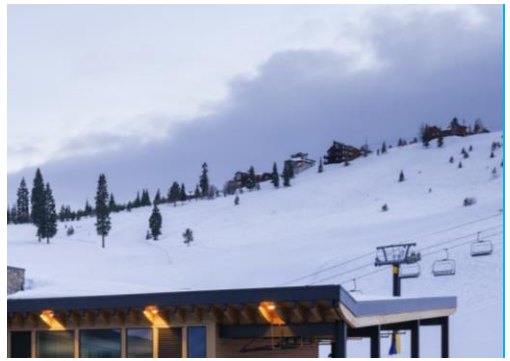










TAHOE DONNER℠

2027 BUDGET ADOPTION

OCTOBER 16, 2026



TODAY'S OUTCOMES

The Board will consider adopting Corporate Resolution 2026-13, Board Adoption of the 2027 Annual Budget, which resolves to:

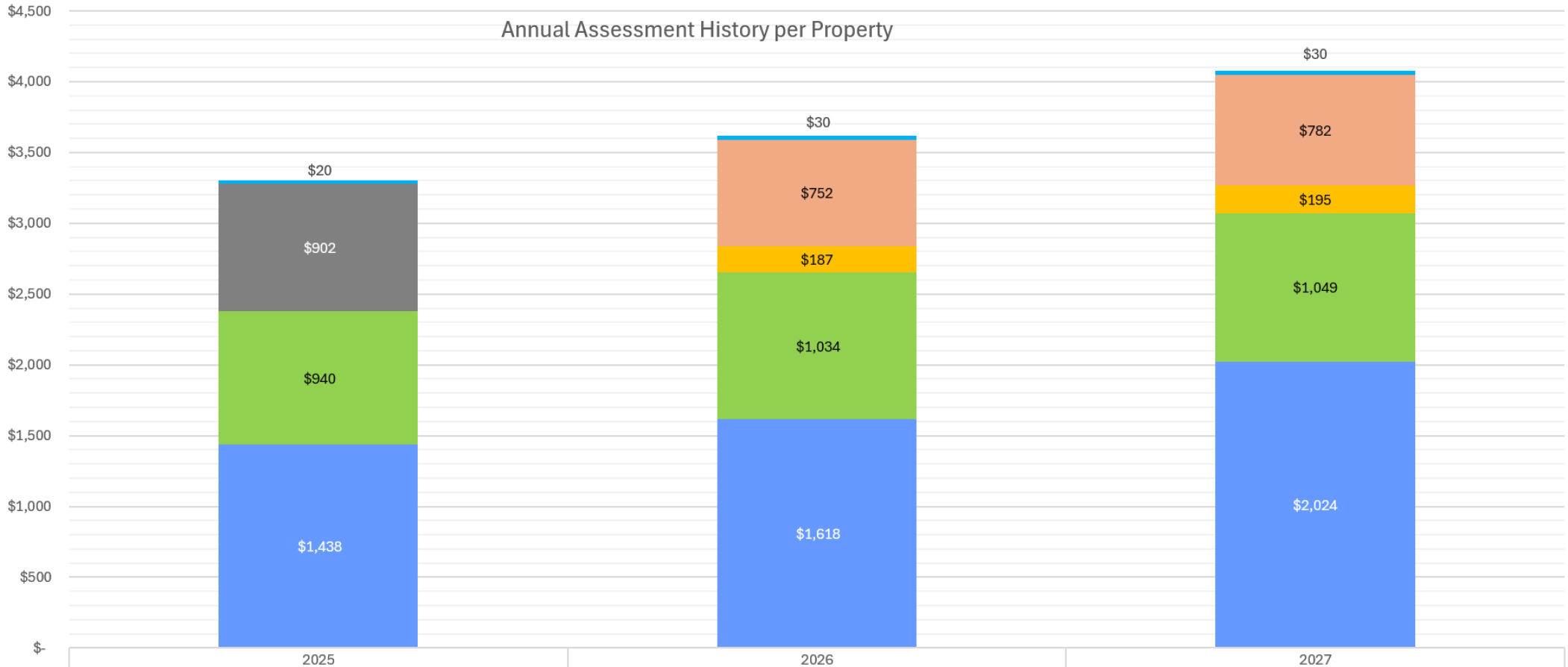
1. Approve the proposed 2027 Amenity Access Operating Plan (Exhibit M)
2. Adopt the proposed Annual Budget for 2027 (Exhibit A – L)
    a. Establishes the 2027 Operating Fund Minimum Balance
3. Adopt the 2027 Annual Assessment
4. Direct the General Manager to implement the budget

