2024 ANNUAL REPORT

$13,922.16
PER OWNER MEMBER EQUITY
A 8.1% INCREASE FROM 2023

$15.6 MILLION
IN CAPITAL EXPENDITURES
REINVESTING IN YOUR ASSOCIATION, PROTECTING YOUR INVESTMENT
CAPITAL DISCUSSION STARTS ON PAGE 10

$2.0 MILLION
IN OPERATING FUND RESERVES
A PROVEN NECESSARY CONTINGENCY FUND BALANCE

-$555,997
NET OPERATING DEFICIT TO BUDGET
AFTER VERY DRY JANUARY, NOVEMBER + DECEMBER
DETAILS ON PAGE 2

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.

TAHOE DONNER

Dear Members,

The purpose of this Annual Report is to provide a comprehensive report on Tahoe Donner Association's 2024 financial results.

The consolidated Operating Fund generated a deficit to Budget of -$555,977. While early season deficits caused by limited snowfall during our peak operating window were mitigated through proactive cost management strategies – allowing the Association to break even by the end of November – a notably dry December had a significant impact on visitation to our winter operations.

Revenue finished more than $1 million below Budget, primarily due to reduced visitor counts during the winter season. Food + Beverage and retail also fell short of expectations, resulting in a $381,000 unfavorable variance to budgeted revenue. However, the lower revenue was partially offset by cost savings in payroll ($310,000), utilities ($221,000) and employee benefits ($113,000) compared to budgeted expenses.

The board of directors, Finance Committee and management continuously monitor both operational and financial performance and are committed to proactive and responsive management, ensuring that our service levels align with volume and financial goals.

Please contact me anytime to discuss this report or any other financial aspects of your Association.

JUSTIN MALLEY, Director of Finance, Accounting + Business Support
jmalley@tahoedonner.com | (530) 587-9418

OPERATING FUND RESULT:
-$555,977 DEFICIT TO BUDGET
Net Operating Result Loss of $8.2 million (excluding revenue from the Annual Assessment). The period of November-December 2024 – like the prior year – was exceptionally dry, which deterred visitation to the Tahoe region and ski areas.

$17.5 MILLION OPERATING REVENUES
-14.0% unfavorable to Budget, but -0.5% (flat) year over year to 2023

$25.7 MILLION OPERATING COSTS
1.7% favorable to Budget and -3.7% unfavorable to 2023

$15.6 MILLION CAPITAL FUNDS EXPENDITURES
Up $8.7 million, or 125.0% from 2023

$7.7 MILLION | $1,186 PER OWNER
Annual Assessment Contribution to Operating Fund in 2024, up $121 per owner from 2023

$11.1 MILLION | $1,721 PER OWNER
Annual Assessment Contribution to Capital Funds in 2024, up $162 per owner from 2023

$105.0 MILLION TOTAL ASSETS
Up $10.4 million, or 11.0% to 2024

$90.1 MILLION | $13,922 PER OWNER
Members' Equity as of Dec. 31, 2024, up 8.1% from 2023

Operating Fund

Net Operating Results – 2024 Variances to Budget

NOR UNFAVORABLE TO BUDGET -$555,977 | -7.24% | -$85.89 PER OWNER

JANUARY-APRIL

Poor snowfall levels led to low visitation at winter operations, although some late season spring snow slightly mitigated the "damage." This period saw 32,786 downhill skier visits (21% lower, year-over-year) and 38,664 cross country skier visits (2% lower, year-over-year).

- Revenues unfavorable -$437,174, or -5.4%, to Budget.
- Total Operating Expenses (COGS, Payroll and Other Operating Expenses) were favorable $371,969, or 4.2%, to Budget.
- Net Operating Result unfavorable -$65,206, or -7.8%, to Budget.

MAY-SEPTEMBER

The Golf Course had a modified opening due to cart path reconstruction projects. Food + Beverage revenue targets were set very aggressively. Management continued to manage spend (e.g. some delayed hiring of leadership roles). Weather was generally great and amenity visitation reflected that.

- Revenues unfavorable -$164,348, or -2.2%, to Budget.
- Total Operating Expenses (COGS, Payroll and Other Operating Expenses) were favorable $241,197, or 2.1%, to Budget.
- Net Operating Result favorable $76,849, or 1.9%, to Budget.

OCTOBER-DECEMBER

Very limited snowfall challenged winter operations, but prior snowmaking investments continued to benefit downhill and cross country amenities. However, very aggressive revenue targets exacerbated the situation, particularly with the downhill ski lodge construction underway.

- Revenues were unfavorable -$411,275, or -$14.0, to Budget.
- Total Operating Expenses (COGS, Payroll and Other Operating Expenses) were unfavorable -$156,345, or -2.8%, to Budget.
- Net Operating Result was unfavorable -$567,620, or -11.5%, to Budget.

Revenue and Payroll

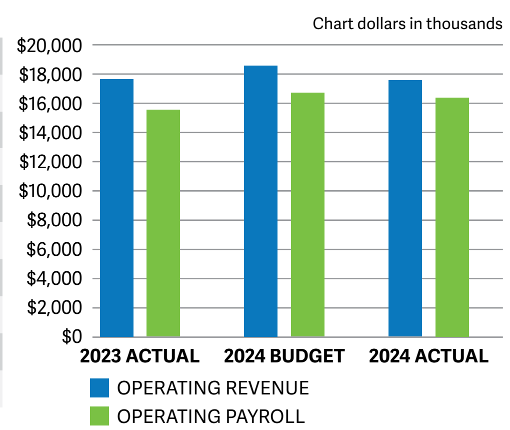
	2020	2021	2022	2023	2024
Operating Revenues	$ 9,456,935	$ 13,248,144	$ 17,571,487	$ 17,605,695	$ 17,518,136
Employee W-2s Issued	695	710	844	867	889
W-2s Per $1,000 Revenue Ratio	7%	5%	5%	5%	5%
Average Wages Per W-2 Issued	$ 10,260	$ 13,737	$ 14,058	$ 14,106	$ 13,757
California Minimum Wage (1)	$ 13.00	$ 14.00	$ 15.00	$ 15.50	$ 16.50
Seasonal/Part-Time FTE (3)	79.0	109.0	125.9	136.0	105.0
Full-Time Regular (2) FTE (3)	62.0	46.0	46.0	57.0	91.0
FTE (3) Total	141.0	155.0	171.9	193.0	196.0
Operating Revenue Per FTE	$ 67,070	$ 85,472	$ 102,218	$ 91,221	$ 89,378
W-2 to FTE Ratio	4.9	4.6	4.9	4.5	4.5

The Association employs a high percentage of entry-level seasonal customer service positions to operate the various amenities of the Association. Late 2021 and early 2022 saw the Association still restricted as to the number of international employees able to be recruited; however, late-2022 and into 2023 saw recruitment return to pre-COVID levels and thus the increase in W-2s issued compared to 2020 and 2021.

(1) California Minimum Wage; increased to $14.00 per hour in 2021, $15.00 per hour in 2022, $15.50 per hour in 2023 and $16.50 per hour in 2024.

(2) The Federal Affordable Care Act of 2010, which impacted the Association starting in 2016, created a federally regulated determination of those employees categorized as 'Full Time' and mandated to be offered health insurance. Prior to this Act, the Association had discretion as to which employees were offered health insurance and categorized full time and which were classified as seasonal employees.

(3) Full-Time Equivalents (FTE) as calculated based on a standard of 2,080 work hours per year.



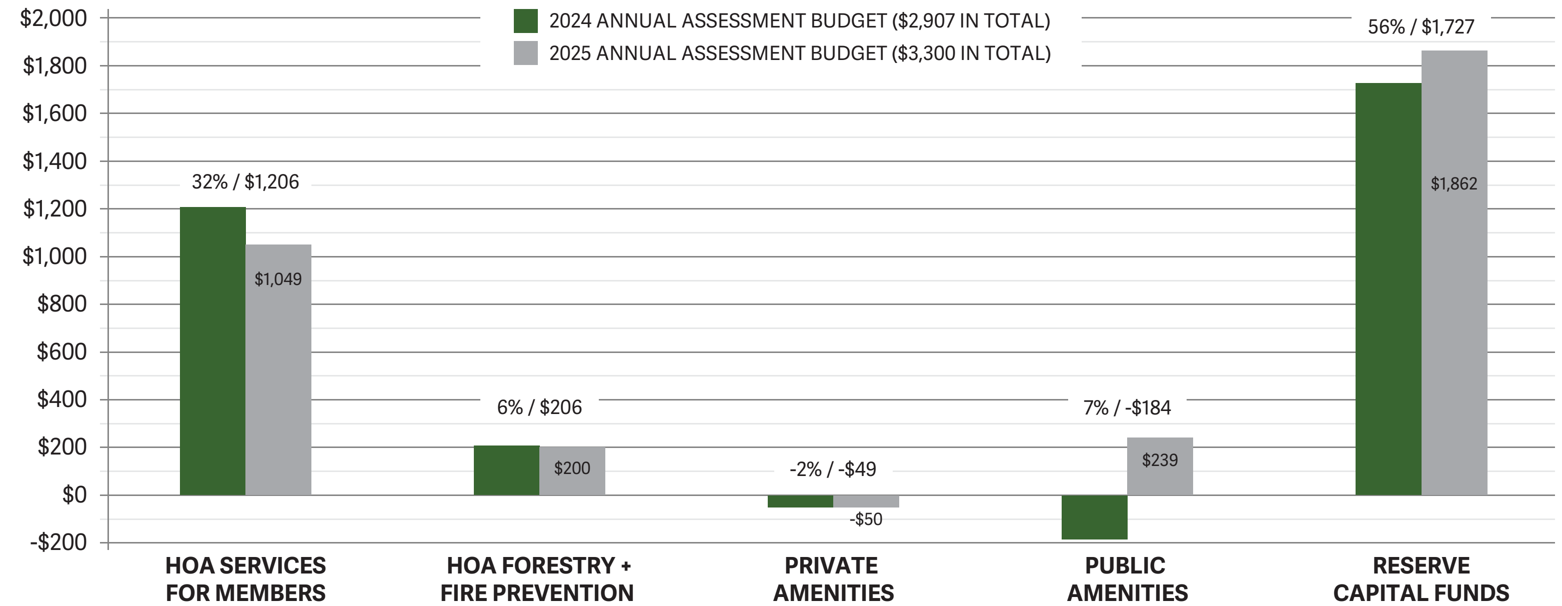
2024 ACTUAL VERSUS BUDGET
REVENUE DOWN -5.9%, PAYROLL COSTS DOWN -2.0%

2024 ACTUAL VERSUS PRIOR YEAR
REVENUE DOWN -0.7%, PAYROLL COSTS DOWN -7.0%
CALIFORNIA MINIMUM WAGE UP $1.00, OR 6.5%, IN 2024 VERSUS 2023

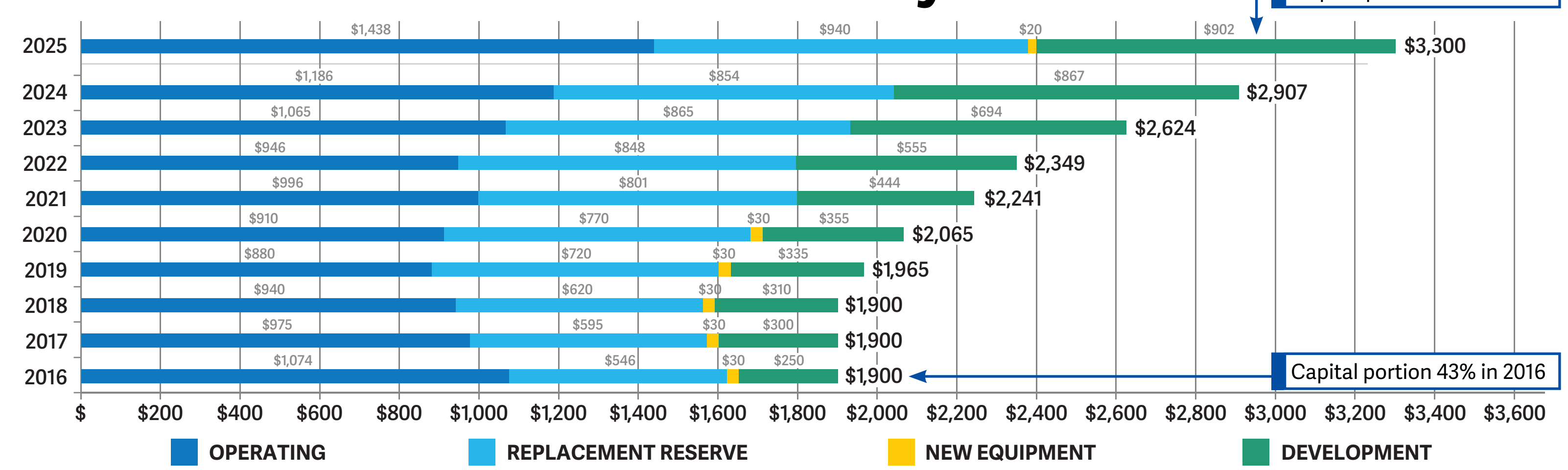
ANNUAL ASSESSMENT

Distribution of 2024 Annual Assessment

$2,907 Per Owner



Annual Assessment Per Owner by Fund



COMPOUND ANNUAL GROWTH RATE (CAGR) METRICS

	2015-2024 10 YEAR	2014-2024 11 YEAR
CAPITAL FUNDS	8.8%	8.5%
OPERATING FUND	2.0%	3.5%
TOTAL ASSESSMENT	5.5%	6.2%

Accumulating funds over time to address the aging infrastructure needs of your association while striving to minimize the Operating Fund portion of your Assessment.

