

Tahoe Donner Association

Treasurer's Report for Year-end 2024



March 26, 2025

Introduction:

Cash & Investment Portfolio 12/31/2024

- Purpose: provide funds to support
 - Current operations
 - Repair, replacement, restoration and maintenance of major components
 - Longer-term needs for renovation, replacement, improvement and expansion

- Investment of the the Association's operating and capital funds is governed by the TDA Investment Policy

- Investment objectives:
 - Protect fund principal
 - Maximize the yield of all investments without undo risk
 - Diversify across issuers and investment types; and
 - Provide liquidity consistent with operating needs (short term focus) and capital requirements (longer term focus)

Summary

- The TDA cash and investment portfolio as of December 31, 2024, is:
 - Comprised of investments with maturities timed to meet the planned cash needs of the association consistent with the forestated purposes;
 - Invested across a variety of conservative instruments including US Treasuries, money market funds, highly-rated US corporate and municipal bonds, CDs, and cash deposits at banks; and
 - Fully compliant with the TDA Investment Policy.

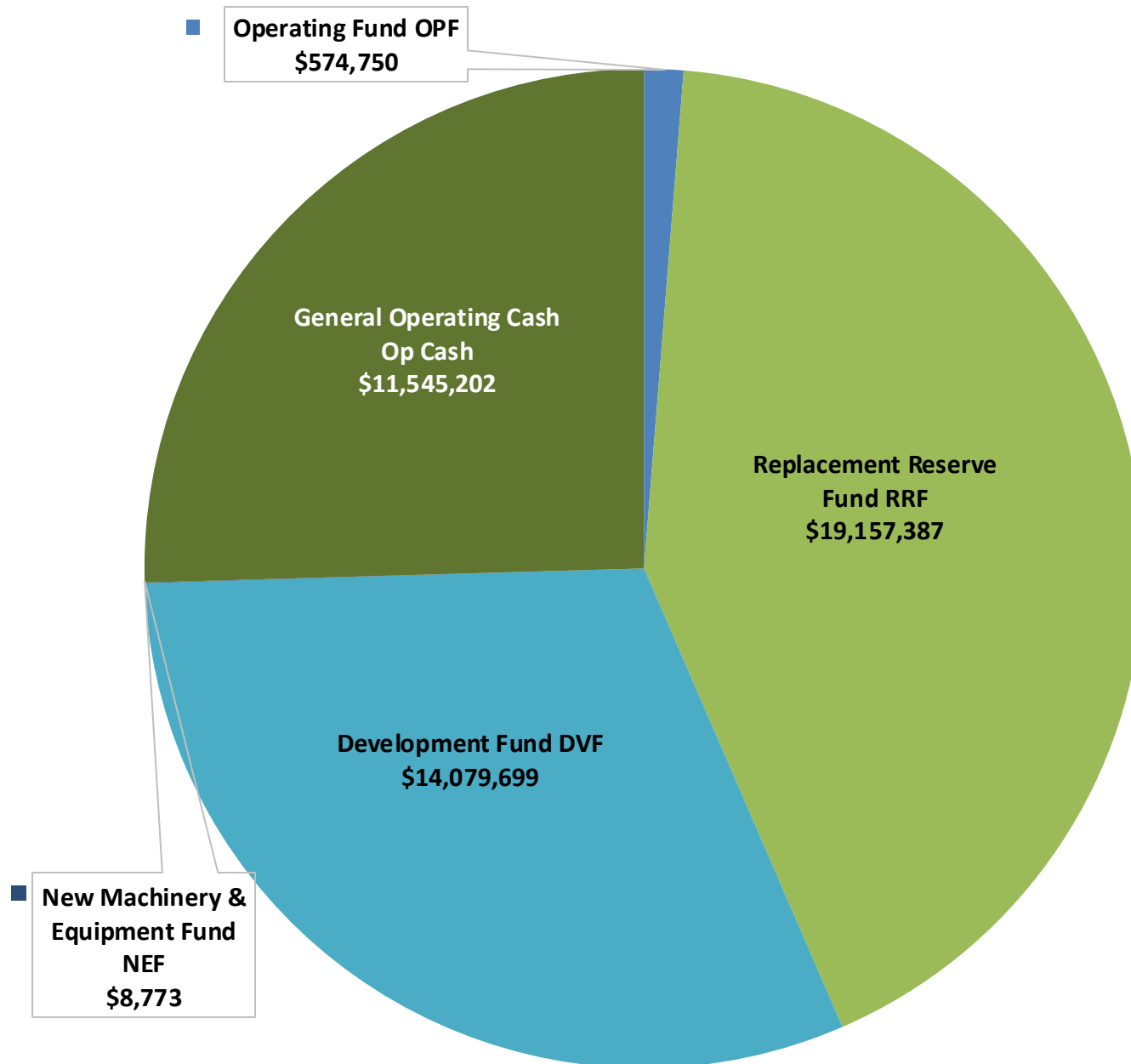
- Our investment strategy is to
 - Invest safely using diversification and credit quality focused strategies
 - Invest to ensure availability of funds when needed
 - Invest for optimal return on investment given these safety and timing requirements