TOTAL 2027 ANNUAL ASSESSMENT

USING STAFF'S CURRENT BUDGET ASSUMPTIONS, THE IMPACT ON THE TOTAL ASSESSMENT:

	2026 Assessment	2027 Assessment	$ increase from prior year	% increase from prior year
Repair + Replacement Fund (RRF)	$1,034	$1,049	$15	1%
Long Life Fund (LLF)	$187	$195	$8	4%
New Capital Projects Fund (NCPF)	$752	$782	$30	4%
New Equipment Fund (NEF)	$30	$30	$0	0%
Operating Fund	$1,618	$2,024	$406	25%
Total Annual Assessment	**$3,621**	**$4,080**	**$459**	**12.7%**

TOTAL ANNUAL ASSESSMENT FUND DETAIL



	2025	2026	2027
Percent Increase	13.5%	9.7%	12.7%
Total	$3,300	$3,621	$4,080
New Equipment Fund	$20	$30	$30
New Capital Project Fund		$752	$782
Development Fund	$902		
Long Life Fund		$187	$195
Repair + Replacement Fund			$1,049
Replacement Reserve Fund	$940	$1,034	
Operating Fund	$1,438	$1,618	$2,024

TAHOE DONNER

OPERATING FUND

OPERATIONS BUDGET CONSOLIDATED - SUMMARY

2027 Operating Budget Draft: ($13.099M). Net Operating Result: -$2.6M vs Budget 2026

Tahoe Donner Association
Operating Fund
2027 Budget

Consolidated from Drafts

	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Actual	2026 Budget	2026 Forecast	2027 Budget
Revenue	11,846,241	15,972,333	15,963,167	15,873,865	15,102,422	**18,186,256**	17,954,549	**17,576,379**
Cogs	(1,102,894)	(1,636,946)	(1,627,301)	(1,716,132)	(1,573,970)	**(1,919,323)**	(1,856,761)	**(1,849,197)**
Gross Margin	10,743,347	14,335,387	14,335,867	14,157,732	13,528,451	**16,266,933**	**16,097,788**	**15,727,182**
Payroll Direct-Salary	(4,456,047)	(5,047,074)	(5,350,540)	(5,614,617)	(6,796,927)	**(6,788,535)**	(6,948,829)	**(7,729,831)**
Payroll Direct-Hourly	(5,536,895)	(7,092,642)	(6,879,515)	(7,390,500)	(7,977,159)	**(8,448,632)**	(8,102,725)	**(8,462,247)**
Payroll Direct-Total	(9,992,942)	(12,139,716)	(12,230,055)	(13,005,116)	(14,774,086)	**(15,237,167)**	**(15,051,554)**	**(16,192,079)**
Payroll Burden	(2,440,373)	(3,070,108)	(3,263,280)	(3,558,410)	(4,099,900)	**(4,436,291)**	(4,386,918)	**(4,446,288)**
Payroll	(12,433,315)	(15,209,824)	(15,493,335)	(16,563,527)	(18,873,986)	**(19,673,457)**	**(19,438,472)**	**(20,638,366)**
Expenses	(5,803,527)	(7,411,329)	(7,702,624)	(7,706,197)	(7,499,423)	**(8,404,578)**	(8,921,598)	**(9,844,167)**
NORBCA	(7,493,496)	(8,285,767)	(8,860,093)	(10,111,992)	(12,844,958)	**(11,811,102)**	**(12,262,282)**	**(14,755,351)**
Capital Expense Allocation	529,181	335,320	30,300	902,123	1,188,366	**1,338,105**	**1,138,816**	**1,656,591**
NOR	(6,964,315)	(7,950,447)	(8,829,793)	(9,209,869)	(11,656,592)	**(10,472,998)**	**(11,123,465)**	**(13,098,760)**
COGS %	-9%	-10%	-10%	-11%	-10%	**-11%**	**-10%**	**-11%**
Payroll Direct %	-84%	-76%	-77%	-82%	-98%	**-84%**	**-84%**	**-92%**
Payroll Burden % Payroll	-24%	-25%	-27%	-27%	-28%	**-29%**	**-29%**	**-27%**

COGS: Cost of Goods Sold
NORBCA: Net Operating Result Before Capital Allocation
NOR: Net Operating Result

OPERATING FUND MINIMUM BALANCE

	2022	2023	2024	2025 *	2026 **	2027 **
Starting Balance	3,092,665	2,858,823	2,515,860	1,459,883	3,220,122	2,758,122
Ending Balance	2,858,823	2,515,860	1,459,883	3,220,122	2,758,122	2,758,122
Target Balance	2,500,000	2,500,000	2,500,000	2,500,000	4,499,606	4,483,591

Per 2025-11 Operating Fund Policy,
"The Board shall establish the annual Operating Fund Minimum Balance as part of the Annual Budget Development Process. As a goal, the Operating Fund Minimum Balance should be no less than 15% of the Association's annual operating expenses."

