll and administrative expenses.

**CAPITAL FUNDS**  
The association's 20-Year Capital Improvement Plan outlines and prioritizes major projects funded by these Capital Funds. Under California law, the board is responsible for ensuring adequate funding for these vital investments.

**REPLACEMENT RESERVE FUND** — \$ 940  
This fund ensures we can maintain our fixed assets.

**NEW EQUIPMENT FUND** — \$ 20  
This fund is dedicated to acquiring new minor assets to address current needs.

**DEVELOPMENT FUND** — \$ 902  
This fund provides capital for renovating, expanding or replacing aging and non-compliant amenities.

**2025 ANNUAL ASSESSMENT TOTAL** — \$ 3,300

The annual budget process carefully balances delivering services, maintaining amenities, investing to protect our home values, and providing community safety and enjoyment, all with fiscal prudence.

The annual Recreation Fee is set concurrent with the annual budget. 2024 Recreation Fee rates were prorated to shift the effective date from May 1 in 2024 to Jan. 1 in 2025. As recommended by staff and considering the proration, the board agreed to hold the annual Recreation Fee (adjusted to non-prorated) and the Daily Access Fees for members and personal guests flat for 2025.

The board and staff sincerely appreciate your support in preserving the unique character of our community. Please, explore all that Tahoe Donner has to offer in this remarkable mountain setting!

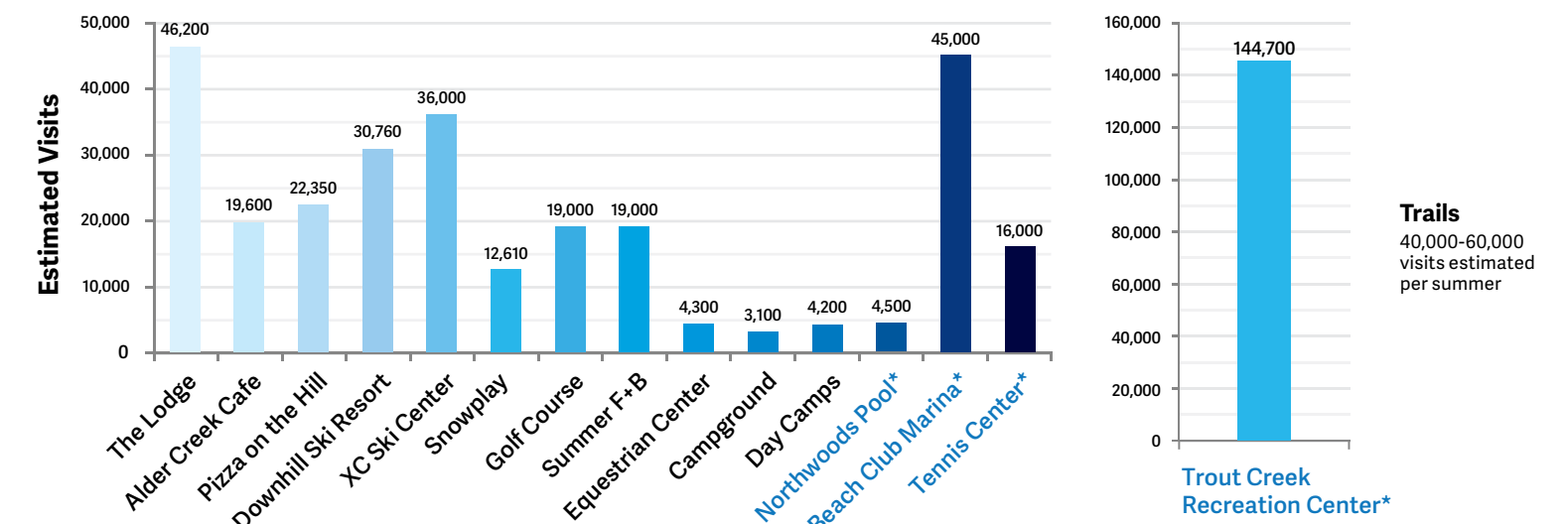
Sincerely,

**Justin Malley**  
Director of Finance, Accounting and Business Support

**Don Koenes**  
Board Member and Association Treasurer

## Visitation Tools That Help Generate Revenue Projections

2025 Estimated Amenity Visitation Metrics



## Homeowner Value



Fire Safety + Forest Health



Trails + Facility Management



Amenities + Mountain Lifestyle



Community Building + Events



Community Standards + Compliance

## Member ID Card Benefits

- Private Amenity Access
- Food + Beverage Member-Exclusive Deals and Buy-One-Get-One Special Offers
- Priority Reservation Windows
- Discounted Services, Including Ski Passes, Golf Passes and Rentals

## Operating Fund

The Operating Fund accounts for the annual revenue and expense activities of our amenity and homeowner association support functions. Operating Fund budgets for all departments were prepared with an emphasis on providing competitive compensation and benefits, addressing significant cost increases while continuing to provide consistent levels of service to the members. A detailed analysis of each department was prepared and evaluated by senior management before the budget was reviewed by the Finance Committee and the Board of Directors.

**IN TOTAL, THE 2025 ASSESSMENT CONTRIBUTION TO OPERATIONS IS \$9,307,290 OR \$1,438 PER MEMBER-PROPERTY. THE 2025 AMOUNT REPRESENTS A \$252 INCREASE OVER 2024.**

The total revenue requirement for a balanced 2025 Operating Fund budget is \$26,235,744. Operating revenue, generated by Amenity users, will contribute 64.5% of the requirement (\$16,928,454), which leaves the remaining 34.5% (\$9,307,290) to be funded by the Annual Assessment. This assessment represents the shortfall of operating revenue versus operating costs in the Operating Fund budget. Refer to page 7 for budget summary by activity.

## OPERATING REVENUE

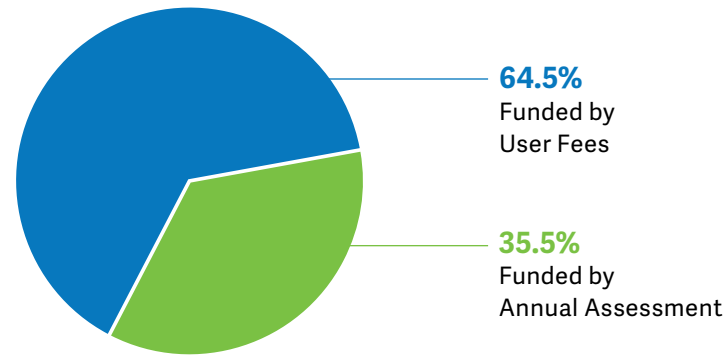
Budgeted at \$16,928,454, a decrease of \$1.6M (8.6%) from the prior year budget. While operating revenues are subject to significant volatility due to weather and snowpack, which can affect operating dates, overall visitation and amenity usage, the primary driver of the

forecasted revenue shortfall is the construction of the new downhill ski lodge. We are anticipating significantly reduced winter operations revenue until December 2025 due to the construction of the new Lodge. Winter Food + Beverage, ski ticket sales, lessons and rentals will be impacted directly by the Temporary Winter Operations, while other operations such as the Cross Country Ski Center, Snowplay and the other F+B operations could experience some cascading impact from the diminished visitations.

