

**TAHOE DONNER ASSOCIATION  
BOARD OF DIRECTORS  
ADMINISTRATIVE RESOLUTION 2025-7**

**ANNUAL BUDGET DEVELOPMENT PROCESS POLICY**

**WHEREAS**, Tahoe Donner Association is legally required to comply with the Davis-Stirling Common Interest Development Act, which is commonly referred to as Davis-Stirling; and,

**WHEREAS**, Davis-Stirling requires that common interest developments prepare and distribute financial information to all of its Members that includes the association's estimated revenue and expenses on an accrual basis and a summary of the association's reserves and plan for funding the future maintenance, repair, restoration, or replacement of Major Association Components; and,

**WHEREAS**, Tahoe Donner Association shall regularly prepare and distribute to each Member an annual budget and financial statements that includes a pro forma operating budget, a year-end report, an annual statement regarding delinquency/foreclosure policy, and a regular review of reserve accounts; and,

**WHEREAS**, the following policy constitutes the Annual Budget Development Process Policy of Tahoe Donner Association and supersedes Resolution 2014-1, Financial Planning, Budgeting, and Reporting;<sup>1</sup>

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Directors of Tahoe Donner Association approves and adopts the following Annual Budget Development Process Policy:

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**I. PURPOSE**

The purpose of the Annual Budget Development Process Policy is to establish a timely and effective annual budget development process for planning, preparation, and approval of the Association's Annual Budget, including the Operating Fund, the Association's various Capital Reserves, and the Association's Capital Improvement Schedules.

**II. DEFINITIONS**

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<sup>1</sup> Resolution 2014-1 superseded Resolution 98-6, Financial Planning and Budget Development Procedures.

This policy shall be read and interpreted in conjunction with the definitions contained in the Financial Lexicon Policy.

### **III. ANNUAL BUDGET DEVELOPMENT PROCESS**

Working in collaboration with the board and relevant committees, within 150 days of January 1 of the current year, the General Manager shall propose an annual budget development process for the upcoming fiscal year to the Board of Directors. This process shall provide for:

- A timeline for budget development and approval consistent with all applicable legal requirements.
- A balanced approach that includes both bottom-up and top-down budget development.
- Budget development consistent with the Association's capital and financial policies, long-range and annual strategic goals,<sup>2</sup> and Capital Improvement Schedules.
- Committee involvement consistent with committee charters and task lists. At a minimum, the Board shall seek the Finance Committee's advice and recommendations before the Board considers adopting an annual budget.
- Robust Member communication and outreach for transparency and Member education.

If the Board of Directors fails to ratify the annual budget development process within 150 days of the current year, the General Manager and President shall implement an annual budget development process based upon the previous year's annual budget development process.

### **IV. REPORTING**

The reporting provided to the Members through the Association's Annual Budget Report, the Association's year-end Annual Report, and any other Association reporting publications, shall be consistent with all applicable requirements imposed by statute and the Governing Documents.

### **V. APPROVAL**

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<sup>2</sup> At the time of this policy's adoption, these goals are established by the Board approved Annual Strategic Goals and the 5-Year Strategic Plan. However, this policy guidance is intended to include any future alteration or amendments the Association may make to its strategic planning documents (e.g. by adopting biannual strategic goals or by adding an additional long-range strategic plan that extends beyond the 5-year window).

Approval of the Annual Budget Development Policy and any changes, amendments, or modifications thereafter may only be accomplished at a properly noticed meeting of the Board, with reasonable time allowed for Member Comment.

**ACCEPTED AND DATED:** June 27, 2025

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