KEY NOTES

Capital Funds Portion of Annual Assessment

- The Replacement Reserve Fund portion has been deliberately increased over time to improve the reserve funding level of our 50-plus year-old association. Underfunding reserves is considered the bane of many associations across the country.

  Tahoe Donner adopted a reserves funding policy and recent boards have adhered to this policy. The association's reserves are now in a much stronger financial position to handle the replacement and major maintenance needs of the association's assets.
- The Development Fund portion was held at $250 for six years (2011-2016) and has increased steadily in subsequent years in recognition of known future funding requirements. This funding is for eventual building replacements, such as the Downhill Ski Lodge, due to functional obsolescence, and for new facilities or other new major projects due to the changing needs of the membership.

More Capital Funds historical information on pages 10-11

Operating Fund Portion of Annual Assessment

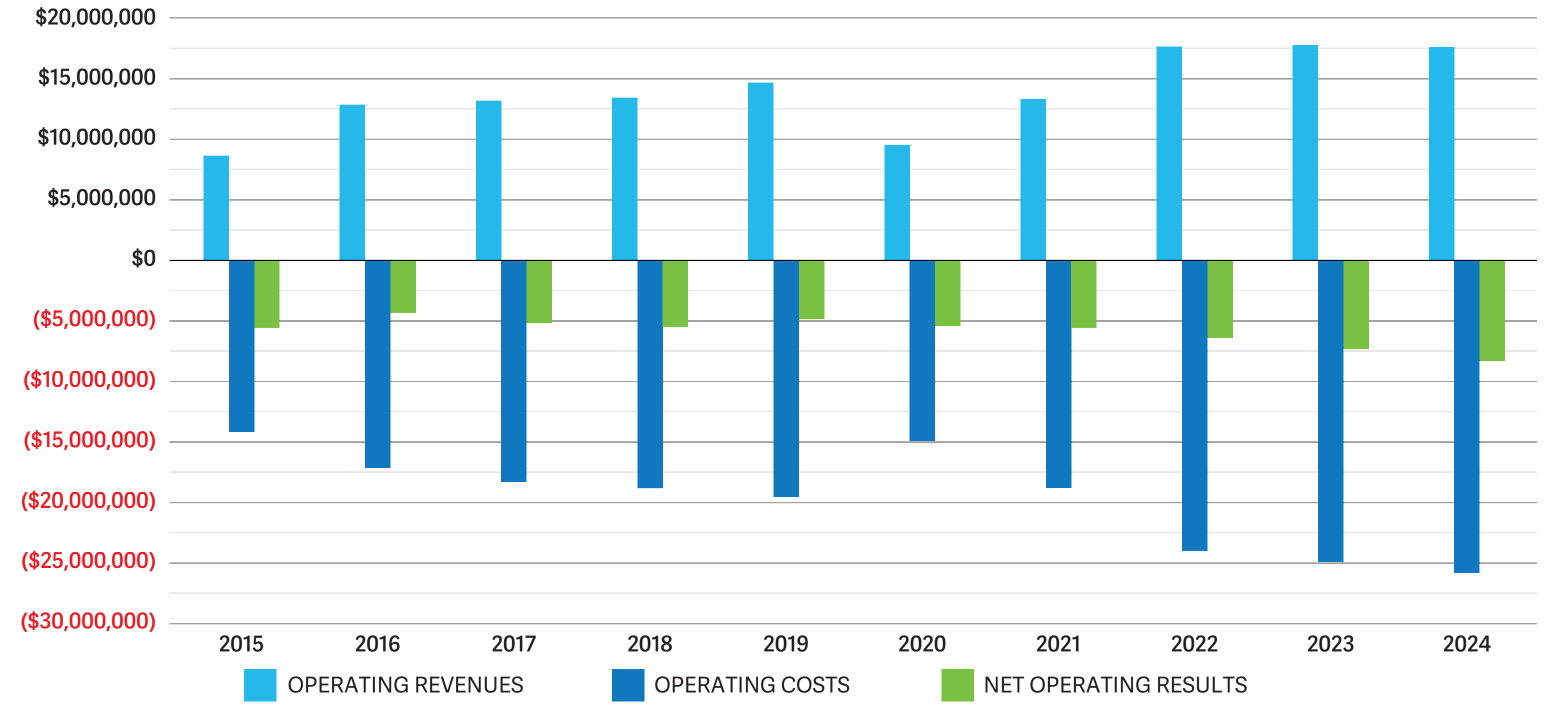
- For 2021, the Operating Fund portion was increased by $86 per owner to offset minimum wage increases and a 23% increase in liability insurance; there was no Assessment increase to the New Equipment Fund.
- For 2022, the Operating Fund portion decreased $50 per owner due to projected strong revenue at the Golf Course, Downhill Ski Resort and Cross Country Ski Center operations, while the association absorbed further insurance and payroll costs.
- For 2023, the Operating Fund portion increased $119 per owner with presumed construction on the Downhill Ski Lodge impacting winter operations, as well as increased utility and insurance costs.
- For 2024, the Operating Fund portion increased $121 per owner primarily due to projected cost increases for labor (California minimum wage) and insurance (health, worker's comp and general liability).

More Operating Fund historical information on page 4

CAGR = COMPOUND ANNUAL GROWTH RATE

OPERATING FUND

Actual Results

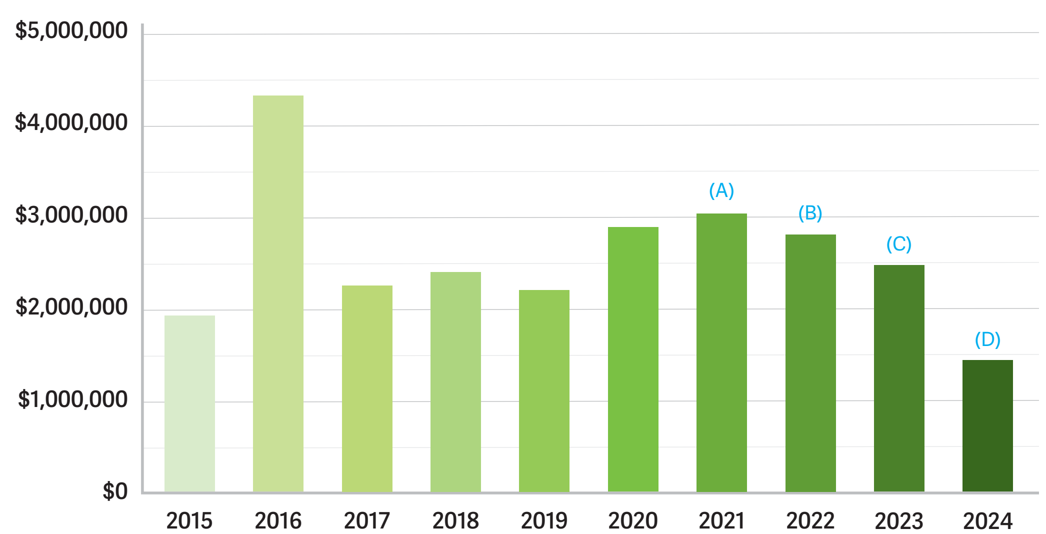


Revenue finished the year $1,006,000 unfavorable to Budget, while Utilities, Supplies + Maintenance and Staff Retention + Incentives saw total expenses favorable to Budget by $476,000.

NOTE: Each year is subject to volatility due to weather and other variables. See page 28 for budget growth information.

Operating Fund Members' Equity

Accumulated Net Results



+ $850,213 favorable results in 2021
- $ 0 transfers

+ $850,213 (A) 2021 change in Operating Fund equity
(In 2024, $400,000 of surplus transfered to Replacement Reserve Fund and $100,000 transfered to New Machinery Fund.)

- $233,842 unfavorable results in 2022
- $ 0 transfers

- $233,842 (B) 2022 change in Operating Fund equity

- $342,963 unfavorable results in 2023
- $ 0 transfers

- $342,963 (C) 2023 change in Operating Fund equity

- $555,977 unfavorable results in 2024
- $500,000 transfers

-$1,055,977 (D) 2024 change in Operating Fund equity

FROM THE 2015 BUDGET TO THE 2024 BUDGET 10-YEAR CAGR

7.3% Operating Revenue growth

6.1% Operating Costs growth

3.9% Net Operating Result Loss
(THIS LOSS EQUATES TO THE PORTION FUNDED BY THE ANNUAL ASSESSMENT)

See page 28 for more budget growth information

Costs are greater than Operating Revenues (every year), though costs have increased at a lower growth rate. Therefore, the resulting NOR loss growth rate is lower than both revenue and cost growth rates.

FOR 2025 BUDGET

The 2025 Budget was prepared with the assumption of continued labor cost pressure, along with normalizing inflation and the impact of operating temporary winter facilities at Downhill Ski Resort due to the ski lodge construction.