The forecasted diminishing revenue contribution of our association's historical cash cow, the Downhill Ski Resort, presented staff the opportunity to be more analytical in the budgeting for our other operations. Accordingly, we are planning for modest revenue increases in 2025 for Golf, Equestrian, Pizza on the Hill, Beach Club Marina F+B and each of our private amenities. Golf will benefit from the completion of the cart path repairs in 2024 and uninterrupted operations in 2025; the Equestrian Center will benefit from programmatic changes in their herd management and service offerings; Pizza on the Hill will have additional operating hours during the peak Winter and Summer periods; Beach Club Marina F+B should benefit from the completion of the new deck and seating area and the Beach Club Marina should experience trickle down benefits from the new deck; Tennis continues to grow its camp, lessons and special events participation; Aquatics and Trout Creek will be expanding special event offering and options.

### Operating Fund Revenue Generated by Annual Assessment versus User Fees

Total Operating Fund = \$26,235,744



#### OPERATING PAYROLL

With a budget of \$17,871,716, this represents 68% of total operating costs and reflects a modest increase of 3.9% versus 2024. A critical component of any large-scale common interest development is the dedicated workforce that operates and manages our amenities, support departments and administration. Operating payroll costs encompass not only wages and salaries but also related expenses such as payroll taxes, workers' compensation, retirement savings plans and health insurance benefits. As California's minimum wage, which is already significantly above the national average, rises to at least \$16.50 per hour, local economic pressures—such as fast-food restaurants offering starting wages above \$20 per hour—combined with the competitive labor market in the Tahoe region, often necessitate that our starting pay be set 15-20% higher than the minimum wage to attract employees. TDA saw a further 6% increase to medical insurance for 2025, of which the association covers 90% of the premium for eligible employees. Driving the shortage of seasonal workers in the region is the low availability of seasonal housing options which results in high monthly rental rates and overall cost of living.

#### OPERATING EXPENSE

Management's ongoing commitment to operational efficiencies has enabled TDA to limit the year-over-year increase in operating expenses to just 1.3% (under \$100,000), bringing the total to \$7,989,000 for 2025. This amount represents 30.5% of our overall operating budget. The association saw an increase of \$69,693 (3%) to the comprehensive liability and workers' compensation coverage carried annually. We continue to allocate considerable operational funds to our Forestry department for further fire mitigation initiatives.

#### COST OF GOODS SOLD

The budget of \$1,659,799 represents 6.3% of our overall operating costs. Cost of Goods Sold (COGS) represents the wholesale cost of retail, food and beverage product and will increase and/or decrease proportionally with changes to sales of these goods. We are no longer subject to the significant supply chain issues that hampered operations immediately following COVID. Food costs remain at higher levels and to budget with a COGS percentage-to-revenue of roughly 30%, prices are adjusted accordingly.

### Replacement Reserve Fund

The Replacement Reserve Fund is used to account for the financial resources designated for the repair, restoration, replacement or maintenance of major common area components of the association. Although building component replacements are included in the Replacement Reserve Fund plan, complete structure replacement is not. Funding for structure replacement is discussed below in the review of the Development Fund.

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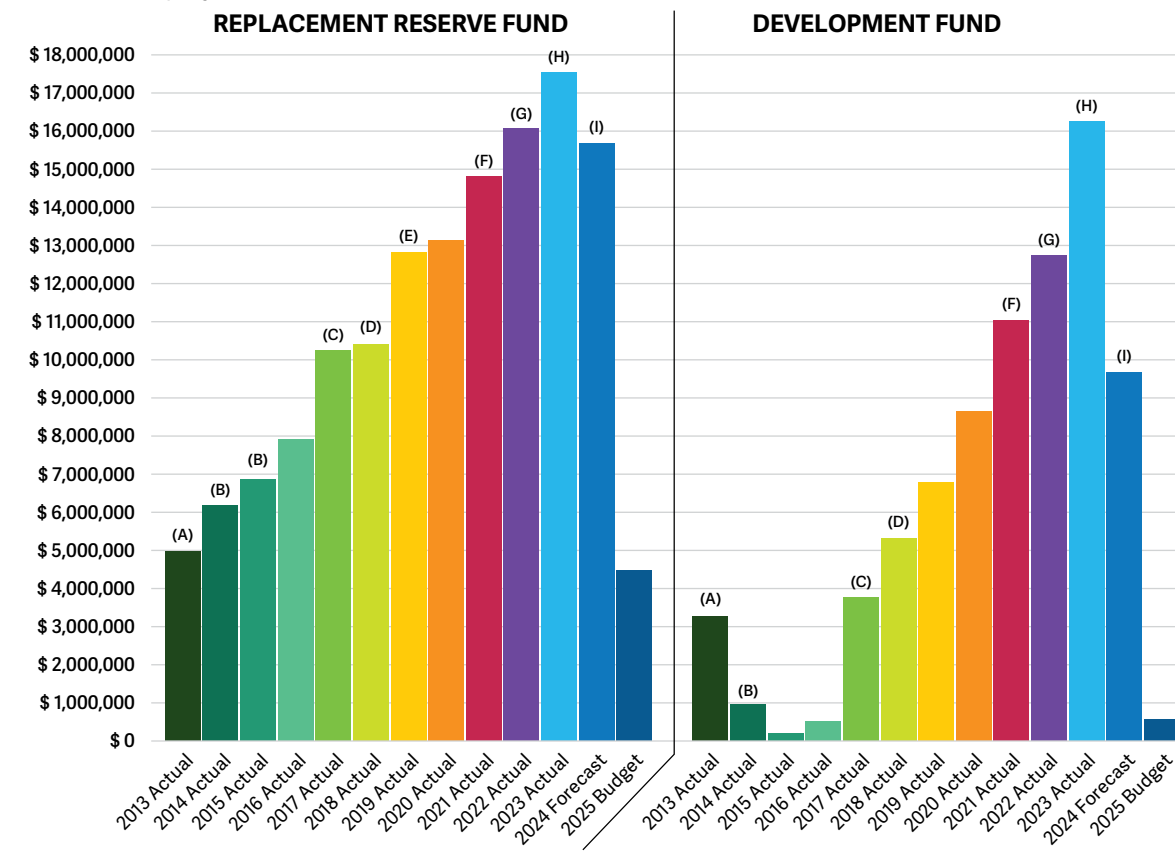
### Replacement Reserve Fund Analysis