RECOMMENDATION: *Staff recommends that the Board establish the annual Operating Fund Minimum Balance as $2,700,000.*

* Forecast finish (flat through the remainder of 2026, assuming winter operations fully open with sufficient snow coverage, and 2027 flat to budget)
"When surpluses occur in the Operating Fund at the end of the fiscal year following payment of all operating expenses, those surplus monies shall be held in the Operating Fund until the Operating Fund Minimum Balance equals no less than 15% of the Association's annual operating expenses."

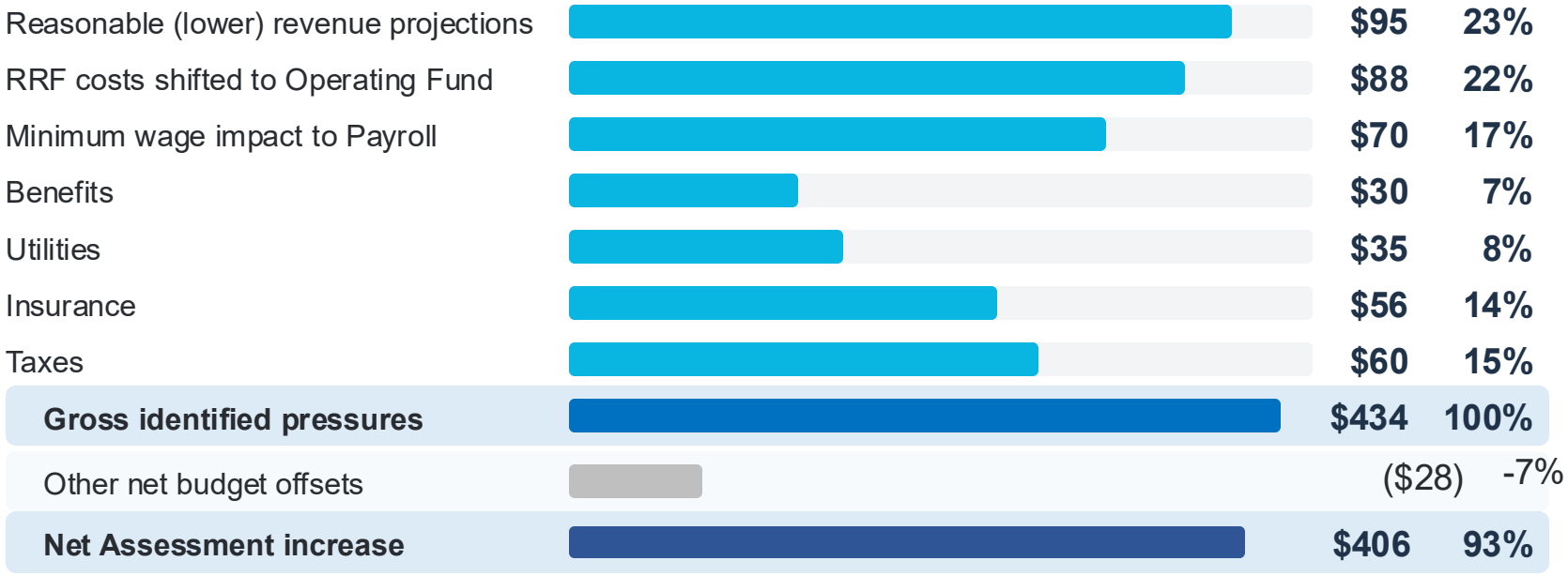


OPERATING FUND

	2026 Assessment (Contribution)	2027 Assessment (Contribution)	$ increase from prior year	% increase from prior year
Private Amenities	$215	$240	$25	12%
Public Amenities	($183)	($21)	($162)	-89%
Support Department	$1,586	$1,805	$219	14%
Total Annual Assessment	**$1,618**	**$2,024**	**$406**	**25%**

Drivers of the $406 / property increase

Gross assessment pressures before offsetting budget changes



How the $406 / Property Increase Breaks Down
(as a share of the net increase)

$339 / Property
83.5% of the net increase
External cost pressures and operating conditions, including RRF cost reallocation, payroll, benefits, utilities, insurance and taxes.