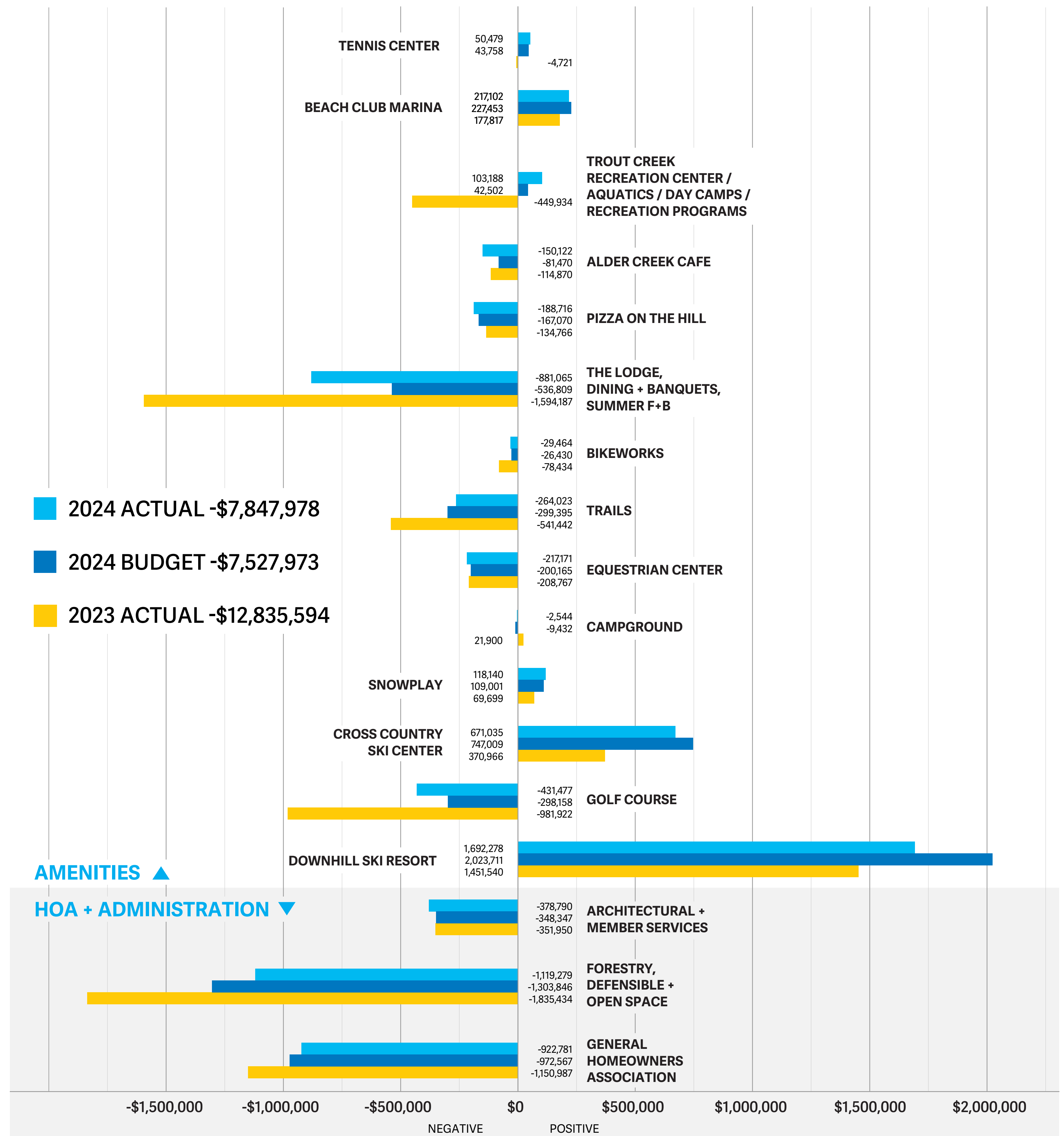
Net Results After Replacement Reserve Capital Charge

By Department

Net Operating Result (NOR) is defined as operating revenues less cost of goods sold and operating payroll and expenses.

Net Results after Replacement Reserve Capital Charge, which is effectively a depreciation-like charge, is presented to the right.

Refer to pages 6 and 7 for additional details.



Operating Fund Results

2024 Departmental Summary

YEAR ENDING
DECEMBER 31, 2024

	2024 OPERATING FUND			2024 NOR VERSUS BUDGET		2024 NOR VERSUS PRIOR YEAR	
	GROSS REVENUE	OPERATING COSTS TOTAL	NET OPERATING RESULT	2024 BUDGET	2024 VS BUDGET	2023 ACTUAL	2024 VS 2023
PRIVATE AMENITIES							
Trout Creek Recreation Center + Aquatics	$ 1,626,667	$ -1,608,514	$ 18,153	$ -9,471	$ 27,624	$ 80,324	$ -62,171
Beach Club Marina	925,172	-666,479	258,693	226,376	32,317	238,804	19,889
Tennis Center	611,043	-560,562	50,481	43,759	6,722	47,175	3,306
Recreation Programs	227,467	-258,711	-31,244	-19,937	-11,307	7,844	-39,088
Day Camps	293,920	-177,641	116,279	71,909	44,370	164,469	-48,190
TOTAL PRIVATE AMENITIES	**3,684,269**	**-3,271,907**	**412,362**	**312,636**	**99,726**	**538,617**	**-126,255**
PUBLIC AMENITIES							
Golf Course	1,549,980	-1,981,456	-431,476	-298,154	-133,322	-317,661	-113,815
Downhill Ski Resort	5,092,952	-3,400,677	1,692,275	2,023,653	-331,378	1,718,417	-26,142
Cross Country Ski Center	1,941,853	-1,278,548	663,305	747,003	-83,698	594,014	69,291
Snowplay	300,094	-181,952	118,142	109,002	9,140	69,699	48,443
Campground	126,378	-128,919	-2,541	-9,434	6,893	24,424	-26,965
Equestrian Center	170,120	-387,291	-217,171	-199,885	-17,286	-193,297	-23,874
Trails	290	-264,315	-264,025	-299,408	35,383	-271,002	6,977
Bikeworks	222,366	-251,830	-29,464	-26,433	-3,031	-29,417	-47
The Lodge, Dining + Banquets	1,909,175	-2,920,242	-1,011,067	-513,574	-497,493	-628,825	-382,242
The Lodge, Summer Lunch + Golf Food Service	322,190	-192,188	130,003	-23,232	153,235	-139,292	269,295
Pizza on the Hill	591,767	-780,482	-188,715	-167,062	-21,653	-129,301	-59,414
Alder Creek Cafe	437,867	-587,990	-150,123	-81,327	-68,796	-109,873	-40,251
TOTAL PUBLIC AMENITIES	**12,665,032**	**-12,355,890**	**309,142**	**1,261,151**	**-952,009**	**587,886**	**-278,744**
TOTAL AMENITIES	**16,349,300**	**-15,627,797**	**721,504**	**1,573,786**	**-852,283**	**1,126,503**	**-404,999**
HOMEOWNERS ASSOCIATION							
General HOA	236,339	-1,577,884	-1,341,545	-972,567	-368,978	-922,781	-418,765
Community Standards Office	193,398	-572,192	-378,794	-348,360	-30,434	-351,950	-26,844
Forestry, Defensible + Open Space	90,643	-1,209,922	-1,119,279	-1,303,845	184,567	-1,365,290	246,012
TOTAL HOMEOWNERS ASSOCIATION	**520,381**	**-3,359,998**	**-2,839,618**	**-2,624,773**	**-214,845**	**-2,640,022**	**-199,596**
AMENITY + HOA SUPPORT SERVICES							
Communications	266,647	-932,764	-666,117	-711,378	45,261	-616,124	-49,993
Facility Administration + Risk Management	0	-514,092	-514,092	-608,011	93,919	-477,553	-36,538
Administration	349,486	-1,201,523	-852,037	-1,139,224	287,187	-821,785	-30,252
Information Technology	0	-813,546	-813,546	-872,138	58,592	-764,453	-49,093
Accounting + Finance	2,680	-1,071,497	-1,068,817	-1,090,651	21,833	-1,074,953	6,135
Human Resources	0	-685,974	-685,974	-647,494	-38,481	-565,049	-120,925
Member Services	29,642	-420,538	-390,896	-402,798	11,902	-322,333	-68,563
Maintenance	0	-1,123,362	-1,123,362	-1,006,383	-116,979	-1,080,939	-42,423
Workforce Housing	236,272	-563,749	-327,477	-147,916	-179,561	0	-327,477
TOTAL SUPPORT SERVICES	**648,455**	**-6,763,296**	**-6,114,841**	**-6,625,992**	**511,151**	**-5,723,189**	**-391,652**
TOTAL OPERATING RESULTS	**17,518,136**	**-25,751,091**	**-8,232,955**	**-7,676,978**	**-555,977**	**-7,236,708**	**-996,247**
Assessment Revenues	7,676,978	0	7,676,978	7,676,978	0	6,893,745	783,233
TOTAL OPERATING FUND	**$ 25,195,114**	**$ -25,751,091**	**$ -555,977**	**$ 0**	**$ -555,977**	**$ -342,963**	**$ -213,014**

See pages 8-9 for results by department highlights

© Laura Chiorello (2024 Photo Contest entry)

Operating Fund Results

2024 Highlights Versus Budget

FAVORABLE VARIANCE TO BUDGET   UNFAVORABLE VARIANCE TO BUDGET

NOR = Net Operating Results. NOR is defined as the net result of operating revenues less cost of goods sold, operating payroll and expenses and any overhead allocation.

PUBLIC AMENITIES

BIKEWORKS

NOR LOSS ($29,464)

UNFAVORABLE ($3,031) / -11% TO BUDGET

Revenue was 22% above budget, driven by retail special orders (e-bikes), though the high COGs resulted in a minimal impact on the bottom line. The combination of higher COGs and labor costs brought NOR close to budget.

CAMPGROUND

NOR ($2,541)

FAVORABLE $6,893 / 73% TO BUDGET

A smoke-free summer helped drive campers and revenue to come in $14k favorable to budget. Disposal, sewer and electric costs were increased due to higher visitation ending $7,000 favorable to budget.

EQUESTRIAN CENTER

NOR LOSS ($217,171)

UNFAVORABLE ($17,286) / -9% TO BUDGET

Revenue was 8% above budget, despite a decrease in camp participation, with the shortfall offset by special events, lessons and boarding. However, high labor costs led to operating expenses exceeding the budget by $27,000, or 7%.

GOLF COURSE

NOR ($431,476)

UNFAVORABLE ($133,322) / -45% TO BUDGET

Late spring snowfall delayed the season's opening, and the cart path project restricted play to 9 holes in both June and October. However, strong retail sales ($39,000 above budget) helped offset the loss in green fees and ongoing wage pressures for Golf Maintenance staff in the region.

TRAILS

NOR LOSS ($264,025)

FAVORABLE $35,373 / 12% TO BUDGET

Staffing and scheduling were effectively managed, ensuring a balanced approach to both Capital Projects (reserve work) and standard operating expenses. NOR exceeded budget by 12% and showed a 2.6% increase year-over-year.

CROSS COUNTRY SKI CENTER

NOR $663,305

UNFAVORABLE ($83,698) / -11% TO BUDGET

January conditions were poor, but a late-season rally helped, though November and December still saw unfavorable conditions. Season pass sales rebounded in December 2023, but remained below budget, contributing to a $103,000 revenue shortfall and a -10% NOR.

DOWNHILL SKI RESORT

NOR $ 1,692,275

UNFAVORABLE ($320,999) / -16% TO BUDGET

January's poor snow conditions led to operations being 50% below budget to start the year. Additionally, due to unconfirmed ski lodge demolition, December budgeted numbers were reduced, but imperfect considering there was no ski lodge, further compounded by unfavorable snow conditions. Despite this, NOR was only down only 1.5% year-over-year. In 2024, revenue dropped 12%, while expenses were 10% lower.

SNOWPLAY

NOR $118,142

FAVORABLE $9,140 / 8% TO BUDGET

Snowplay was less affected by January's poor conditions, thanks to cold temps for snowmaking. Strong visitation from January to March offset December's revenue shortfall, when only one lane was open due to limited snow and snowmaking temps.

ALDER CREEK CAFE

NOR LOSS ($150,123)

UNFAVORABLE ($68,796) / -85% TO BUDGET

Revenue exceeded budget by 2% and increased by 4% year-over-year, while expenses were below budget by 15% and down 37% compared to the previous year.

PIZZA ON THE HILL

NOR LOSS ($188,715)

UNFAVORABLE ($21,653) / -13% TO BUDGET

Bingo Night, Music by the Meadow and Trivia Night consistently attracted strong attendance. While the BOGO promotions were well-received by guests, they resulted in significantly higher COGs than budgeted. Staff scheduling challenges in the first half of the year were resolved, leading to a more efficient workflow moving forward.

THE LODGE

NOR LOSS ($1,011,067)

UNFAVORABLE ($497,493) / -97% TO BUDGET

Revenue (-16%) and expenses (-5%) were both below budget, partly due to aggressively set targets, staff scheduling challenges in the first half of the year, and mixed coding between the Lodge and Summer F+B, which caused the Lodge NOR to look worse, and the Summer F+B to look better.

SUMMER F+B

NOR LOSS $130,003

FAVORABLE $153,237 / 660% TO BUDGET

Revenue (1%) and expenses (44%) were both favorable to budget. However, the results for COGs and NOR are skewed due to mixed coding between The Lodge and Summer F+B, which impacted the outcomes at both operations (see above).

PRIVATE AMENITIES

BEACH CLUB MARINA

NOR $258,693

FAVORABLE $32,317 / 14% TO BUDGET

Exceptional summer weather drove significant increases in visitation, resulting in a 19% year-over-year revenue growth.