Tahoe Donner Association 2025 Budget	Total Estimated Current Replacement Cost	Allocation of Accumulated Funds (Dec. 31, 2024)	100% Funded Allocation (Dec. 31, 2024)
Administration	\$ 988,039	\$ 208,782	\$ 642,934
Alder Creek Cafe	172,768	37,273	114,781
Beach Club Marina	1,817,884	346,205	1,066,122
Bikeworks	275,221	49,270	151,724
Campground	624,362	145,192	447,112
Capital Projects	442,650	129,570	399,005
Chalet House (Employee Housing)	349,519	99,955	307,807
Cross Country Ski Center	4,586,994	975,249	3,003,235
Cross Country Snowmaking	1,108,604	61,499	189,385
Equestrian Center	1,079,785	220,313	678,444
Food Trailer	65,500	16,304	50,207
Forestry	4,206,472	789,473	2,431,146
General Maintenance	663,445	177,419	546,353
Golf			
Golf Complex	1,021,592	215,519	663,681
Golf Complex Cart Barn	512,705	40,883	125,898
Golf Course	10,776,493	2,184,137	6,725,950
Lodge Golf	18,000	2,873	8,846
Information Technology	2,534,097	515,161	1,586,416
Maintenance	3,773,494	829,413	2,554,139
Northwoods Pool Building	419,359	108,134	332,995
Northwoods Clubhouse	3,554,301	827,584	2,548,505
Pizza on the Hill	538,809	118,917	366,200
Recreation Hut	500,414	123,300	379,697
Downhill Ski Resort			
Mountain Operations	9,666,134	2,339,488	7,204,347
Ski Lodge - All Areas	165,000	52,308	161,080
Lift Maintenance	4,137,712	894,961	2,755,991
Rental + Retail	1,125,797	277,218	853,679
Snowmaking	1,058,542	199,377	613,972
Top Shop	270,874	69,551	214,178
Top Shop Parking	62,000	1,542	4,750
Winter Food + Beverage	702,601	220,939	680,373
Parking	45,000	14,237	43,842
Snowplay	145,270	27,692	85,277
Tennis Complex	2,436,053	610,919	1,881,297
Tennis Complex Access Road	67,250	14,235	43,837
The Lodge Restaurant & Pub	4,642,428	967,004	2,977,844
Trails	4,626,661	813,295	2,504,503
Trout Creek Recreation Center			
Building	2,662,725	496,981	1,530,429
Building Basketball Area	10,000	2,262	6,967
Parking	146,780	17,544	54,026
Pool + Spa Area	1,941,575	437,181	1,346,280
<b>TOTALS</b>	<b>\$ 73,942,910</b>	<b>\$ 15,679,161</b>	<b>\$ 48,283,252</b>

Note: Projected accumulated funds at Dec. 31, 2024 equal approximately 32.47% of the 100% funded total based on the method of calculation in Section 1362.2.5(b)(4) of the Civil Code. The financial representations set forth in this summary are based on the best estimates of the preparer at this time. The estimates are subject to change. Remaining and useful lives vary between 1 and 30 years. Reference Disclosure Summary on page 8 and Policy 2013-3 for further information.

### Fund Balances Reserved for Future Capital Needs of the Association

Members' Equity (as of Dec. 31)



- (A) Expenditures include The Lodge Restaurant & Pub expansion in 2013.
- (B) Expenditures include the Alder Creek Adventure Center building construction in 2014 and 2015 and snowmaking in 2015.
- (C) Balance includes Operating Fund transfers of \$1,500,000 to Replacement Reserve Fund (RRF) and \$1,800,000 to Development Fund.
- (D) Balance includes Operating Fund transfers of \$500,000 to RRF. Expenditures include Snowbird Lift replacement.
- (E) Balance includes Operating Fund transfers of \$1,000,000 to RRF.
- (F) Expenditures include Cross Country snowmaking, shuttle buses and Trout Creek Rec Center parking lot improvements.
- (G) Expenditures include Downhill Ski Lodge professional services, Cross Country snowmaking, grooming snowcats and Tennis Center court repairs.
- (H) Expenditures include Downhill Ski Lodge professional services, and the Pavilion family dining renovation and ADA parking lot improvements at The Lodge Restaurant & Pub.
- (I) Expenditures include Downhill Ski Lodge demolition and construction costs, golf cart replacement and Glacier Way parking lot expansion.

The 2025 Budget expenditures are \$553,541 for the Development Fund and \$4,481,037 for the RRF.

Each budgeted expenditure item over \$50,000 is subject to review and approval by the Board of Directors prior to expenditure.

In accordance with state law and sound business practices, it is the policy of the association to fund a reserve program that will adequately provide for repair and replacement of existing community-owned assets. An extensive, onsite review by the association's Reserve specialist of the 30-year reserve funding schedule is conducted every 3 years, unless advised otherwise by outside council, and further reviewed annually by staff. **OVER 2,000 INDIVIDUAL ITEMS ARE TRACKED IN THE 30 YEAR SCHEDULE, WITH A CURRENT REPLACEMENT VALUE OF APPROXIMATELY \$70,000,000.** Each item is evaluated by average useful life, present age, projected remaining useful life and estimated replacement cost.

### Replacement Reserve Expenditures Budgeted

The reserve plan schedules funding for replacement, repair and/or enhancement of the association's existing capital investments. In the year 2025, budgeted reserve project expenditures total \$16,013,381. Components scheduled for 2025 may not necessarily be expended, based on management and board review, the availability of contractors and other contributing factors.

The 2025 Annual Assessment contribution to the Replacement Reserve Fund per the 30-year reserve study is \$902 per property owner. The total funds provided to the RRF in 2025 will be \$5,838,646.

The following outlines notable 2025 Budget year planned expenditure items in excess of \$100,000:

**DOWNHILL SKI LODGE, \$5,437,086:** Expenditure in relation to the replacement of the Downhill Ski Lodge.

**ALDER CREEK ADVENTURE CENTER PARKING LOT DRAINAGE IMPROVEMENTS, \$150,000:** Effort to eliminate the drainage issues presented by the north parking lot of ACAC to avoid current maintenance and path-of-travel issues.

**MAINTENANCE YARD FUEL STATION REPLACEMENT, \$750,000:** Replacement of the fuel tank and pump system funded by the

Replacement Reserve Fund. Other components of the project will be funded from the Development Fund.

**PEDESTRIAN BRIDGE ON HOLE 18, \$220,000:** The pedestrian bridge over Trout Creek on the 18th hole of the Golf Course is no longer viable and full replacement is required.