- Overall, the Association is in a very strong financial condition.

Cash and Investments - Fund Management

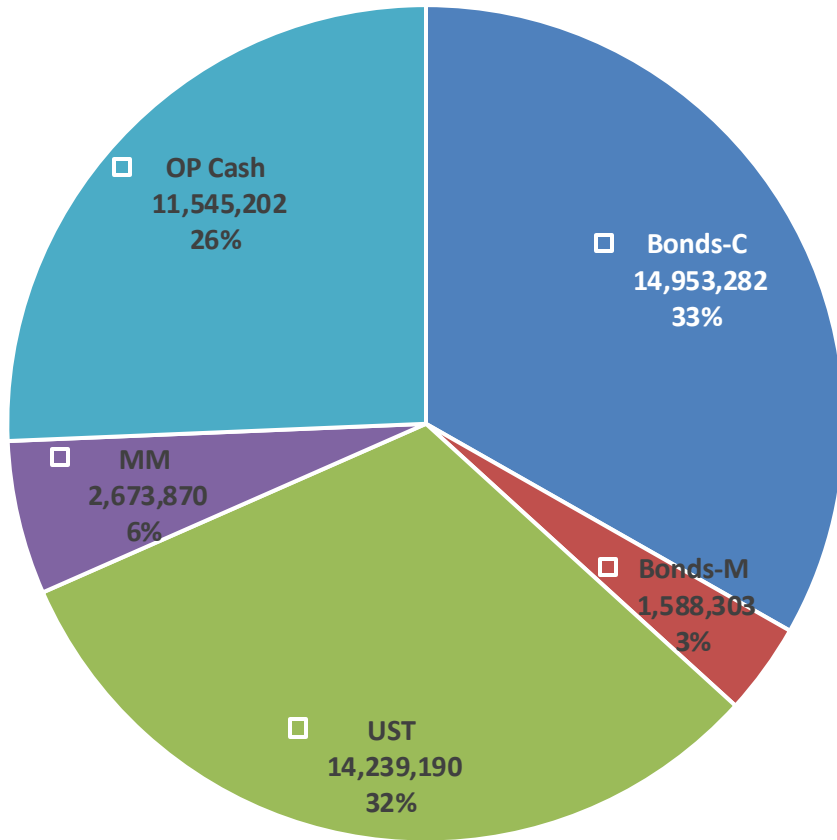
- The Association maintains four funds to meet the operating and capital needs of the Association
 - The **Operating Fund** includes a cash component to meet short-term payment needs plus investments timed to meet mid-term needs
 - The “capital funds” are fully invested with maturities timed in accordance with planned use
 - **Replacement Reserve** Fund,
 - **Development** Fund
 - **New Machinery & Equipment** Fund
 - Investments are held to maturity to avoid market risk
- Capital project invoices are typically paid using Operating Cash with periodic reimbursement from the applicable capital fund back to the operating fund. This practice
 - Provides operational efficiencies
 - Allows for optimal management of the investment portfolio