DAY CAMPS

NOR $116,279

FAVORABLE $44,370 / 62% TO BUDGET

Revenue was close to budget, though slightly below expectations. Salaries and wages were $46,000 (31%), under budget.

RECREATION PROGRAMS

NOR LOSS ($31,244)

UNFAVORABLE ($11,307) / -57% TO BUDGET

Revenue was nearly flat, slightly exceeding budget. However, group insurance costs were $19,000 over budget, reflecting a 393% unfavorable variance.

TENNIS + PICKLEBALL CENTER

NOR $50,481

FAVORABLE $6,722 / 15% TO BUDGET

Operations opened earlier than budgeted, contributing to a 24% increase in revenue compared to budget and a 26% increase year-over-year.

TROUT CREEK REC CENTER + AQUATICS

NOR $18,153

FAVORABLE $27,624 / 292% TO BUDGET

Both Trout Creek's and Aquatics' NOR were favorable to budget, though labor and expense pressures impacted year-over-year NOR results.

SUPPORT SERVICES

COMMUNICATIONS

NOR LOSS ($666,117)

FAVORABLE $45,261 / 6% TO BUDGET

Advertising revenue was down $15,000 (-5%) compared to budget. In recognition of early revenue trends, staff reduced admin expenses ($30,000) and held a position vacant ($25,000), coming in favorable to budget.

COMMUNITY STANDARDS OFFICE

NOR LOSS ($378,794)

UNFAVORABLE ($30,434) / -9% TO BUDGET

Amid staff turnover and changes, both total revenue and expenses fell short of budget.

FORESTRY

NOR LOSS ($1,119,279)

FAVORABLE $184,567 / 14% TO BUDGET

Revenue was significantly unfavorable (-69%) with no grant revenue. Significant labor was allocated to capital projects, which helped expenses come in $386,000 (24%) favorable.

MAINTENANCE

NOR LOSS ($1,123,362)

UNFAVORABLE ($116,979) / -12% TO BUDGET

Increased health insurance costs and higher enrollment due to life changes accounted for 56% of the variance; the remainder was from general property maintenance not tied to a specific amenity.

I.T., FINANCE + HUMAN RESOURCES

NOR LOSS ($2,568,338)

FAVORABLE $41,944 / 0% TO BUDGET

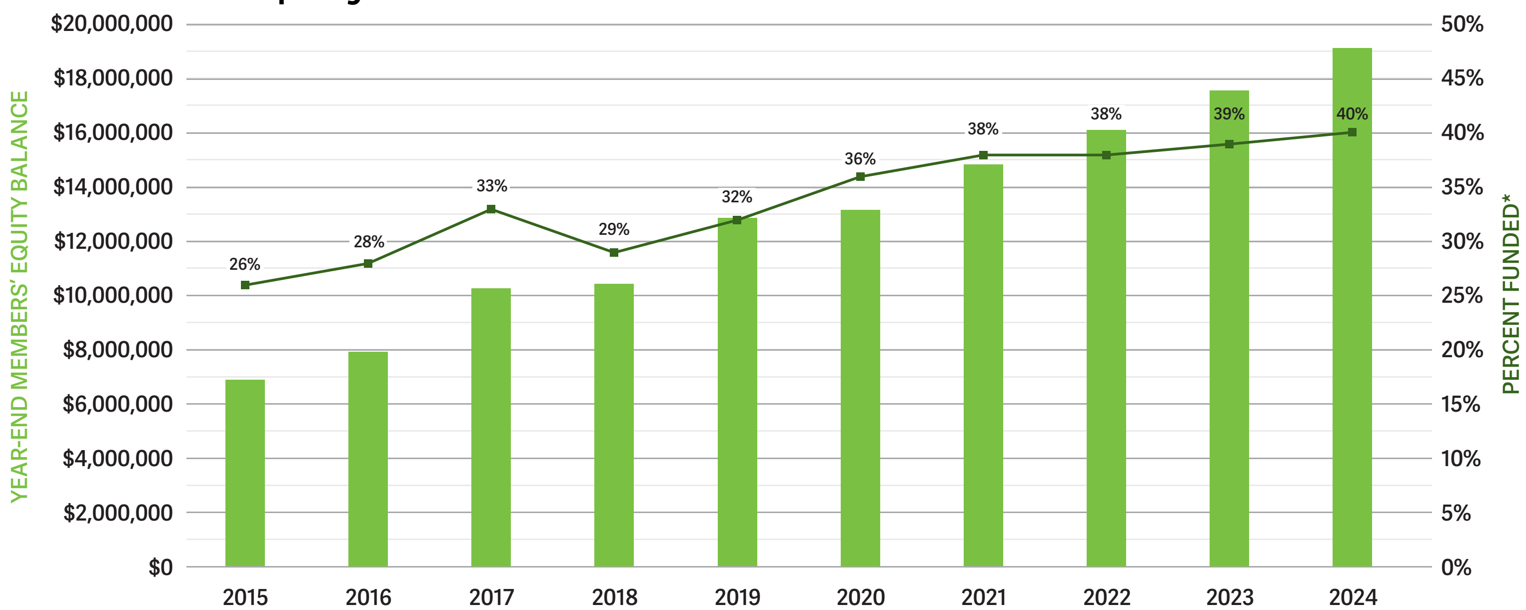
Salaries and wages were under budget due to vacant positions throughout the year, but rising expenses increased overall spend and negatively impacted year-over-year NOR.

© Brandon Huttenlocher

CAPITAL RESERVES

Replacement Reserve Fund

Members' Equity YEAR-END FUND BALANCE + Percent Funded

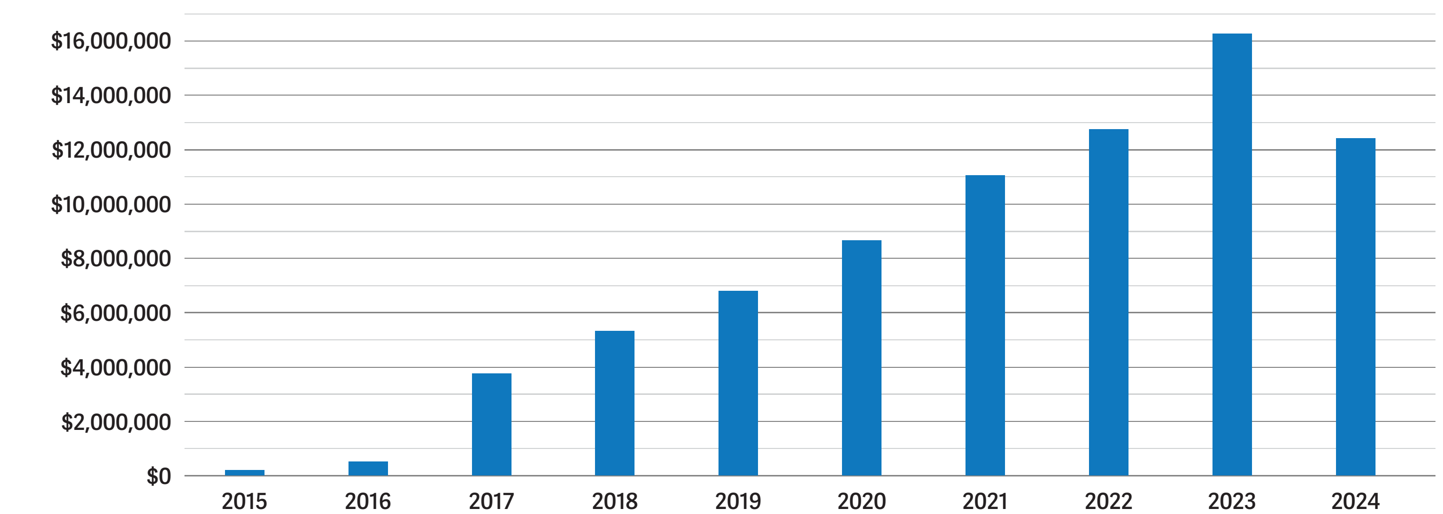


- The Replacement Reserve Fund is the capital reserve fund for existing asset components of the Association. This savings fund is utilized to replace and preserve assets of the Association as they depreciate over time. There are over 2,300 components in the reserve study, which is updated every year by staff. A complete physical inspection of all components is performed every three years and last occurred in 2022.
- The Association has a Replacement Reserve Fund policy that provides for a target minimum of 25% funded.*
- **The reserve study does not include the replacement of existing buildings. Funding for the replacement of existing buildings comes from the Development Fund, seen below.**
- The funding level from the Annual Assessment generally needs to increase each year to keep pace with, or exceed, the inflation rate.
- The Association has a fiduciary duty to adequately reserve for the preservation of assets, which ultimately protects property values.
- The 2024 assessment funding level was $854 per owner, or $5,527,942, a decrease of 1% over 2023. An additional $400,000 was funded from the 2021 surplus.
- *The 2025 assessment funding level was $940 per owner, or $6,084,620, an increase of 10% over 2024.*

*Percent (%) Funded is the measure of the current fund balance to the current value of all future replacement costs from the Reserve Study (refer to the 2025 Budget Report for more information on the Reserve Schedule).

Development Fund

Members' Equity YEAR-END FUND BALANCE



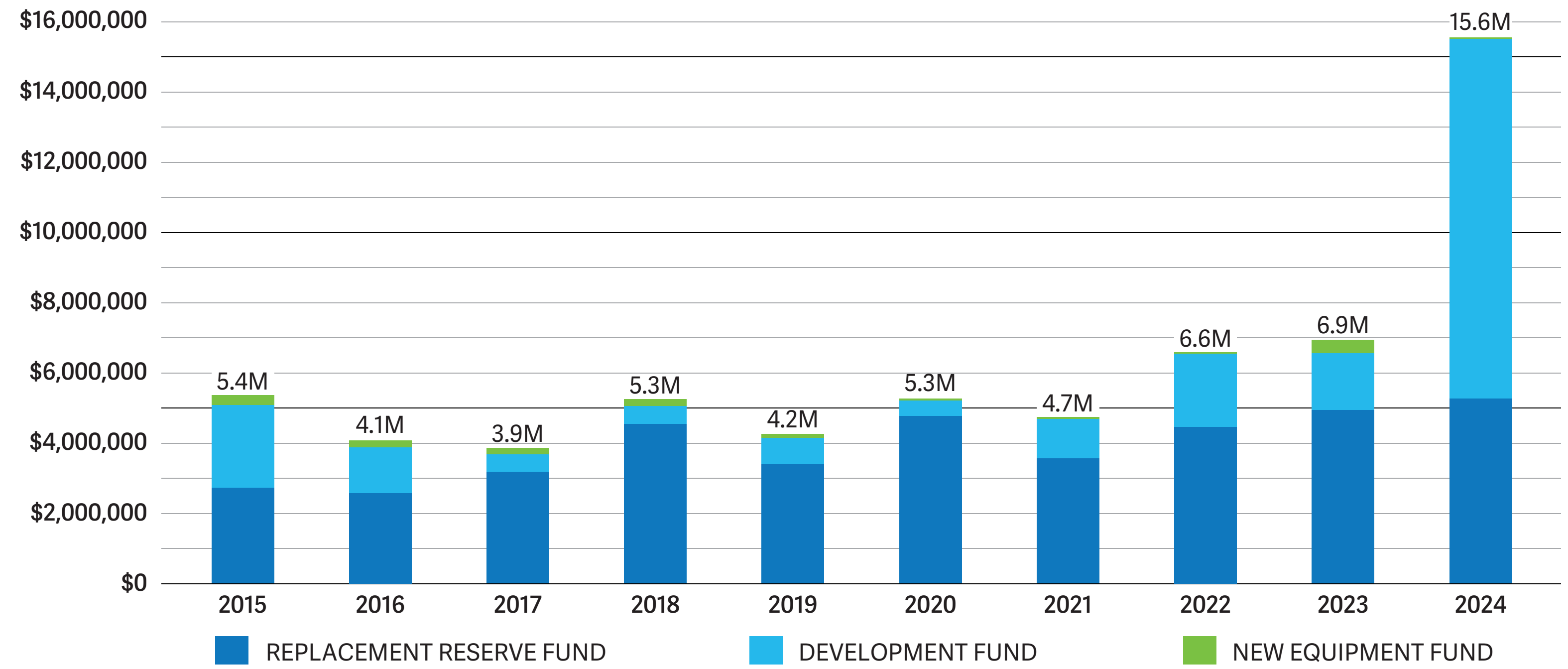
- The Development Fund was established as authorized in the governing documents of the association to accumulate funds for large-scale projects identified as necessary due to the new capacity requirements or changing needs of the association.
- The board, Long-Range Planning Committee and management guide the prioritization of the numerous projects identified for Development Fund expenditure. The list of projects is actively updated through input from open member meetings and articles shared online at *tahoedonner.com* and in the *Tahoe Donner News + Life* magazine.
- The 2024 assessment funding level was $867 per owner, or $5,612,091, an increase of 25% over 2023.
- *The 2025 assessment funding level was $902 per owner, or $5,838,646, an increase of 4% over 2024.*

CAPITAL EXPENDITURES

Capital Funds

Expenditures by Year

10-YEAR TOTAL = $62.0 MILLION



Ten-year total spend of $62.0 million equates to an average of $6.2 million in Capital Fund expenditures per year. The 10-year average depreciation expense is $3.1 million per year for a total of $31.0 million. *Note that many older assets are fully depreciated and have no annual depreciation expense.*

The net effect is a growth in net fixed assets. Over the 10 years, the CAGR was 3.6% for net fixed assets.