**EUER VALLEY RESTORATION PHASE 1, \$356,400:** In partnership with the Truckee River Watershed Council, Phase 1 of the Euer Valley Restoration project includes stream channel work and recreation improvements, including a new bridge across Prosser Creek and a boardwalk providing access across the valley at Coyote Crossing.

**TROUT CREEK RECREATION CENTER POOL PUMPHOUSE REFURBISHMENT, \$500,000:** Replacement of the pool and spa mechanical system at Trout Creek Recreation Center.

### Development Fund

The Development Fund was established as authorized in governing documents to accumulate funds for large-scale projects identified as necessary due to the new capacity requirements or changing needs of the association. In order to facilitate the future use of Development Fund assessments toward the funding of large-scale projects, each year projects are identified as eligible for such future funding. Projects designated as eligible, though not approved, to receive funding from future assessment contributions include building replacements, amenity expansions and additions and recreational land and infrastructure improvements.

The 2025 Annual Assessment contribution to the Development Fund totals \$5,838,646 or \$902 per member-property, an increase of \$35 or 4% over 2024.

Tahoe Donner's 50th anniversary in 2021 was a clear reminder that facilities built around our opening in 1971, such as the Downhill Ski Lodge, Northwoods Clubhouse and Tennis Center, are nearing

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the end of their useful lives, have a myriad of issues impacting services offered and need to be addressed. The board has a responsibility under California law to ensure that there are funding sources for these projects. Given the limited funding contributed to the Development Fund prior to 2021, the board implemented a multi year 25% increase, concluding in 2024. The 2025 increase is 4%. The forecast fund balance ending 2025 is \$553,541, after approximately \$15,000,000 has been invested in downhill ski lodge during 2025.

**Projects scheduled for 2025 may not necessarily be expended, based on management review and approval by the board, the availability of contractors and other contributing factors.**

The following outlines notable 2025 Budget-year planned expenditure items in excess of \$100,000:

**ALDER CREEK ADVENTURE CENTER IMPROVEMENTS, \$153,500:** Ease access to pumphouse by paving route, as well as adding parking areas for employee parking.

**DOWNHILL SKI LODGE REPLACEMENT, \$13,152,169:** Construction costs in relation to the replacement of the downhill ski lodge.

**MAINTENANCE YARD FUEL STATION REPLACEMENT, \$356,000:** Addition of a roof over the fuel station along with an electric vehicle charging station for future association electric vehicles.

**TRAIL + TRAILHEAD PROJECTS, \$100,000:** Projects resulting from the completion of the Trails and Open Space Master Plan.



**2025 BUDGET SUMMARY – BY FUND** Number of Properties = 6,473

	2025 Budget	\$ per Property
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**OPERATING FUND**

Beginning Balance, Start of Year	\$ 0	\$ 0
Assessment Contribution	9,307,290 <sup>(A1)</sup>	1,438
Net Operating Results	-9,307,290	-1,438
<b>Operating Fund, Year-End Balance</b>	<b>\$ 0</b>	<b>\$ 0</b>

**REPLACEMENT RESERVE FUND**

Beginning Balance, Start of Year	\$ 15,679,161	\$ 2,422
Assessment Contribution	6,084,606 <sup>(A2)</sup>	940
Interest Income	470,375	73
Salvage Receipts	26,780	4
Income Tax and Other Expenses	-37,630	-6
Payroll Costs	-430,180	-66
Capital Addition Investment / Expenditures	-16,013,381	-2,474
Major Repairs, Maintenance and Lease Expenses	-16,500	-3
<b>Replacement Reserve Fund, Year-End Balance</b>	<b>\$ 5,763,231</b>	<b>\$ 890</b>

**NEW EQUIPMENT FUND**

Beginning Balance, Start of Year	\$ 37,886	\$ 6
Assessment Contribution	129,460 <sup>(A3)</sup>	20
Interest Income	1,482	0
Capital Addition Investment	-125,000	-19
<b>New Equipment Fund, Year-End Balance</b>	<b>\$ 43,828</b>	<b>\$ 7</b>

**DEVELOPMENT FUND**

Beginning Balance, Start of Year	\$ 9,670,835	\$ 1,494
Assessment Contribution	5,836,575 <sup>(A4)</sup>	902
Interest Income	322,000	50
Income Tax and Other Expenses	-26,000	-4
Payroll Costs	-264,844	-41
Capital Addition Investment	-14,985,025	-2,315
<b>Development Fund, Year-End Balance</b>	<b>\$ 553,541</b>	<b>\$ 86</b>

**Combined CAPITAL FUNDS ACTIVITY**

Expenditures for Capital Additions	\$ -31,123,406	\$ -4,808
Major Repairs, Maintenance and Lease Expenses	-16,500	-3
<b>Combined CAPITAL FUNDS ACTIVITY – Total</b>	<b>\$ -31,139,906</b>	<b>\$ -4,811</b>

**2025 ANNUAL ASSESSMENT RECAP**

Operating Fund	\$ 9,307,290 <sup>(A1)</sup>	\$ 1,438	44%
Capital Funds			
Replacement Reserve Fund	6,084,606 <sup>(A2)</sup>	940	28%
New Equipment Fund	129,460 <sup>(A3)</sup>	20	1%
Development Fund	5,836,575 <sup>(A4)</sup>	902	27%
Capital Funds, Subtotal	\$ 12,050,641	\$ 1,862	56%
<b>Annual Assessment – Total</b>	<b>\$ 21,357,931</b>	<b>\$ 3,300</b>	<b>100%</b>

**2025 BUDGET SUMMARY – OPERATING FUND**

	Operating Revenue	Operating Costs Total	Net Operating Result	Capital Charge	Net Result Including Capital Charge
	(REV)	(OCT)	(NOR)	(CC)	(NR)

**PRIVATE AMENITIES**

Trout Creek Recreation Center/Aquatics	\$1,712,163	-\$1,704,589	\$7,575	\$0	\$7,575
Recreation Programs/Day Camps	\$522,914	-\$461,351	\$61,563	\$0	\$61,563
Beach Club Marina	\$594,722	-\$377,955	\$216,766	\$0	\$216,766
Beach Club Marina F+B	\$313,317	-\$286,621	\$26,696	\$0	\$26,696
Tennis Center	\$568,049	-\$497,335	\$70,714	\$0	\$70,714
<b>TOTAL PRIVATE AMENITIES</b>	<b>\$3,711,166</b>	<b>-\$3,327,852</b>	<b>\$383,313</b>	<b>\$0</b>	<b>\$383,313</b>