$95 / Property
23.4% of the net increase
A deliberate shift to historically grounded revenue forecasts to mitigate weather-related shortfalls, protect minimum Operating Fund balances and reduce the risk of future special assessments.

Gross identified pressures exceed the net increase because other budget changes provide offsets.

CAPITAL RESERVES CONSOLIDATED

CAPITAL RESERVE FUNDS

2027 RRF Budget: $1,049 (+15, +1.5%)

REPAIR + REPLACEMENT FUND (RRF)	Forecast 2026	Budget 2027
Beginning Balance	**13,395,026**	**8,023,917**
Operating Surplus Applied	-	-
Assessment Funds	6,693,082	6,790,132
Interest Income	602,643	343,612
Expenditures / Capital Additions	(12,666,835)	(7,254,673)
Estimated Ending Balance	**8,023,917**	**7,902,988**

2027 NCPF Budget: $782 (+30, +4%)

NEW CAPITAL PROJECT FUND (NCPF)	Forecast 2026	Budget 2027
Beginning Balance	**(1,142,384)**	**2,304,717**
Operating Surplus Applied	-	-
Assessment Funds	4,867,696	5,061,886
Interest Income	146,031	220,998
Expenditures / Capital Additions	(1,566,626)	(5,318,985)
Estimated Ending Balance	**2,304,717**	**2,268,616**

2027 LLF Budget: $195 (+8, +4%)

LONG LIFE FUND (LLF)	Forecast 2026	Budget 2027
Beginning Balance	**-**	**1,143,038**
Operating Surplus Applied	-	-
Assessment Funds	1,210,451	1,262,235
Interest Income	36,314	72,158
Expenditures / Capital Additions	(103,726)	(285,443)
Estimated Ending Balance	**1,143,038**	**2,191,988**

2027 NEF Budget: $30 (no change)

NEW EQUIPMENT FUND (NEF)	Forecast 2026	Budget 2027
Beginning Balance	**29,742**	**131,437**
Operating Surplus Applied	-	-
Assessment Funds	194,190	194,190
Interest Income	6,718	6,856
Expenditures / Capital Additions	(99,213)	(267,237)
Estimated Ending Balance	**131,437**	**65,246**