Net fixed assets grew from $40.0 million at the end of 2015 to $57.0 million at the end of 2024, a 3.6% growth rate. Your association has invested in fixed assets to improve member enjoyment and protect home values.

THE BOARD HAS A FIDUCIARY RESPONSIBILITY (BY LAW) TO DO WHAT IS BEST FOR THE ASSOCIATION, BOTH NOW AND FOR THE FUTURE. CURRENT OWNERS HAVE THE RESPONSIBILITY TO PAY FOR THE DEPRECIATION OF ASSOCIATION ASSETS, NOT TO DEFER THE BURDEN TO FUTURE OWNERS. PROPERLY MAINTAINING OUR ASSETS PROTECTS OWNERS' PROPERTY VALUES.

CAPITAL INVESTMENT OVER THE 10 YEARS INCLUDES:

$39.6 million in replacement and major repairs of existing assets (per reserve study plan)

$4.0 million per year with 10-year average, maintaining existing asset components (depreciation average is $3.1 million)

$3.3 million per year for first 5 years average, maintaining existing asset components

$4.6 million per year for second 5 years average, maintaining existing asset components

The increase from 2015-2019 average to the 2010-2024 average is due to the overall aging of assets, the impact of Development Fund projects on related reserve components, construction of the lodge at Downhill Ski Resort, improvements to the Beach Club Marina, Glacier Way and Golf Course cart paths, as well as investments in updated maintenance equipment.

$20.9 million in Development Fund capital investments, including:

Downhill Ski Resort snowmaking investment (2015)

Solar projects at three locations (2015-2016)

Equestrian campus relocation and upgrades (2015-2017)

Crabtree Canyon land – 640 acres (2016)

Alder Creek Adventure Center exterior storage building (2017)

Equestrian campus improvements, Eagle Rock Chairlift building improvements (2018)

Trout Creek Recreation Center building expansion (2019-2020)

Bermgarten Trailhead paving (2020)

Downhill Ski Lodge professional services, Cross Country Ski Center snowmaking investment (2021-2023)

Beach Club Marina Deck Expansion (2023-2024)

Glacier Way Parking Lot + Trailhead improvements, Downhill Ski Resort lodge replacement, Golf Course cart path repair + replacement (2024)

$1.5 million in New Equipment Fund capital investments

$149,000 per-year average

Forestry Tree Masticator (2023)

New Vehicles (2024)

CAPITAL FUNDS

Replacement Reserve Fund

32.6% FUNDED

The ratio of the Replacement Reserve Fund balance as of December 31, 2024 and the Replacement Reserve Components current replacement cost estimate (100% Funded Allocation Method) for December 31, 2024. See page 10 for by-year trends.

$5.3 MILLION | 2024 Expenditures

- $1,569,000 GOLF Cart Paths, Irrigation, Bridge on Hole 18 and Bunkers
- $798,000 DOWNHILL SKI RESORT Components for Ski Lodge Replacement Project Construction
- $496,000 INFORMATION TECHNOLOGY Fiber, Infrastructure and Software Licensing
- $430,000 FORESTRY Mastication and Fuel Reduction

The Replacement Reserve Fund (RRF) is used to account for financial resources designated for the repair, restoration, replacement or maintenance of, or litigation involving the repair, restoration, replacement or maintenance of major components that the association is obligated by state law and sound business practices to repair, restore, replace or maintain. A 30-year reserve funding and expenditure plan is produced every three years, and updated annually, to schedule and analyze the funding and expenditure needs. Over 2,300 individual items are tracked in this plan, with a current replacement value of $74 million.

2024 saw a variance in expense to budget of $4.9 million, mostly due to pushing out the purchase of RRF components of the Downhill Ski Lodge replacement project into 2025.

The year-end fund balance increased by $1.6 million, or 9.0%, from 2023. The balance fluctuates each year due to the funding level from assessment and transfers, if any, as well as expenditures each year, in accordance with the 30-year reserve study.

Development Fund

$10.3 MILLION | 2024 Expenditures

- $8,942,000 DOWNHILL SKI RESORT Ski Lodge Replacement Project
- $448,000 TRAILS Parking Lot and Bathroom at Glacier Way
- $438,000 GOLF Carts and Cart Paths
- $421,000 BEACH CLUB MARINA Deck Expansion Project

The Development Fund was established and authorized in the governing documents of the association to accumulate funds for use in the development of – and additions to – facilities identified by the board as necessary due to new capacity requirements of the association or changing needs of the community.

The Development Fund includes funds accumulated for the specific purpose of replacing existing buildings, as only certain components of buildings are in the Replacement Reserve study.

The assessment contribution for 2024 was $5,612,091, or $867 per owner, reflecting a 25% increase from 2023. The year-end fund balance decreased by $3,900,000, or 24.0%. This decrease was primarily driven by the start of the Downhill Ski Resort lodge replacement project.

New Equipment Fund

$99,852 | 2024 Expenditures

- $35,000 FORESTRY 2024 Toyota RAV4 Crew Vehicle
- $13,000 MAINTENANCE Dump Trailer
- $13,000 ACCOUNTING Tradogram (Accounts Payable Software)
- $38,000 TRAILS Glacier Way Parking Lot Expansion

The New Equipment Fund is used to account for financial resources designated for the acquisition of new assets identified as necessary for the association to operate more efficiently or provide new services to members.

There was no assessment contribution for 2024. The $118,000 reimbursement grant from the Truckee Fire Protection District was received, and an additional $100,000 from prior year returns was contributed to the New Equipment Fund in 2024. The year-end fund balance of $8,673 increased by $121,000, compared to 2023.

Property Fund

The Property Fund is used to account for the association's investment in its fixed assets. Capital additions to fixed assets totaled $13.6 million ($5.2 million in 2023). Depreciation expense for the year totaled $3.1 million ($3.2 million in 2023).

Total gross fixed asset value of $105.0 million equates to $16,836 per owner and net book value of fixed assets and construction in progress of $57.2 million equates to $8,829 per owner (an increase of $1,546 from 2023).

Capital Funds Summary

YEAR ENDING DECEMBER 31, 2024

	2024 ACTUAL	2024 BUDGET	2024 ACTUAL VS 2024 BUDGET	2023 ACTUAL	2024 ACTUAL VS 2023 ACTUAL
REPLACEMENT RESERVE FUND					
Beginning Fund Balance	$ 17,528,483	$ 16,176,787	$ 1,351,696	$ 16,075,485	$ 1,452,998
Assessment Contribution	5,527,942	5,825,700	(297,758)	5,599,145	(71,203)
Interest Revenue	944,583	253,094	691,489	857,417	87,166
Operating Fund Transfer In	400,000	-	400,000	-	400,000
Other Revenue + Expense, Net	(39,064)	(34,000)	(5,064)	(78,591)	39,528
Major Maintenance + Fund Expenses	(1,662,789)	(281,000)	(1,381,789)	(1,443,666)	(219,123)
Expenditures for Capital Additions	(3,604,104)	(10,385,413)	6,781,309	(3,481,307)	(122,797)
Change in Fund Balance	1,566,569	(4,621,619)	6,188,188	1,452,998	113,571
ENDING FUND BALANCE	**19,095,051**	**11,555,168**	**7,539,883**	**17,528,483**	**1,566,569**
NEW EQUIPMENT FUND					
Beginning Fund Balance	(113,972)	39,377	(153,349)	259,504	(373,476)
Assessment Contribution	-	-	-	-	-
Interest Revenue	3,864	5,891	(2,027)	6,827	(2,963)
Operating Fund transfer in	100,000	200,000	(100,000)	-	100,000
Other Revenue & Expense, Net	118,633	-	118,633	(618)	119,251
Major Maintenance & Fund Expenses	-	-	-	-	-
Expenditures for Capital Additions	(99,852)	(200,000)	100,148	(379,685)	279,834
Change in Fund Balance	122,645	5,891	116,754	(373,476)	496,121
ENDING FUND BALANCE	**8,673**	**45,268**	**(36,595)**	**(113,972)**	**122,645**
DEVELOPMENT FUND					
Beginning Fund Balance	16,259,307	15,394,855	864,452	12,725,518	3,533,789
Assessment Contribution	5,612,091	5,612,091	-	4,492,262	1,119,829
Interest Revenue	893,709	529,000	364,709	737,511	156,198
Operating Surplus Transfer In	-	-	-	-	-
Other Revenue + Expense, Net	(118,147)	(49,000)	(69,147)	(81,374)	(36,773)
Fund Expenses	(305,272)	(226,000)	(79,272)	(310,604)	5,333
Expenditures for Capital Additions	(9,944,329)	(18,808,080)	8,863,751	(1,304,005)	(8,640,324)
Change in Fund Balance	(3,861,948)	(12,941,989)	9,080,041	3,533,789	(7,395,737)
ENDING FUND BALANCE	**12,397,360**	**2,452,866**	**9,944,494**	**16,259,307**	**(3,861,948)**
CAPITAL FUND TOTALS SEE PAGE 26 FOR SCHEDULE OF SPEND BY DEPARTMENT					
Major Maintenance + Fund Expenses	(1,968,061)	(507,000)	(1,461,061)	(1,754,271)	(213,790)
Expenditures for Capital Additions	(13,648,285)	(29,393,493)	15,745,208	(5,164,997)	(8,483,287)
TOTAL	**$ (15,616,346)**	**$ (29,900,493)**	**$ 14,284,147**	**$ (6,919,268)**	**$ (8,697,077)**

The variance between Actual and Budget capital expenditures is primarily driven by the timing of projects between years, weather delays and contractor availability.

The Board has a **fiduciary responsibility** (by law) to do what is best for the Association both now and for the future. Current owners have the responsibility to pay for the depreciation of Association assets, not defer the burden to future owners. Properly maintaining our assets protects owners' **property values**.

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, 2024, 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, 2024, 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 19 and 20 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 17 and 18 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, 2023 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 March 15, 2024.