**PUBLIC AMENITIES**

Downhill Ski Resort	\$3,700,251	-\$3,348,925	\$351,326	\$0	\$351,326
Cross Country Ski Center	\$2,011,426	-\$1,255,194	\$756,232	\$0	\$756,232
Snowplay Sledding and Tubing	\$294,556	-\$203,338	\$91,218	\$0	\$91,218
Equestrian Center	\$168,698	-\$352,045	-\$183,347	\$0	-\$183,347
Campground	\$117,104	-\$113,061	\$4,043	\$0	\$4,043
Trails	\$0	-\$362,701	-\$362,701	\$62,500	-\$300,201
Bikeworks	\$207,539	-\$233,335	-\$25,796	\$0	-\$25,796
Golf Course	\$1,675,011	-\$2,070,116	-\$395,105	\$0	-\$395,105
Alder Creek Cafe	\$339,970	-\$439,506	-\$99,536	\$0	-\$99,536
The Lodge Restaurant & Pub and Summer F+B	\$2,598,505	-\$3,171,662	-\$573,156	\$0	-\$573,156
Pizza on the Hill	\$647,673	-\$764,560	-\$116,887	\$0	-\$116,887
<b>TOTAL PUBLIC AMENITIES</b>	<b>\$11,760,733</b>	<b>-\$12,314,441</b>	<b>-\$553,708</b>	<b>\$62,500</b>	<b>-\$491,208</b>

<b>TOTAL AMENITIES</b>	<b>\$15,471,899</b>	<b>-\$15,642,294</b>	<b>-\$170,395</b>	<b>\$62,500</b>	<b>-\$107,895</b>
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**HOMEOWNERS ASSOCIATION OPERATIONS**

General HOA	\$0	-\$1,030,762	-\$1,030,762	\$0	-\$1,030,762
Community Standards Office <small>Formerly Architectural Standards Office</small>	\$229,447	-\$569,823	-\$340,376	\$0	-\$340,376
Forestry, Defensible and Open Space	\$288,929	-\$1,931,662	-\$1,642,733	\$350,773	-\$1,291,960
<b>TOTAL HOA OPERATIONS</b>	<b>\$518,376</b>	<b>-\$3,532,247</b>	<b>-\$3,013,871</b>	<b>\$350,773</b>	<b>-\$2,663,098</b>

**AMENITY + HOMEOWNERS ASSOCIATION SUPPORT SERVICES**

Communications	\$274,850	-\$1,018,602	-\$743,752	\$0	-\$743,752
Facility Administration and Risk Management	\$0	-\$594,437	-\$594,437	\$513,028	-\$81,409
Administration	\$356,002	-\$1,338,309	-\$982,307	\$0	-\$982,307
Information Technology	\$0	-\$892,067	-\$892,067	\$0	-\$892,067
Accounting and Finance	\$0	-\$1,094,266	-\$1,094,266	\$30,300	-\$1,063,966
Human Resources	\$0	-\$712,247	-\$712,247	\$65,500	-\$646,747
Workforce Housing	\$259,500	-\$401,287	-\$141,787	\$0	-\$141,787
Risk	\$0	-\$518,156	-\$518,156	\$0	-\$518,156
Member Services	\$47,827	-\$478,402	-\$430,575	\$0	-\$430,575
Maintenance	\$0	-\$1,208,252	-\$1,208,252	\$172,722	-\$1,035,530
<b>TOTAL SUPPORT SERVICES</b>	<b>\$938,179</b>	<b>-\$8,256,026</b>	<b>-\$7,317,847</b>	<b>\$781,550</b>	<b>-\$6,536,297</b>

Expenses Allocated to Capital Funds	\$0	\$0	\$0	\$0	\$0
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<b>TOTAL OPERATING FUND</b>	<b>\$16,928,454</b>	<b>-\$27,430,567</b>	<b>-\$10,502,113</b>	<b>\$1,194,823</b>	<b>-\$9,307,290</b>
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*Capital Charge (CC) is the Replacement Reserve Fund Assessment contribution amount only.*

## ASSESSMENT AND REPLACEMENT RESERVE FUNDING DISCLOSURE SUMMARY

(CA CIVIL CODE SECTION 5570)

The 2025 regular Annual Assessment per ownership interest is \$3,300. The updated 30-year funding and expenditure plan, utilizing a 3.0% annual inflation of repair and replacement costs, requires a contribution to the Replacement Reserve Fund (RRF) of \$940 per property for 2025, a 10% increase over 2024. This amounts to a 2025 contribution to the RRF of \$6,084,620. There are no additional regular or special assessments anticipated for the reserve program or for other purposes at this time

In July 2023, the Community Associations Institute released updated guidance for governing an association's RRF, largely in part to the catastrophic partial collapse of Champlain Towers South complex in Surfside, Florida. Tahoe Donner Association has been quick to begin incorporating these changes and will continue to do so over the next few years. This will require an update to the Capital Funds policies, which will occur in 2025.

Based upon the most recent reserve study and other information available to the Tahoe Donner Board of Directors, the currently projected reserve account balances will be sufficient at the end of each year to meet the association's obligation for repair and/or replacement of major components during the next 30 years. This projection is principally based on the future funding plan, which requires a minimum 4% annual increase to the contribution until the fund achieves a percent-funded level minimum of 25% and until the fund balance is equal to or exceeds 10% of Net Replacement Reserve Assets (as defined in Policy Resolution 2013-3). With the \$940 Annual Assessment contribution per member-property, the projected fund balance in the RRF at the end of 2025 is \$4,477,114.

All major components are included in the reserve study and are included in its calculations. Components with an estimated remaining useful life of more than 30 years are not included in the reserve calculation. The Development Fund section of this report contains additional information.

Based on the method of calculation in paragraph (4) of subdivision (b) of CA Civil Code Section 5570, the estimated "Fully Funded" value in the RRF at the end of the current fiscal year is \$48,283,252\*, based in whole or in part on the most recently completed reserve study in 2022, prepared by management and Hughes Reserves and Asset Management, Inc. as of October 2022 along with further updates by staff in 2023. The projected RRF cash balance at the end of the current fiscal year is \$15,679,161, resulting in reserves being 32.47% funded at this date.

\* This amount is calculated based on a straight-line method wherein each component must stand alone, not utilizing the cash flow method of funding, also known as the pooling method.

Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570 of the Civil Code, the estimated "Fully Funded" value in the RRF at the end of each of the next five budget years is \$45,400,000 in 2025, \$48,400,000 in 2026, \$51,100,000 in 2027, \$53,700,000 in 2028 and \$56,200,000 in 2029. The projected RRF cash balance as estimated in each of those years is \$4,500,000 in 2025, \$4,200,000 in 2026, \$4,100,000 in 2027, \$4,200,000 in 2028 and \$5,000,000 in 2029.

The Replacement Reserve Fund Analysis on page 4 summarizes the component values by area and the projected available funding for repairs and replacements. The full reserve study plan with a more detailed listing of the individual plan components is available to any member upon request.

Note: The financial representations set forth in this summary are based on the best estimates of the preparer at that time. The estimates are subject to change. At the time this summary was prepared, the assumed long-term before-tax interest rate earned on reserve funds was a conservative 3% per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was 3% per year.