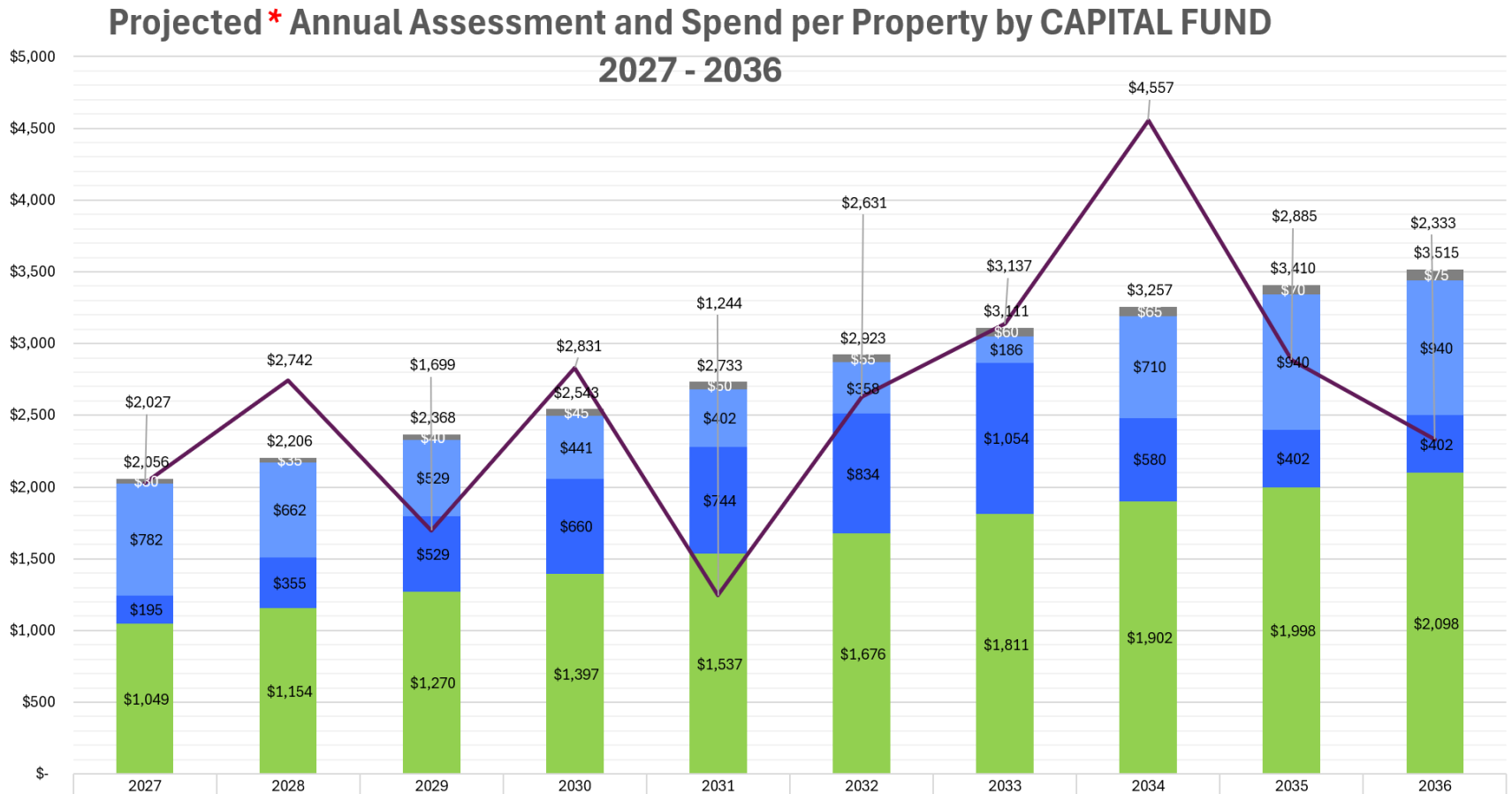
USING STAFF'S BUDGET ASSUMPTIONS, THE IMPACTS TO THE CAPITAL RESERVE ACCOUNTS ARE:

Reserve Fund	2026 Budget	2027 Budget	YoY Variance ($$$)	YoY Variance (%)
Repair + Replacement Fund	$ 1,034	$ 1,049	$ 15	1%
Long Life Fund	$ 187	$ 195	$ 8	4%
New Capital Project Fund	$ 752	$ 782	$ 30	4%
New Equipment Fund	$ 30	$ 30	$ -	0%
Total Reserve	**$ 2,003**	**$ 2,056**	**$ 53**	**2.6%**