Cash & Investment Balances 12/31/2024

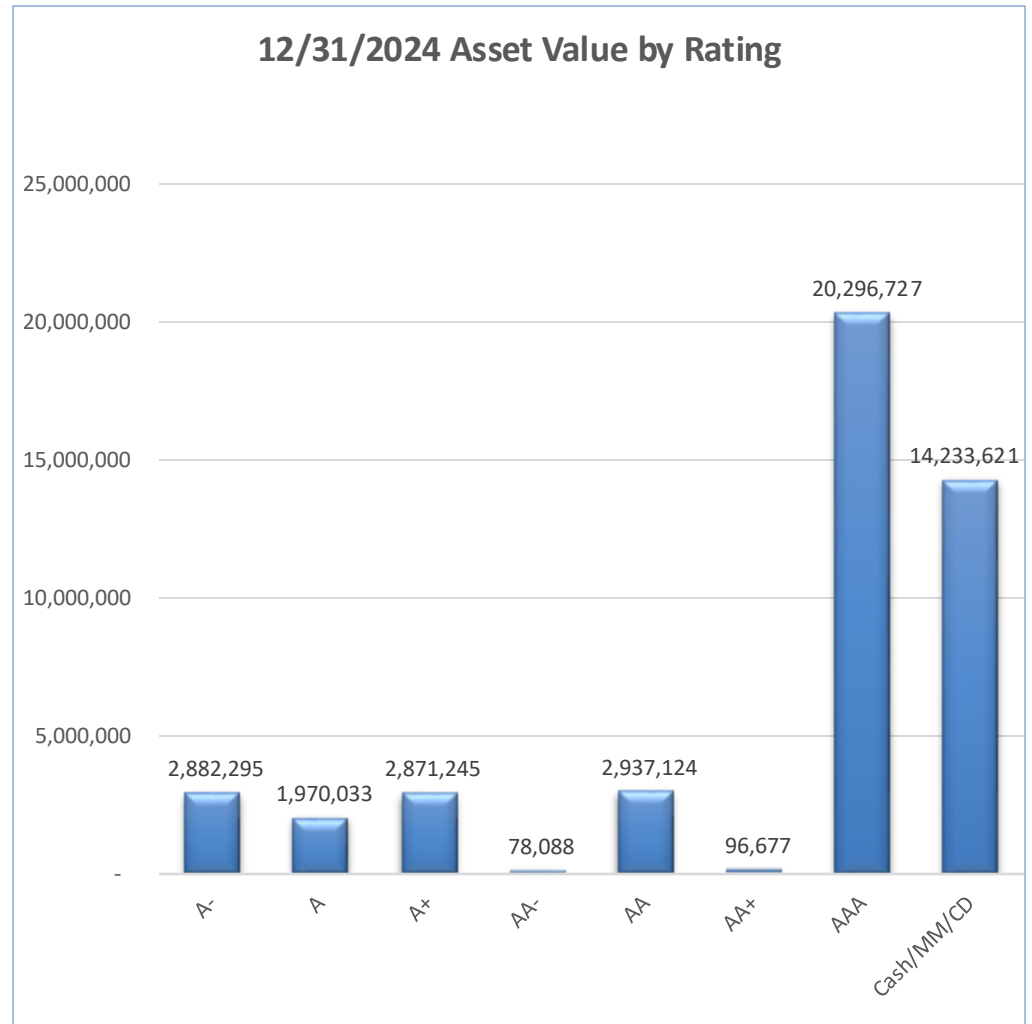


Portfolio Distribution 12/31/2024

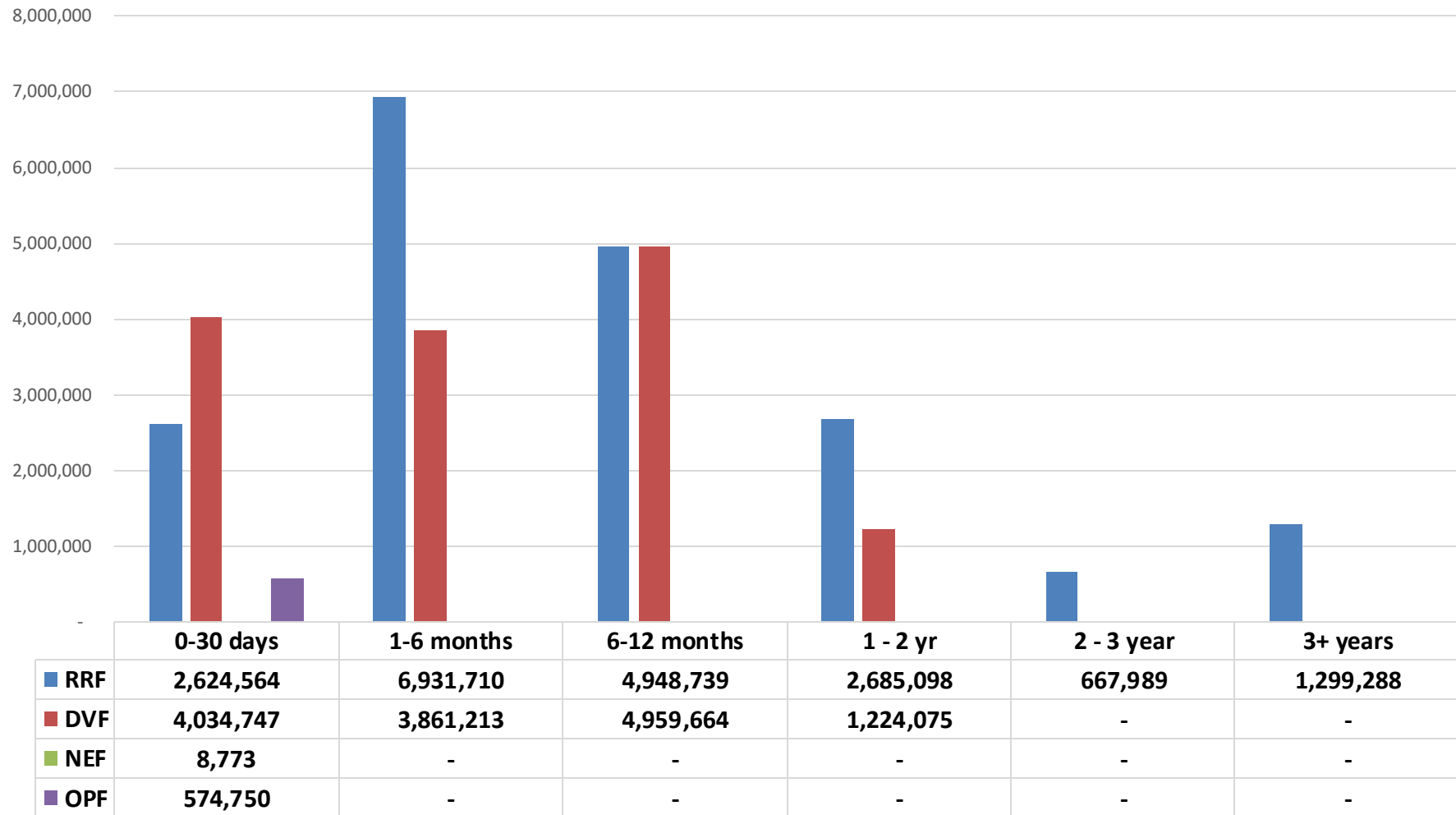
ASSET VALUE BY CLASS 12/31/2024



12/31/2024 Asset Value by Rating



Portfolio Maturity Profile by Fund 12/31/2024



Note: in addition to the above investments, there is a General Operating Cash balance of \$11,545,202, composed primarily of 2025 Annual Assessment prepayments, of immediate liquidity.

Notes & Observations

- 2024 Investment (interest) income: \$2,014,289
- Cash heavy at year-end 2024 due to receipts on 2025 assessment in late 2024 (Deferred revenue as of 12/31/2024 = \$10,769,088)
- As investments mature, reinvestments are made in line with changing market conditions and updates to the Association's capital improvement plans.
- Investments are made
 - balancing return with risk, maintaining a conservative risk profile
 - with maturity laddering in line with planned expenditures to meet cash needs
- Accordingly, 12/31/2024 portfolio highlights:
 - Over 80% of the YE portfolio is in cash or cash-equivalents (26%), highly rated Corporate Bonds (33%), or U.S. Treasuries (32%)
 - Over 80% of investments are at AA or higher ratings, and 100% at A- or higher
 - Timing of RRF & DVF maturities are in line with their corresponding component / project schedules
- Fund structure and portfolio investments will evolve with the adoption of updated Capital Funds Policies in 2025
- Technical note: portfolio (investment) balances are on a cash basis while financial reporting is on an accrual basis;
 - e.g., 2025 assessments paid in 2024 are treated as “deferred revenue” (not part of the 2024 OPF balance); still, the cash is real and reflected in the 12/31/2024 portfolio balance

Questions & Discussion

Thank you!