## New Equipment Fund

The New Equipment Fund is used to acquire new items identified as necessary to be more efficient in operations or to provide new services to the membership. The 2025 Assessment contribution to the fund totals \$129,460, or \$20 per member-property. The fund is projected to have a 2025 year-end balance of \$43,828 after budgeted expenditures including fleet vehicles and large patio umbrellas for the new Beach Club Marina deck.

## Policies and Procedures Regarding Assessment Collection, Delinquency and Foreclosure Actions

Each property owner's annual Regular Assessment is due at the beginning of each fiscal year on January 1, and becomes delinquent on March 5 of the same fiscal year. Special and Special Individual Assessments (Architectural Standards, Covenants and Forestry Assessments, Fines and Inspection Fees) are due 30 days after invoicing and delinquent 30 days thereafter. Delinquent accounts are subject to the following schedule of procedures and charges. **(The actions indicated below will not be taken until at least the date specified, but may occur at a later date due to scheduling considerations.)**

**Interest Amount:** Interest charged will be equal to the maximum allowed by law (currently 12% per annum).

### ANNUAL REGULAR ASSESSMENT

**March 5:** DELINQUENCY FEE (10% OF REGULAR ASSESSMENT BALANCE) is charged to the account; also, interest begins to accrue on the delinquent Assessment balance.

**April 1:** Notice of pending suspension of membership rights (eligibility for candidacy to serve as a director and to access the amenities as a member) for failure to pay the Assessment and of the member's right to a prior hearing thereon, and notice of intent to record a lien against the member's property to secure amounts owed, is sent to owner(s) of record via certified mail.

**April 15:** Assessment lien recorded against property; the Lien Fee amount (which may be changed by the board as part of the annual budget) is charged to the account. If requested, hearing on pending suspension of membership rights must be completed at least five days prior to the suspension's effective date.

**April 20:** Effective date of suspension of membership rights, which shall remain in effect until the account is brought current.

**May 1:** Interest begins accruing on Delinquency Fee.

**June 15:** Delinquent accounts become subject to all appropriate collections/legal recourses, including foreclosure of the Assessment lien, to recover amounts owed. All costs and fees related to such actions, including attorney's fees, become the property owner's obligation.

**July 1:** Interest begins accruing on Lien Fee.

### SPECIAL AND SPECIAL INDIVIDUAL ASSESSMENT(S) Days After Invoicing

**60 Days:** DELINQUENCY FEE (10% OF ASSESSMENT BALANCE) is charged to the account; also, interest equal to the maximum allowed by law (currently 12% per annum) begins to accrue on the delinquent Assessment balance.

**90 Days:** Notice of pending suspension of membership rights (eligibility for candidacy to serve as a director and to access the amenities as a member) for failure to pay the Assessment and of the member's right to a prior hearing thereon, and, if applicable, notice

of intent to record a lien against the member's property to secure amounts owed, is sent to owner(s) of record via certified mail.

**105 Days:** If applicable, Assessment lien recorded against property; the Lien Fee amount (which may be changed by the board as part of the annual budget) is charged to the account. If requested, hearing on pending suspension of membership rights must be completed at least five days prior to the suspension's effective date.

**110 Days:** Approximate effective date of suspension of membership rights, which shall remain in effect until the account is brought current.

**120 Days:** Interest begins accruing on Delinquency Fee.

**165 Days:** Delinquent accounts become subject to all appropriate collections/legal recourses, including foreclosure of the Assessment lien, to recover amounts owed. All costs and fees related to such actions, including attorney's fees, become the property owner's obligation.

**180 Days:** If applicable, interest begins accruing on Lien Fee.

### TIMELINESS OF PAYMENTS

In relation to the imposition of penalties, etc., in accordance with this schedule shall be determined by:

- Official USPS postmark date appearing on the envelope in which a payment is received through the mail (private postage meter dates are ignored).
- Any other method of delivery (i.e. hand-delivered payments, overnight services or electronic payments via the Member Portal) is considered delivered on date of receipt of payment.
- Send payments to:  
Tahoe Donner Association, ATTN: Accounting,  
11509 Northwoods Blvd., Truckee, CA 96161

### APPLICATION OF PAYMENTS

It is the association's policy to apply payments received as follows:

- First, to the oldest unpaid Assessment.
- Second, to the interest and penalties (Delinquency Fee, Lien Fee, costs of collection, etc.) related to that oldest unpaid Assessment.
- Next, to the second-oldest Assessment, followed by the interest and penalties related to that second-oldest Assessment.

This sequence continues until the most recent Assessment is paid; the interest and penalties related to that most recent Assessment are then paid.

## Civil Code Section 5310 requires the following notices:

### NOTICE ASSESSMENTS AND FORECLOSURE

This notice outlines some of the rights and responsibilities of owners of property in common interest developments and the associations that manage them. Please refer to the sections of the Civil Code indicated for further information. A portion of the information in this notice applies only to liens recorded on or after Jan. 1, 2003. You may wish to consult a lawyer if you dispute an Assessment.

## ASSESSMENTS AND FORECLOSURE

Assessments become delinquent 15 days after they are due, unless the governing documents provide for a longer time. The failure to pay association Assessments may result in the loss of an owner's property through foreclosure. Foreclosure may occur either as a result of a court action, known as judicial foreclosure, or without court action, often referred to as nonjudicial foreclosure. For liens recorded on and after Jan. 1, 2006, an association may not use judicial or nonjudicial foreclosure to enforce that lien if the amount of the delinquent Assessments or dues, exclusive of any accelerated Assessments, late charges, fees, attorney's fees, interest and costs of collection are less than \$1,800. For delinquent Assessments or dues in excess of \$1,800 or more than 12 months delinquent, an association may use judicial or nonjudicial foreclosure subject to the conditions set forth in Article 3 (commencing with Section 5700) of Chapter 8 of Part 5 of Division 4 of the Civil Code. When using judicial or nonjudicial foreclosure, the association records a lien on the owner's property. The owner's property may be sold to satisfy the lien if the amounts secured by the lien are not paid. (Sections 5700 through 5720 of the Civil Code, inclusive)

In a judicial or nonjudicial foreclosure, the association may recover Assessments, reasonable costs of collection, reasonable attorney's fees, late charges and interest. The association may not use nonjudicial foreclosure to collect fines or penalties, except for costs to repair common areas damaged by a member or a member's guests if the governing documents provide for this (Section 5725 of the Civil Code).

The association must comply with the requirements of Article 2 (commencing with Section 5650) of Chapter 8 of Part 5 of Division 4 of the Civil Code when collecting delinquent Assessments.