McCLINTOCK ACCOUNTANCY CORPORATION
Tahoe City, California
March 20, 2025

Tahoe Donner Association

Balance Sheet

FOR THE YEAR ENDED DECEMBER 31, 2024 (WITH COMPARATIVE TOTALS FOR 2023)

	OPERATING FUND	REPLACEMENT RESERVE FUND	NEW EQUIPMENT FUND	DEVELOPMENT FUND	PROPERTY FUND	TOTAL 2024	TOTAL 2023
ASSETS							
Cash and cash equivalents, unrestricted (Note 3)	$ 12,024,611	$ -0-	$ -0-	$ -0-	$ -0-	$ 12,024,611	$ 6,694,597
Cash and cash equivalents, designated and restricted (Note 3)	113,746	1,075,424	8,773	1,050,365	-0-	2,248,308	1,555,248
Investments, unrestricted (Note 3)	-0-	-0-	-0-	-0-	-0-	-0-	1,481,375
Investments, designated and restricted (Note 3)	-0-	18,099,754	-0-	13,044,137	-0-	31,143,891	34,931,987
	12,138,357	19,175,178	8,773	14,094,502	-0-	45,416,810	44,663,207
Assessments and other member receivables, less allowance for credit losses of $178,621 in 2024 and $88,393 in 2023	112,070	-0-	-0-	-0-	-0-	112,070	225,721
Other receivables	30,869	144,263	-0-	49,106	-0-	224,238	266,433
Inventory	446,901	-0-	-0-	-0-	-0-	446,901	510,431
Prepaid expenses and other assets	1,587,792	36,818	-0-	-0-	-0-	1,624,610	1,804,587
Due from (to) other funds	2,007,557	(261,208)	(100)	(1,746,249)	-0-	-0-	-0-
Property and equipment, net (Note 4)	-0-	-0-	-0-	-0-	57,157,194	57,157,194	47,145,272
Total Assets	**$ 16,323,546**	**$ 19,095,051**	**$ 8,673**	**$ 12,397,359**	**$ 57,157,194**	**$ 104,981,823**	**$ 94,615,651**
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	$ 687,386	$ -0-	$ -0-	$ -0-	$ -0-	$ 687,386	$ 466,596
Accrued liabilities	3,090,339	-0-	-0-	-0-	-0-	3,090,339	1,955,961
Deferred revenue	10,769,038	-0-	-0-	-0-	-0-	10,769,038	8,468,043
Deposits from members	316,900	-0-	-0-	-0-	-0-	316,900	390,100
Total Liabilities	**14,863,663**	**-0-**	**-0-**	**-0-**	**-0-**	**14,863,663**	**11,280,700**
Fund Balances - Exhibit B	1,459,883	19,095,051	8,673	12,397,359	57,157,194	90,118,160	83,334,951
Total Liabilities and Fund Balances	**$ 16,323,546**	**$ 19,095,051**	**$ 8,673**	**$ 12,397,359**	**$ 57,157,194**	**$ 104,981,823**	**$ 94,615,651**

The accompanying notes are an integral part of these statements.

Tahoe Donner Association

Statements of Revenue and Expenses and Changes in Fund Balances

FOR THE YEAR ENDED DECEMBER 31, 2024 (WITH COMPARATIVE TOTALS FOR 2023)

	OPERATING FUND	REPLACEMENT RESERVE FUND	NEW EQUIPMENT FUND	DEVELOPMENT FUND	PROPERTY FUND	TOTAL 2024	TOTAL 2023
Revenue							
Members' assessments	$ 7,676,978	$ 5,527,942	$ -0-	$ 5,612,091	$ -0-	$ 18,817,011	$ 16,985,152
Downhill ski	5,092,952	-0-	-0-	-0-	-0-	5,092,952	5,756,212
Snowplay	300,094	-0-	-0-	-0-	-0-	300,094	253,791
The Lodge and Summer F&B	2,231,365	-0-	-0-	-0-	-0-	2,231,365	2,351,902
Cross country center	1,941,853	-0-	-0-	-0-	-0-	1,941,853	1,775,096
Trout Creek recreation center and aquatics	1,626,667	-0-	-0-	-0-	-0-	1,626,667	1,645,652
Marina	925,172	-0-	-0-	-0-	-0-	925,172	776,645
Golf course	1,549,980	-0-	-0-	-0-	-0-	1,549,980	1,327,569
Alder Creek Cafe	437,867	-0-	-0-	-0-	-0-	437,867	422,498
Pizza on the Hill	591,767	-0-	-0-	-0-	-0-	591,767	540,182
Tennis	611,043	-0-	-0-	-0-	-0-	611,043	485,055
Day Camps	293,920	-0-	-0-	-0-	-0-	293,920	378,388
Equestrian	170,120	-0-	-0-	-0-	-0-	170,120	169,895
Recreation	227,467	-0-	-0-	-0-	-0-	227,467	229,777
Campground	126,378	-0-	-0-	-0-	-0-	126,378	135,453
Bikeworks	222,366	-0-	-0-	-0-	-0-	222,366	223,398
Trails	290	-0-	-0-	-0-	-0-	290	95
Communications	266,647	-0-	-0-	-0-	-0-	266,647	292,828
Community standards	193,398	-0-	-0-	-0-	-0-	193,398	157,538
Forestry	90,643	-0-	-0-	-0-	-0-	90,643	297,891
Workforce housing	236,272	-0-	-0-	-0-	-0-	236,272	-0-
Interest income	172,133	944,583	3,864	893,709	-0-	2,014,289	1,806,200
Late charges, handling, transfer fees, and other fees	142,565	-0-	-0-	-0-	-0-	142,565	118,807
Miscellaneous income	67,177	-0-	118,988	-0-	-0-	186,165	62,758
Total Revenue	**25,195,114**	**6,472,525**	**122,852**	**6,505,800**	**-0-**	**38,296,291**	**36,192,782**
Operating Expenses							
Downhill ski (cost of sales of $156,291 in 2024 and $211,348 in 2023)	3,400,677	69,764	-0-	-0-	-0-	3,470,441	4,065,212
Snowplay (cost of sales of $4,465 in 2024 and $4,979 in 2023)	181,952	-0-	-0-	-0-	-0-	181,952	184,091
The Lodge and Summer F&B (cost of sales of $748,640 in 2024 and $725,248 in 2023)	3,112,430	14,800	-0-	-0-	-0-	3,127,230	3,187,392
Cross country center (cost of sales of $151,219 in 2024 and $106,563 in 2023)	1,278,548	48,740	-0-	-0-	-0-	1,327,288	1,234,780
Trout Creek recreation center and aquatics (cost of sales of $27,079 in 2024 and $24,482 in 2023)	1,608,514	59,006	-0-	-0-	-0-	1,667,520	1,713,971
Marina (cost of sales of $1,857 in 2024 and $64,245 in 2023)	666,479	60,384	-0-	-0-	-0-	726,863	558,240
Golf course (cost of sales of $107,511 in 2024 and $91,881 in 2023)	1,981,456	74,275	-0-	-0-	-0-	2,055,731	1,714,628
Alder Creek Café (cost of sales of $132,853 in 2024 and $143,353 in 2023)	587,990	-0-	-0-	-0-	-0-	587,990	532,366
Pizza on the Hill (cost of sales of $196,497 in 2024 and $147,802 in 2023)	780,482	-0-	-0-	-0-	-0-	780,482	669,484
Tennis (cost of sales of $49,312 in 2024 and $26,721 in 2023)	560,562	27,968	-0-	-0-	-0-	588,530	460,734
Day Camps	177,641	-0-	-0-	-0-	-0-	177,641	249,357
Equestrian (cost of sales of $3,329 in 2024 and $4,117 in 2023)	387,291	14,699	-0-	-0-	-0-	401,990	368,432
Recreation (cost of sales of $2,956 in 2024 and $2,451 in 2023)	258,711	-0-	-0-	-0-	-0-	258,711	221,933
Campground	128,919	4,885	-0-	-0-	-0-	133,804	113,246
Bikeworks (cost of sales of $63,346 in 2024 and $80,817 in 2023)	251,830	-0-	-0-	-0-	-0-	251,830	252,815
Trails	264,315	96,132	-0-	-0-	-0-	360,447	337,208
Communications	932,764	-0-	-0-	-0-	-0-	932,764	909,472
Architectural standards	572,192	-0-	-0-	-0-	-0-	572,192	509,487
Forestry	1,209,922	417,360	-0-	-0-	-0-	1,627,282	1,882,769
Workforce housing	563,749	-0-	-0-	-0-	-0-	563,749	-0-
Homeowners' association operating expenses and G&A	6,818,283	849,683	-0-	341,272	-0-	8,009,238	7,452,880
Total Operating Expenses	**25,724,707**	**1,737,696**	**-0-**	**341,272**	**-0-**	**27,803,675**	**26,618,497**
Fund Expenses							
(Gain) Loss on disposal of assets	-0-	(127,853)	-0-	-0-	524,199	396,346	(32,910)
Depreciation	-0-	-0-	-0-	-0-	3,112,164	3,112,164	3,212,178
Income tax provision (Note 5)	26,384	92,011	355	82,147	-0-	200,897	178,652
Total Expenses	**25,751,091**	**1,701,854**	**355**	**82,147**	**3,636,363**	**31,513,082**	**29,976,327**
Revenue Over (Under) Expenses	(555,977)	4,770,671	122,497	6,082,381	(3,636,363)	6,783,209	6,216,455
Property Fund Additions, Net (Schedule 2)	-0-	(3,604,104)	(99,852)	(9,944,329)	13,648,285	-0-	-0-
Transfer Between Funds	(500,000)	400,000	100,000	-0-	-0-	-0-	-0-
Fund Balances (Deficit), Beginning of Year	2,515,860	17,528,484	(113,972)	16,259,307	47,145,272	83,334,951	77,118,496
Fund Balances, End of Year	$ 1,459,883	$ 19,095,051	$ 8,673	$ 12,397,359	$ 57,157,194	$ 90,118,160	$ 83,334,951

Tahoe Donner Association

Statements of Cash Flows

FOR THE YEAR ENDED DECEMBER 31, 2024 (WITH COMPARATIVE TOTALS FOR 2023)

	OPERATING FUND	REPLACEMENT RESERVE FUND	NEW EQUIPMENT FUND	DEVELOPMENT FUND	PROPERTY FUND	TOTAL 2024	TOTAL 2023
Cash Flows from Operating Activities							
Operating Revenue Under Expenses	$ (555,977)	$ -0-	$ -0-	$ -0-	$ -0-	$ (555,977)	$ (342,963)
Replacement Revenue Over Expenses	-0-	4,770,671	-0-	-0-	-0-	4,770,671	4,934,308
Non-Operating Funds Revenue Over (Under) Expenses	-0-	-0-	122,497	6,082,381	(3,636,363)	2,568,515	1,625,109
Revenue Over (Under) Expenses	(555,977)	4,770,671	122,497	6,082,381	(3,636,363)	6,783,209	6,216,454
Transfers between funds	(500,000)	400,000	100,000	-0-	-0-	-0-	-0-
Adjustments to Reconcile Operating/Replacement Revenue Over (Under) Expenses to Net Cash Provided (Used) by Operating Activities:							
Property fund additions, net	13,648,285	(3,604,104)	(99,852)	(9,944,329)	-0-	-0-	-0-
Bad debt expense	18,661	60,000	-0-	36,000	-0-	114,661	53,015
Depreciation expense	-0-	-0-	-0-	-0-	3,112,164	3,112,164	3,212,178
(Gain)/Loss on disposal of assets	-0-	(127,853)	-0-	-0-	524,199	396,346	(32,910)
Investment amortization	(144,897)	(369,025)	-0-	(473,949)	-0-	(987,871)	(1,150,695)
Changes in:							
Assessments receivable	94,990	(60,000)	-0-	(36,000)	-0-	(1,010)	(43,513)
Other receivables	645	(29,053)	-0-	70,604	-0-	42,196	215,049
Inventory	63,530	-0-	-0-	-0-	-0-	63,530	(87,872)
Prepaid expenses and other assets	179,977	-0-	-0-	-0-	-0-	179,977	(172,130)
Due to/from other funds	867,318	(2,043,395)	(139,352)	1,315,429	-0-	-0-	-0-
Accounts payable	(1,038,908)	-0-	-0-	-0-	-0-	(1,038,908)	(650,804)
Accrued liabilities	1,134,378	-0-	-0-	-0-	-0-	1,134,378	(17,411)
Deferred revenue	2,300,995	-0-	-0-	-0-	-0-	2,300,995	(15,236)
Deposits	(73,200)	-0-	-0-	-0-	-0-	(73,200)	(4,500)
Net Cash Provided (Used) by Operating Activities	**15,995,797**	**(1,002,759)**	**(16,707)**	**(2,949,864)**	**-0-**	**12,026,467**	**7,521,625**
Cash Flows from Investing Activities							
Acquisition of property and equipment	(12,388,586)	-0-	-0-	-0-	-0-	(12,388,586)	(4,934,285)
Proceeds from sale of property and equipment	-0-	127,853	-0-	-0-	-0-	127,853	39,627
Purchase of investments	(7,918,728)	(20,607,914)	-0-	(23,760,274)	-0-	(52,286,916)	(56,758,442)
Maturity or redemption of investments	9,545,000	21,244,256	-0-	27,755,000	-0-	58,544,256	52,570,870
Net Cash Provided (Used) by Investing Activities	**(10,762,314)**	**764,195**	**-0-**	**3,994,726**	**-0-**	**(6,003,393)**	**(9,082,230)**
Net Increase (Decrease) in Cash and Cash Equivalents	**5,233,483**	**(238,564)**	**(16,707)**	**1,044,862**	**-0-**	**6,023,074**	**(1,560,605)**
Cash and cash equivalents, Beginning of Year	**6,904,874**	**1,313,988**	**25,480**	**5,503**	**-0-**	**8,249,845**	**9,810,450**
Cash and cash equivalents, End of Year (Note 3)	**$ 12,138,357**	**$ 1,075,424**	**$ 8,773**	**$ 1,050,365**	**$ -0-**	**$ 14,272,919**	**$ 8,249,845**
Analysis of Cash and Cash Equivalents							
Cash and cash equivalents, unrestricted	$ 12,024,611	$ -0-	$ -0-	$ -0-	$ -0-	$ 12,024,611	$ 6,694,597
Cash and cash equivalents, designated and restricted	113,746	1,075,424	8,773	1,050,365	-0-	2,248,308	1,555,248
Cash and cash equivalents, End of Year (Note 3)	**$ 12,138,357**	**1,075,424**	**$ 8,773**	**$ 1,050,365**	**$ -0-**	**$ 14,272,919**	**$ 8,249,845**
Supplemental Disclosure							
Income taxes paid	$ 269,000	$ -0-	$ -0-	$ -0-	$ -0-	$ 269,000	$ 76,357
Acquisition of equipment financed by trade payables	$ 1,490,411	$ -0-	$ -0-	$ -0-	$ -0-	$ 1,490,411	$ 230,712