CAPITAL RESERVES ASSESSMENT FORECAST

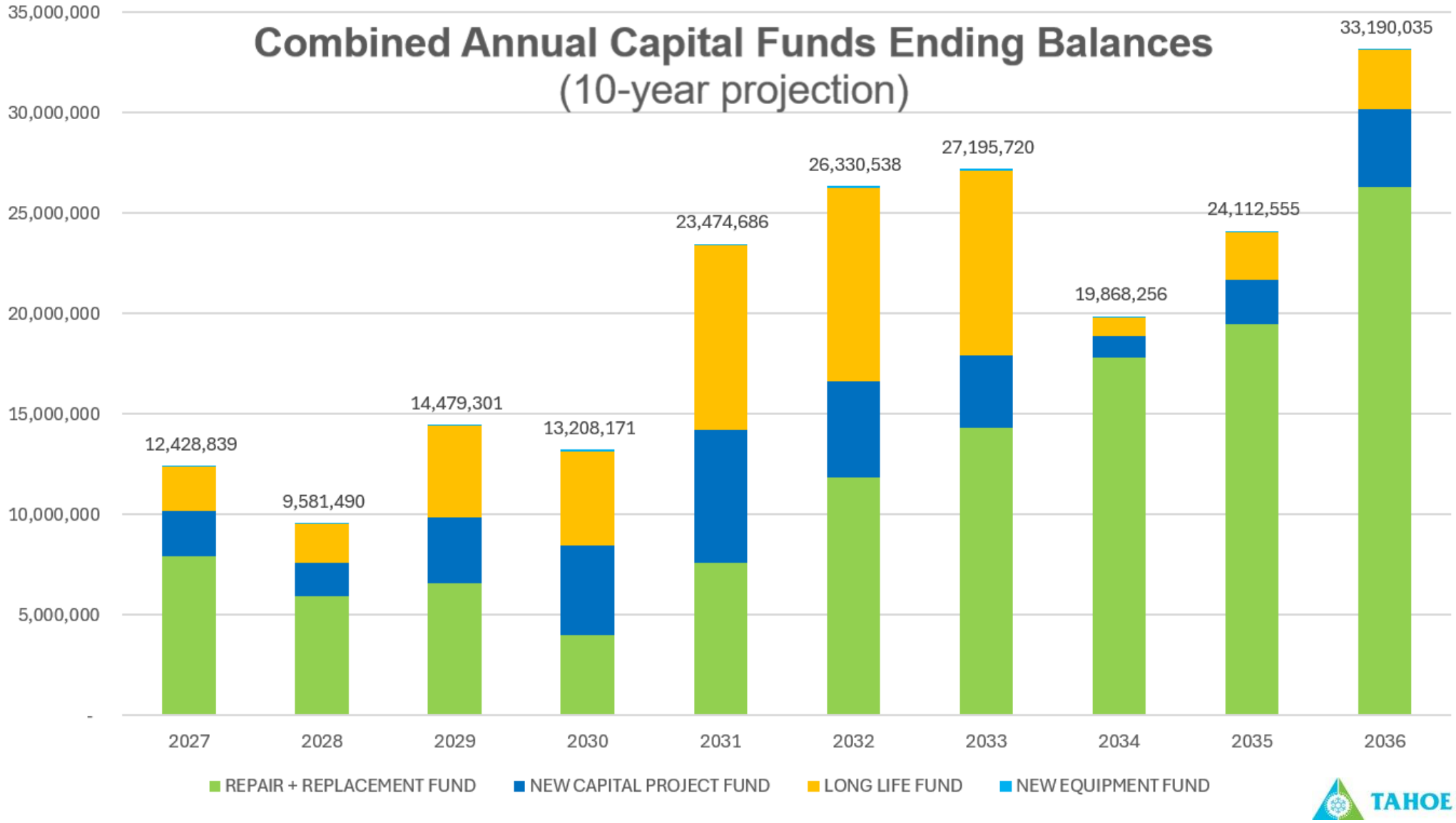
Consolidated, 10-Year View (with projected Spend overlay)

* "Projected" uses the following current YoY increase assumption:
  * LLF: +4%/year
  * NCPF: +4%/year
  * NEF: +$5 every year
  * RRF: +10% (2028-31), +9% (2032), +8% (2033), +5% (2034-36)



	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Total	$2,056	$2,206	$2,368	$2,543	$2,733	$2,923	$3,111	$3,257	$3,410	$3,515
New Equipment Fund	$30	$35	$40	$45	$50	$55	$60	$65	$70	$75
New Capital Project Fund	$782	$662	$529	$441	$402	$358	$186	$710	$940	$940
Long Life Fund	$195	$355	$529	$660	$744	$834	$1,054	$580	$402	$402
Repair + Replacement Fund	$1,049	$1,154	$1,270	$1,397	$1,537	$1,676	$1,811	$1,902	$1,998	$2,098
Total CAPITAL FUND Spend/Prop	$2,027	$2,742	$1,699	$2,831	$1,244	$2,631	$3,137	$4,557	$2,885	$2,333

PROJECTED 10-YEAR CAPITAL RESERVES COMBINED ENDING BALANCES



TAHOE DONNER℠



RECOMMENDED BOARD ACTION

By Motion:

The Board of Directors adopts Corporate Resolution 2026-13, which:

1. Approves the proposed 2027 Amenity Access Operating Plan (Exhibit M),
2. Adopts the proposed Annual Budget for 2027 (Exhibit A – Ending L),
    a. Establishes the 2027 Operating Fund Minimum Balance at $2,700,000,
3. Adopts the 2027 Annual Assessment as follows:
    a. Operating Fund – $2,024
    b. Reserve Study Fund
        i. Repair and Replacement Fund – $1,049
        ii. Long Life Fund - $195
    c. Development Fund
        i. New Capital Projects Fund - $782
        ii. New Equipment Fund – $30

    Total 2027 Annual Assessment – $4,080

4. Directs the General Manager to take all necessary and proper steps to implement this budget, including making expenditures that require prior approval of the Board of Directors as set forth in Tahoe Donner policy resolutions.

QUESTIONS?

THANK YOU