If the association fails to follow these requirements, it may not record a lien on the owner's property until it has satisfied those requirements. Any additional costs that result from satisfying the requirements are the responsibility of the association (Section 5675 of the Civil Code).

At least 30 days prior to recording a lien on an owner's separate interest, the association must provide the owner of record with certain documents by certified mail, including a description of its

collection and lien enforcement procedures and the method of calculating the amount. It must also provide an itemized statement of the charges owed by the owner. An owner has a right to review the association's records to verify the debt (Section 5660 of the Civil Code).

If a lien is recorded against an owner's property in error, the person who recorded the lien is required to record a lien release within 21 days and to provide an owner certain documents in this regard (Section 5685 of the Civil Code).

The collection practices of the association may be governed by state and federal laws regarding fair debt collection. Penalties can be imposed for debt-collection practices that violate these laws.

## PAYMENTS

When an owner makes a payment, they may request a receipt, and the association is required to provide it. On the receipt, the association must indicate the date of payment and the person who received it. The association must inform owners of a mailing address for overnight payments (Section 5655 of the Civil Code).

In addition, an association may not initiate a foreclosure without participating in alternative dispute resolution with a neutral third party, as set forth in Article 3 (commencing with Section 5925) of Chapter 10 of Part 5 of Division 4 of the Civil Code, if so requested by the owner. Binding arbitration shall not be available if the association intends to initiate a judicial foreclosure.

An owner is not liable for charges, interest and costs of collection if it is established that the Assessment was paid properly on time (Section 5685 of the Civil Code).

## MEETINGS AND PAYMENT PLANS

*An owner of a separate interest that is not a timeshare may request the association to consider a payment plan to satisfy a delinquent Assessment. The association must inform owners of the standards for payment plans, if any exist (Section 5665 of the Civil Code).*

*The Board of Directors must meet with an owner who makes a proper written request for a meeting to discuss a payment plan when the owner has received a notice of a delinquent Assessment. These payment plans must conform with the payment plan standards of the association if they exist (Section 5665 of the Civil Code).*

## NOTICE OF RIGHTS AND OBLIGATIONS RELATING TO GOVERNING

**DOCUMENT ENFORCEMENT:** The provisions of Tahoe Donner Association's Governing Documents (Declaration of Covenants and Restrictions, Bylaws, Articles of Incorporation and Association Rules) may be enforced by the association or by any owner, and the prevailing party in such an action is entitled to an award of reasonable attorney's fees and costs. However, before most Governing Document enforcement actions may be taken to court, Civil Code Section 5935 requires the initiating party to serve a Request for Resolution (the "Request") upon the other parties to the dispute. The objective of the Request must be to encourage the recipient opposing parties to agree to resolve the matter through arbitration, mediation or some other form of alternative dispute resolution ("ADR"). The form and details of the ADR process, and whether its result will be binding or non-binding on the parties, must be agreed upon by the parties. If you receive a Request, you have 30 days to either accept or reject the ADR proposal. If you do not respond to the party issuing the Request within that time, you will be deemed to have rejected the proposal. If the Request is rejected, the other party may file a suit. You should be advised that failure by any member of the association to comply with the pre-filing requirements of section 5935 of the Civil Code may result in the loss of your rights to sue the association or another member of the association regarding enforcement of the Governing Documents. In a Governing Document enforcement lawsuit, the court may also consider a party's refusal to participate in ADR in determining an attorney's fee award. With regard to internal dispute resolution, Tahoe Donner Association follows the process described in section 5915 of the Civil Code. For more information, please contact the association offices.

As required by California Civil Code section 5300(b)(9), the following is a summary of Tahoe Donner Association's insurance coverages:

### PROPERTY AND INLAND MARINE POLICIES:

Lexington Insurance Co.: Property Limit – \$130,427,080; Deductible – \$100,000 per occurrence for buildings, contents, lifts, moveable equipment, etc.; Granite State Insurance Co.: Inland Marine Limit – \$12,478,362; Deductible – \$100,000 per occurrence

**GENERAL LIABILITY POLICIES:** Granite State Insurance Co.: Limit – \$2,000,000; General Aggregate – \$2,000,000 per occurrence; Deductible – \$15,000 per occurrence, \$2,000,000 aggregate

**EXCESS LIABILITY (UMBRELLA) POLICIES:** National Union Fire Insurance Co. of PA: Limit – \$5,000,000; General Aggregate – \$5,000,000; Deductible – \$10,000 per occurrence. Additional excess liability coverage over the current Umbrella: Berkley Custom: Limit – \$5,000,000; Markel American: Limit – \$10,000,000; Starstone: Limit – \$10,000,000; Westfield Specialty Insurance: Limit – \$10,000,000; Liberty Surplus Insurance: Limit – \$10,000,000

**CRIME POLICIES:** Granite State Insurance Co.; Limit – \$500,000; Deductible – \$5,000 per occurrence; Additional excess crime coverage: Travelers: Limit – \$5,000,000, Granite American Insurance Co., Limit – \$20,000,000

**EARTHQUAKE AND FLOOD INSURANCE POLICIES:** Granite State Insurance Co; Limit – \$3,000,000 per occurrence; Earthquake Aggregate – \$3,000,000; Deductible – \$100,000; Flood Deductible – \$50,000

**POLLUTION POLICIES:** Beazley: Limit – \$1,000,000 per occurrence; General Aggregate – \$2,000,000; Deductible – \$25,000

**TERRORISM/SABOTAGE/ACTIVE SHOOTER POLICIES:** Lloyds: Limit – \$1,000,000 per occurrence for active shooter/malicious acts limits; Deductible – \$5,000

## DIRECTORS AND OFFICERS LIABILITY INSURANCE POLICIES:

Everest National: Limit – \$5,000,000; Deductibles – Non-Indemnifiable Loss: None; Indemnifiable Loss: \$50,000

## DIRECTORS AND OFFICERS EXCESS LIABILITY INSURANCE

**POLICIES:** RSUI: Limit – \$5,000,000; Ironshore: Limit – \$10,000,000; Houston Specialty: Limit – \$5,000,000; Landmark: Limit – \$5,000,000

## BUSINESS AUTOMOBILE POLICIES:

New Hampshire Insurance: Limit – \$1,000,000; Deductibles – \$5,000 per occurrence

## THE CIVIL CODE REQUIRES THAT THE FOLLOWING STATEMENT APPEARS:

"This summary of the association's policies of insurance provides only certain information, as required by Section 5300 of the Civil Code, and should not be considered a substitute for the complete policy terms and conditions contained in the actual policies of insurance. Any association member may, upon request and provision of reasonable notice, review the association's insurance policies and, upon request and payment of reasonable duplication charges, obtain copies of those policies. Although the association maintains the policies of insurance specified in this summary, the association's policies of insurance may not cover your property, including personal property or real property improvements to or around your dwelling, or personal injuries or other losses that occur within or around your dwelling. Even if a loss is covered, you may nevertheless be responsible for paying all or a portion of any deductible that applies. Association members should consult with their individual insurance broker or agent for appropriate additional coverage." In fact, since all of our common areas and facilities are owned solely by the association as a corporate entity and not by the association's individual members, the insurance carried by the association insures only the association and only with regard to its actions and its property. It does not insure individual members their property (individual homes and lots) or their actions.