The accompanying notes are an integral part of these statements.

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, restaurants, 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.

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:

	2024	2023
Beginning balance	$ 88,323	$ 158,049
Provision for expected credit loss	127,762	40,623
Less: write offs	(37,534)	(110,279)
Ending allowance for credit losses	$ 178,621	$ 88,393

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, 2024 and 2023, cash balances exceeded federally insured limits by approximately $10,910,000 and $4,795,000, 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.

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 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, 2024 and 2023 advertising costs total $43,834 and $37,102, respectively.

INCOME TAXES – For California purposes, the Association is taxed as a 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 tax 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.

RECLASSIFICATIONS – Certain reclassifications have been made in the 2023 financial statements to conform to the classifications used in 2024. The reclassifications had no impact on the financial position or results of operations for 2023.

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 revenue is

Continued on next page

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.

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 $2,047,000 and $2,288,000 as of December 31, 2024 and 2023, respectively. For the years ended December 31, 2024 and 2023, the Association recognized approximately $2,288,000 and $2,445,000 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, 2024 and 2023, 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, 2024 and 2023, 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.

Notes to the Financial Statements

3 CASH AND INVESTMENTS

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

2024	CASH	INVESTMENTS	TOTAL
Replacement Reserve Fund - designated	$ 1,075,424	$ 18,099,754	$ 19,175,178
Development Fund - designated	1,050,365	13,044,137	14,094,502
New Equipment Fund - designated	8,773	-0-	8,773
Operating Fund - undesignated and unrestricted	12,024,611	-0-	12,024,611
Operating Fund - Trust - restricted 457 (b)	27,950	-0-	27,950
Operating Fund - Architectural standards deposits - restricted	85,796	-0-	85,796
TOTAL	**$ 14,272,919**	**$ 31,143,891**	**$ 45,416,810**

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	**$ 8,249,845**	**$ 36,413,362**	**$ 44,663,207**

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.

Continued on next page

Notes to the Financial Statements

The amortized cost of held-to-maturity investment at December 31, 2024 and 2023 are securities as follows:

	2024 AMORTIZED COST/NET CARRYING VALUE	2023 AMORTIZED COST/NET CARRYING VALUE
Held to maturity:		
Corporate Notes	$ 12,495,808	$ 11,482,174
Corporate Bonds	2,565,891	2,155,867
Municipal Bonds	1,585,010	1,555,053
US Treasury	14,497,182	21,220,268
TOTAL HELD TO MATURITY	**$ 31,143,891**	**$ 36,413,362**

The maturities of the held to maturity securities at December 31, 2024 and 2023 are all within one to five years.

4 PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	2024	2023
Buildings	$ 32,526,990	$ 35,290,229
Fixtures and facility improvements	21,532,807	21,425,517
Equipment	28,121,237	27,195,669
Land and land improvements	13,040,542	12,941,316
Furnishings	1,322,129	1,551,645
TOTAL	**96,543,705**	**98,404,376**
Less accumulated depreciation	(53,093,129)	(53,417,153)
	43,450,576	44,987,223
Construction in progress	13,706,618	2,158,049
TOTAL	**$ 57,157,194**	**$ 47,145,272**

5 INCOME TAXES

The provision for income taxes for the year ended December 31 is as follows:

	2024	2023
State	$ 190,793	$ 178,562
Federal	10,104	-0-
TOTAL	**$ 200,897**	**$ 178,562**

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 2024, 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. Portions of the overall assessment are deposited first to the operating fund and then transferred to the respective reserve funds. 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 $257,794 and $219,238 for December 31, 2024 and 2023, 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 $-0- and $25,000 for the years ended December 31 2024 and 2023, respectively.

9 COMMITMENTS

During 2024, the Association entered into contracts for architectural services and construction of The Lodge at Downhill Ski. Total commitments, including change orders were approximately $31,579,000 as of December 31, 2024, of which approximately $21,715,000 remains to be spent on the contracts.

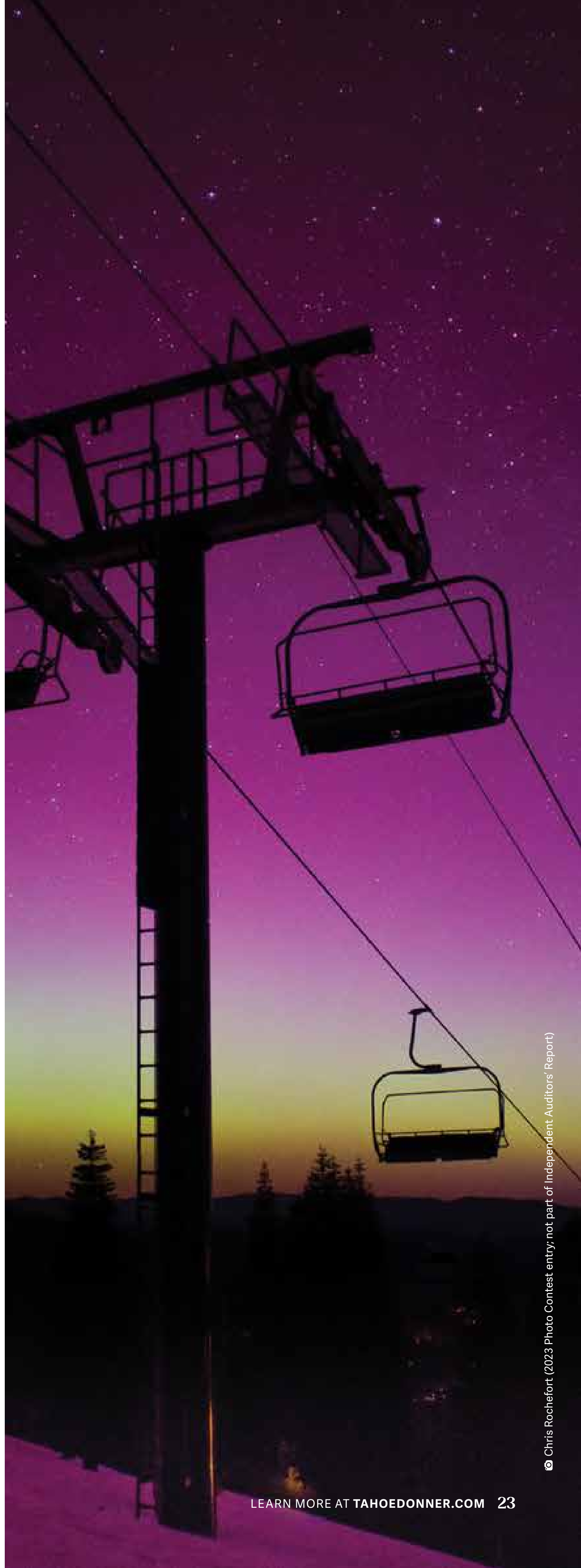
During 2024, the Association entered into a contract for expansion of the marina deck for approximately $846,000, including change orders. As of December 31, 2024, approximately $161,000 remains to be spent on the contract.

During 2024, the Association entered into a contract for the Glacier Way trailhead parking lot for approximately $445,000, including change orders. As of December 31, 2024, approximately $37,000 remains to be spent on the contract.

10 SUBSEQUENT EVENTS

Subsequent events have been evaluated through March 20, 2025, the date the financial statements were issued.

Continued on next page ▶



© Chris Rochefort (2023 Photo Contest entry; not part of Independent Auditors' Report)

Tahoe Donner Association

Balance Sheet

FOR THE YEAR ENDED DECEMBER 31, 2024 (WITH COMPARATIVE TOTALS FOR 2023)

	OPERATIONS			CAPITAL				TOTALS	
	AMENITIES	HOMEOWNERS' ASSOCIATION	TOTAL OPERATING FUND	REPLACEMENT RESERVE FUND	NEW EQUIPMENT FUND	DEVELOPMENT FUND	PROPERTY FUND	TOTAL 2024	TOTAL 2023
REVENUE									
Assessments	$ -0-	$ 7,676,978	$ 7,676,978	$ 5,527,942	$ -0-	$ 5,612,091	$ -0-	$ 18,817,011	$ 16,985,152
Access and use fees	7,960,583	-0-	7,960,583	-0-	-0-	-0-	-0-	7,960,583	7,767,814
Retail sales	4,710,827	-0-	4,710,827	-0-	-0-	-0-	-0-	4,710,827	4,684,461
Lessons and rental revenue	3,259,062	19,090	3,278,152	-0-	-0-	-0-	-0-	3,278,152	3,293,385
Late charges, fines and fees	-0-	357,835	357,835	-0-	-0-	-0-	-0-	357,835	306,639
Other revenues	654,995	383,611	1,038,606	-0-	118,988	-0-	-0-	1,157,594	1,349,131
Interest income	-0-	172,133	172,133	944,583	3,864	893,709	-0-	2,014,289	1,806,200
Total Revenue	**16,585,467**	**8,609,647**	**25,195,114**	**6,472,525**	**122,852**	**6,505,800**	**-0-**	**38,296,291**	**36,192,782**
OPERATING EXPENSES									
Salaries and wages	7,631,687	5,100,318	12,732,005	-0-	-0-	-0-	-0-	12,732,005	12,229,911
Cost of good sold	1,724,212	-0-	1,724,212	-0-	-0-	-0-	-0-	1,724,212	1,630,007
Payroll taxes and employee benefits	2,123,797	1,484,134	3,607,931	-0-	-0-	-0-	-0-	3,607,931	3,255,845
Supplies and maintenance	1,347,563	755,162	2,102,725	-0-	-0-	-0-	-0-	2,102,725	2,374,404
Utilities	886,742	159,311	1,046,054	-0-	-0-	-0-	-0-	1,046,054	1,139,205
Other employee expenses	114,728	745,439	860,167	-0-	-0-	-0-	-0-	860,167	810,685
Insurance	990,913	788,697	1,779,610	-0-	-0-	-0-	-0-	1,779,610	1,598,809
Income tax	-0-	26,384	26,384	92,011	355	82,147	-0-	200,897	178,562
Other expenses	834,138	1,037,865	1,872,003	60,000	-0-	36,000	-0-	1,968,003	1,810,859
Total Operating Expenses	**15,653,781**	**10,097,310**	**25,751,091**	**152,011**	**355**	**118,147**	**-0-**	**26,021,604**	**25,028,288**
FUND EXPENSES									
(Gain) Loss on disposal of assets	-0-	-0-	-0-	(127,853)	-0-	-0-	524,199	396,346	(32,910)
Depreciation	-0-	-0-	-0-	-0-	-0-	-0-	3,112,164	3,112,164	3,212,178
Fund expenses	-0-	-0-	-0-	1,677,696	-0-	305,272	-0-	1,982,968	1,768,771
Total Expenses	**15,653,781**	**10,097,310**	**25,751,091**	**1,701,854**	**355**	**423,419**	**3,636,363**	**31,513,082**	**29,976,327**
REVENUE OVER (UNDER) EXPENSES	**$ 931,686**	**$ (1,487,663)**	**$ (555,977)**	**$ 4,770,671**	**$ 122,497**	**$ 6,082,381**	**$ (3,636,363)**	**$ 6,783,209**	**$ 6,216,455**
PROPERTY FUND ADDITIONS, NET	**-0-**	**-0-**	**-0-**	**(3,604,104)**	**(99,852)**	**(9,944,329)**	**13,648,285**	**-0-**	**-0-**
TRANSFER BETWEEN FUNDS	**-0-**	**-0-**	**(500,000)**	**400,000**	**100,000**	**-0-**	**-0-**	**-0-**	**-0-**
FUND BALANCES (DEFICIT), BEGINNING OF YEAR	**-0-**	**-0-**	**2,515,860**	**17,528,484**	**(113,972)**	**16,259,307**	**47,145,272**	**83,334,951**	**77,118,496**
FUND BALANCES, END OF YEAR	**$ -0-**	**$ -0-**	**$ 1,459,883**	**$ 19,095,051**	**$ 8,673**	**$ 12,397,359**	**$ 57,157,194**	**$ 90,118,160**	**$ 83,334,951**