### Photo Credits:

Cover – Ryan Murray works the grapple truck as part of the Tahoe Donner Forestry team.

Page 6 – Melissa Almgren, submitted for the 2024 Tahoe Donner Photo Contest, shows her son – who loved his job as a Tahoe Donner Beach Club Marina employee all summer – looking out over Donner Lake.

Page 11 – Cindy Tucey, submitted for the 2024 Tahoe Donner Photo Contest, shows two skiers – seen on the right – skiing Hastings trail at Tahoe Donner Cross Country Ski Center.

## VISION STATEMENT

*Tahoe Donner is a vibrant and desirable mountain community providing attractive and well-maintained facilities, events, programs and leading customer service to its members, guests and public, all while maintaining accessible and healthy natural surroundings.*

## ANNUAL POLICY STATEMENT SUMMARY (California Civil Code 5310(a), 4040)

### Association's Designated Recipient

Mail or Personal Delivery: Board, Tahoe Donner Association, 11509 Northwoods Blvd., Truckee, CA 96161  
Email: [info@tahoedonner.com](mailto:info@tahoedonner.com)

### Right of Notice to Two Addresses

A member may submit a request to have notices sent to up to two different specified addresses.

### General Notice Location

11509 Northwoods Blvd., Truckee, CA 96161 and [tahoedonner.com](mailto:tahoedonner.com)

### Right to Receive General Notice by Individual Delivery

A member has the option to receive general notices by individual delivery.

### Right to Receive Board Minutes

A member has a right to board meeting minutes, other than an executive session.

Minutes are available at the General Notice Locations indicated above. Upon request, the minutes can be mailed to the member

### Statement of Assessment Collection Policies and Assessment Collection and Lien Policy

The statement of Assessment collection and lien policies is provided on pages 8–11 of this budget report document.

### Governing Document Enforcement and Fine Policy

Governing Documents, Resolutions and Policies, refer to [tahoedonner.com/governing-documents](http://tahoedonner.com/governing-documents)

Rules and Fines, refer to [tahoedonner.com/covenants-rules](http://tahoedonner.com/covenants-rules)

### Dispute Resolution Procedure Summary

Refer to Notice of Rights and Obligations section on page 10

### Architectural Guidelines and Procedures

Refer to [tahoedonner.com/community-standards](http://tahoedonner.com/community-standards)

### Overnight Payment Mailing Address

Accounting, Tahoe Donner Association, 11509 Northwoods Blvd., Truckee CA 96161

### 45-Day Notices

Tahoe Donner Association, 11509 Northwoods Blvd., Truckee, CA 96161 and [tahoedonner.com/45-day-notice](http://tahoedonner.com/45-day-notice)

### Charges for Documents Provided

The association may charge members for the direct and actual cost of copying and redacting documents. However, associations may not charge a fee that exceeds the amount necessary to defray the costs for which it is levied. Also, the association must inform the member of the cost before copying the requested documents.



# 2025 BUDGET SUMMARY

**\$3,300**  
ANNUAL  
ASSESSMENT

PER OWNER PROPERTY  
(DUE JAN. 1, 2025)

## VERSUS 2024 – AN INCREASE OF \$393 (\$32.75 PER MONTH)

- + **\$260** Decrease in Net Operating Result contribution from winter operations as a result of the ongoing construction of the Downhill Ski Resort Lodge
- + **\$141** Increase in Capital Funds contribution to address the changing needs of the members and address aging facilities needs
- + **\$103** Salary and wage increases, 3% merit increase budgeted (not guaranteed), budgeting for all positions
- + **\$11** Increase in general liability insurance policy and workers' compensation costs due to industry losses
- **\$35** Savings in labor and expenses from Winter Temp Ops efficiencies at Downhill Ski Resort
- **\$28** Receipt of grants for Forestry Department
- **\$27** Savings of hourly labor in Food and Beverage with more efficient staggered staffing
- **\$23** Increase in revenue from extended operating hours at select Food and Beverage locations
- **\$10** Savings from Support Services operations' expense management

**= + \$393 TOTAL CHANGE IN ANNUAL ASSESSMENT**

## RECREATION FEE OPTIONS + PRIVATE AMENITY DAILY ACCESS FEES

EFFECTIVE JAN. 1, 2025 THROUGH DEC. 31, 2025

The Recreation Fee allows cardholders unlimited access to the Trout Creek Recreation Center, Beach Club Marina, Northwoods Pool, Tennis Center and Snowplay.

The Recreation Fee will parallel the traditional calendar in 2025 with the following rates:

**UP TO 2 PEOPLE**  
**\$305**

**UP TO 4 PEOPLE**  
**\$500**

Additional members 5-8: \$155 per member

### PRIVATE AMENITY DAILY ACCESS FEES

**Member without paid Recreation Fee: \$12**, no increase from 2024

**Personal Guest with Member: \$15**, no increase from 2024

**Personal Guest without Member: \$15**, decrease of \$5 from 2024 (unaccompanied guests must be pre-registered by Member)

**Short-Term Rental Tenant with Card: \$24**, new for 2025 (short-term rental properties registered in Tahoe Donner can purchase up to six Short-Term Tenant Cards for 2025)

## FACTS + FIGURES ABOUT YOUR ASSOCIATION

ESTIMATES AS OF NOV. 2023; SUBJECT TO CHANGE

- 6,473 Member Property Owners
- 25,000 Members
- Established in 1971
- 92% Built-Out
- Owned and Managed by the Property Owners
- 7,000 Acres
- 120,000 Square Feet of Conditioned Space
- 80,000 Tons of Green Waste Removed Annually
- Over 55,000 Trees Planted in Past Decade
- 68 Miles of Paved Public Roads
- 60 Miles of Trails (and More Planned)
- \$6.5 Billion Estimated Tahoe Donner Community Real Estate Value

### OWN AND OPERATE

- Golf Course
- Beach Club Marina
- Downhill Ski Resort
- Cross Country Ski Center
- Snowplay Sledding + Tubing
- Equestrian Center
- Tennis + Pickleball Center
- Pools
- Gym + Recreation Center
- Day Camps
- Restaurants
- Retail Shops

## NEW + IMPROVED ANNUAL ASSESSMENT PAYMENT PORTAL

Quickly and easily pay your 2025 Annual Assessment and Rec Fee online!

Watch for your Annual Assessment mailer for details.