The accompanying notes are an integral part of these statements.

Tahoe Donner Association

Schedule of Capital Funds' Expenditures by Department

FOR THE YEAR ENDED DECEMBER 31, 2024 (WITH COMPARATIVE TOTALS FOR 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
PRIVATE AMENITIES								
Trout Creek Recreation Center	$ 82,174	$ 59,006	$ -0-	$ -0-	$ -0-	$ -0-	$ 82,174	$ 59,006
Beach Club Marina	247,642	60,384	-0-	-0-	453,947	-0-	701,589	60,384
Tennis + Pickleball Center	17,664	27,968	-0-	-0-	-0-	-0-	17,664	27,968
Northwoods Pool / Aquatics	18,852	-0-	-0-	-0-	-0-	-0-	18,852	-0-
Camps + Recreation Programs	28,432	-0-	-0-	-0-	-0-	-0-	28,432	-0-
TOTAL PRIVATE AMENITIES	**394,764**	**147,358**	**-0-**	**-0-**	**453,947**	**-0-**	**848,711**	**147,358**
PUBLIC AMENITIES								
Golf	1,516,470	74,275	-0-	-0-	-0-	-0-	1,516,470	74,275
Downhill Ski	746,945	69,764	-0-	-0-	9,009,924	-0-	9,756,869	69,764
Cross Country Ski	127,681	48,740	-0-	-0-	13,808	-0-	141,489	48,740
Campground	6,232	4,885	-0-	-0-	-0-	-0-	6,232	4,885
Equestrian	9,572	14,699	32,014	-0-	-0-	-0-	41,586	14,699
Trails	153,291	96,132	38,446	-0-	448,129	-0-	639,866	96,132
Bikeworks	99,328	-0-	-0-	-0-	-0-	-0-	99,328	-0-
The Lodge	48,374	14,800	-0-	-0-	-0-	-0-	48,374	14,800
Pizza on the Hill	2,657	-0-	-0-	-0-	-0-	-0-	2,657	-0-
Alder Creek Cafe	8,994	-0-	-0-	-0-	-0-	-0-	8,994	-0-
TOTAL PUBLIC AMENITIES	**2,719,544**	**323,294**	**70,460**	**-0-**	**9,471,861**	**-0-**	**12,261,865**	**323,294**
TOTAL AMENITIES	**3,114,308**	**470,652**	**70,460**	**-0-**	**9,925,808**	**-0-**	**13,110,576**	**470,652**
HOMEOWNERS ASSOCIATION AND GENERAL + ADMINISTRATIVE								
General HOA	206,696	34,391	-0-	-0-	-0-	-0-	206,696	34,391
Facility Administration	-0-	414,284	-0-	-0-	-0-	305,272	-0-	719,556
Administration	46,069	34,798	-0-	-0-	14,349	-0-	60,418	34,798
Information Technology	199,792	302,542	-0-	-0-	4,172	-0-	203,964	302,542
Accounting	-0-	-0-	12,650	-0-	-0-	-0-	12,650	-0-
Forestry	2,433	417,360	3,247	-0-	-0-	-0-	5,680	417,360
Maintenance	34,806	3,669	13,495	-0-	-0-	-0-	48,301	3,669
TOTAL HOA AND G+A	**489,796**	**1,207,044**	**29,392**	**-0-**	**18,521**	**305,272**	**537,709**	**1,512,316**
TOTAL	**$3,604,104**	**$ 1,677,696**	**$ 99,852**	**$ -0-**	**$9,944,329**	**$ 305,272**	**$13,648,285**	**$ 1,982,968**

The accompanying notes are an integral part of these statements.

Required Supplementary Information on Future Major Repairs and Replacements

DECEMBER 31, 2024 (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 2024 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% inflation factor, 3% 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, 2024 is $19,095,050. The 2025 budget includes $6,084,606 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.

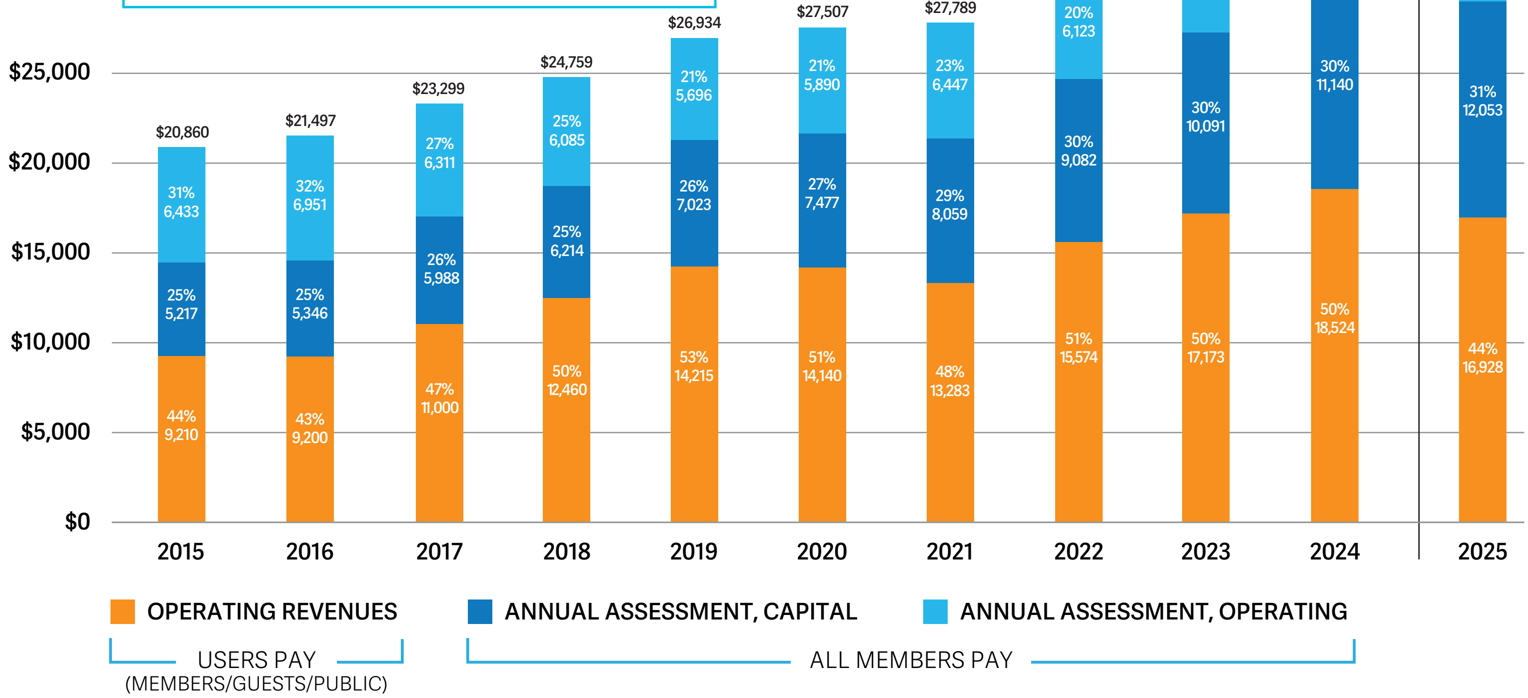
RESERVE COMPONENT	RANGE OF SERVICE LIFE REMAINING (YEARS)	CURRENT REPLACEMENT COSTS
Administration	0-45	$ 988,039
Alder Creek Cafe	0-30	172,768
Bikeworks	0-3	275,221
Campground	0-36	624,362
Capital Projects	0-1	442,650
Chalet House	0-20	349,519
Cross Country Ski Center	0-31	4,586,994
Cross Country Ski Center – Snowmaking	2-29	1,108,604
Equestrian Center	0-24	1,079,785
Food Trailer	3-6	65,500
Forestry	0-28	4,206,472
General Maintenance	0-10	663,445
Golf Complex	0-14	1,021,592
Golf Complex – Cart Storage	6-7	512,705
Golf Course	0-28	10,776,493
Golf Course – Lodge Golf	5	18,000
Information Technology	0-37	2,534,097
Maintenance	0-48	3,773,494
Marina	0-24	1,817,884
Northwoods Pool Building	0-18	419,359
Northwoods Clubhouse	0-39	3,554,301
Pizza on the Hill	0-41	538,809
Recreation	0-19	500,414
Downhill Ski Resort – Mountain Operations	0-29	9,823,634
Downhill Ski Resort – Mountain Operations – All Areas	0-1	165,000
Downhill Ski Resort – Mountain Operations – Lift Maintenance	0-28	4,137,712
Downhill Ski Resort – Mountain Operations – Rental + Retail	0-15	1,125,97
Downhill Ski Resort – Mountain Operations – Snowmaking	2-16	1,058,542
Downhill Ski Resort – Mountain Operations – Top Shop	0-14	270,874
Downhill Ski Resort – Mountain Operations – Winter Food + Beverage	0-1	702,601
Downhill Ski Resort – Mountain Operations – Parking	0-1	45,000
Snowplay	0-8	145,270
Tennis Complex	0-23	2,436,053
Tennis Complex – Access Road	0-14	67,250
The Lodge Restaurant & Pub	0-48	4,642,428
Trails	0-30	4,626,661
Trout Creek Recreation Center – Building	0-34	2,662,725
Trout Creek Recreation Center – Building – Basketball Area	1-4	10,000
Trout Creek Recreation Center – Parking	0-16	146,780
Trout Creek Recreation Center – Pool and Spa	0-22	1,941,575
TOTAL		**$ 74,100,410**

(See Independent Auditor's Report)

Annual Budget – Source of Funds

Dollars in Thousands

	10-YEAR CAGR 2015-2024	10-YEAR CAGR 2016-2025
Annual Assessment, Capital	8.8%	9.5%
Annual Assessment, Operating	2.0%	3.3%
Annual Assessment, Combined Total	5.5%	6.3%
Operating Revenue	8.1%	7.0%
Revenue Sources Total	**6.7%**	**6.6%**



Annual Budget – Use of Funds

Dollars in Thousands

	10-YEAR CAGR 2015-2024	10-YEAR CAGR 2016-2025
Capital Funding	8.8%	9.5%
Amenities Operating Costs	5.7%	5.3%
HOA Services Costs	6.2%	5.9%
Outflow Uses Total	**6.7%**	**6.6%**