

North Lake Tahoe Resort Association, Inc.

***REPORT TO THE FINANCE COMMITTEE
AND BOARD OF DIRECTORS***

For the Year Ended June 30, 2018

- A. Introduction of firm.
- B. Unmodified or clean opinion on financial statements.
- C. Questions and answers regarding financial statements.
- D. Matters to be Communicated
- Auditor Responsibility – An audit conducted under U.S. generally accepted auditing standards is designed to obtain reasonable, rather than absolute, assurance about the financial statements.
 - Accounting Policies/Accounting Estimates – Significant accounting policies are described in Note 2 to the financial statements. Significant estimates include an allowance for doubtful accounts.
 - Significant adjustments – There were thirteen audit adjustments proposed as a result of the current year audit, including six by management, compared to twenty-eight in prior year, twenty of which were proposed by management. All adjustments were accepted after final review by NLTRA staff. The adjustments related primarily to accruing liabilities, allocating admin expense, trueing up equity accounts, adjustments relating to commissions and incentives, trueing up receivable from NLTMC, and true up of Placer County related balances. There were no passed adjustments.
 - Disagreements with Management – None.
 - Difficulties encountered in performing the Audit – None
- E. Presentation of the Internal Control Report.
- F. We would like to thank management for their fine cooperation during the audit.

NORTH LAKE TAHOE
RESORT ASSOCIATION, INC.

Tahoe City, California

DRAFT

INTERNAL CONTROL REPORT

June 30, 2018

M^cCLINTOCK ACCOUNTANCY CORPORATION

ROBERT J. M^cCLINTOCK, CPA
MICHAEL R. GRIESMER, CPA
ALICE HAHN

SHARON FERREIRA, CPA
KENDALL GALKA, CPA

305 WEST LAKE BOULEVARD
P. O. BOX 6179
TAHOE CITY, CA 96145
TELEPHONE: 530-583-6994
FAX: 530-583-5405

11500 DONNER PASS RD.
SUITE B
P. O. BOX 2468
TRUCKEE, CA 96160
TELEPHONE: 530-587-9221
FAX: 530-587-4946

INTERNAL CONTROL REPORT

To the Officers and Directors
North Lake Tahoe Resort Association, Inc.

In planning and performing our audit of the financial statements of North Lake Tahoe Resort Association, Inc. as of June 30, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the Association's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control.

A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

Appendix A that accompanies this letter summarizes specific deficiencies and other items identified that remained open as of June 30, 2018.

This letter does not affect our report dated October 22, 2018 on the financial statements of North Lake Tahoe Resort Association, Inc.

This communication is intended solely for the information and use of management, the board of directors, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

McCLINTOCK ACCOUNTANCY CORPORATION
Tahoe City, California
October 22, 2018

DRAFT

Recent Accounting Pronouncements

ASU 2016-14: Presentation of Financial Statements for Not-for-Profit Entities

Effective: Annual reporting periods beginning after December 15, 2017, retrospective application.

Scope: Not-for-Profit-Entities

Summarized guidance: The current three classes of net assets (i.e., unrestricted, temporarily restricted and permanently restricted) have been replaced with two new classes of net assets: (1) net assets with donor restrictions; and (2) net assets without donor restrictions. Additional disclosure requirements accompany this standard, including: governance of board designations, the composition of net assets with donor restrictions and how such restrictions affect the use of resources, management of liquidity, expenses by both their nature and function, and methods used to allocate costs among program and support functions. Implementation is required for the year ending June 30, 2019.

ASU 2014-09: Revenue from Contracts with Customer

Effective: Annual reporting periods beginning after December 15, 2018

Scope: All contracts with customers to transfer goods or services

Summarized guidance: Recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Implementation is required for the year ending March 31, 2020.

ASU 2016-02: Leases

Requires entities whom enter into a lease to record a right of use asset and a lease liability at lease inception. Effective for fiscal year ending June 30, 2021.

ASU 2018-08 Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made

Effective: Annual reporting periods beginning after December 15, 2018

Scope: Not-for-Profit-Entities

Summarized Guidance: To clarify how entities will determine whether to account for a transfer of assets (or a reduction, settlement or cancellation of a liability) as an exchange transaction or a contribution and how they will determine whether a contribution is conditional. This guidance is expected to have minimal impact on North Lake Tahoe Resort Association. Implementation is required for the year ending March 31, 2020.

NORTH LAKE TAHOE RESORT ASSOCIATION
Appendix A (Summary of Internal Control Findings)
Prepared by
McClintock Accountancy Corporation
June 30, 2018

Year Identified	Audit Area	Observations in Initial Year Identified	Recommendation in Initial Year Identified	Status as of June 30, 2018	Management Comment
DEFICIENCIES IN INTERNAL CONTROL OVER FINANCIAL REPORTING					
2016/17	<u>FINANCIAL CLOSE</u>	The fiscal 2017 engagement was delayed by two weeks and 20 client adjusting entries (some of which were material to the financial statements) were provided subsequent to the start of audit work from September 25, 2017 through November 13, 2017 (our final day of fieldwork). The entries related primarily to adjustment required subsequent to completing balance sheet reconciliations and allocation of Admin expenses. A financial close checklist was utilized by the Director of Finance for the year end close, but deadlines were not conformed to and the checklist was not filled out in its entirety. Additionally, there were several instances throughout the year where financial statements were not presented to the Finance Committee in a timely manner. We understand that the data loss that occurred in January had delayed the preparation of month-end closes and financial statements.	<i>2017 Recommendation:</i> The financial close checklist was not strictly adhered to in fiscal 2017. Going forward we recommend the Association adhere to the deadlines on the checklist in order to close in a timely manner. Initials should be included within the preparer and reviewer column for each step in the financial close process.	The 2018 engagement included 6 client adjusting entries, none of which were material to the financial statements. The financial close was completed by management on time, and the engagement started on time. A financial close checklist was adhered to by management for the year end close. During the year, however, monthly financial closes were not completed on time and deadlines were not adhered to.	Both a monthly and year end close process have been developed. The time table for closing enables timely publication of financials for monthly Finance Committee and Board meetings. The year end process including the checklist enables timely close at year end.
2016/17	<u>PROPERTY AND EQUIPMENT</u>	During the 2017 fiscal year, approximately \$54,000 in fixed assets were identified during the audit to be disposed.	<i>2017 Recommendation:</i> We recommend that Management perform an inventory of fixed assets at least annually, to determine whether adjustments need to be made.	No disposals were identified in fiscal 2018. Management performed an inventory of fixed assets after year end and noted no adjustments that needed to be made to fiscal 2018. No fixed asset inventory was performed during fiscal 2018.	Fixed assets were evaluated in July 2018, after year end close, and disposals of some old computer equipment took place. An inventory will be performed prior to next year end.
2016/17	<u>IT BACKUP</u>	The Association's QuickBooks file was not being backed up regularly from July of 2015 through January of 2017. Periodic copies of the QuickBooks files were being made to an accounting hard drive, the last copy being made in September of 2016. Lack of proper backups resulted in loss of the QuickBooks file in January of 2017, when the original files were deleted. This issue stemmed from a change in servers and improper set-up by IT.	<i>2017 Recommendation:</i> We recommend that Management perform regular testing of software backups to ensure that all Association files are being backed up on a regular basis.	Quick Books is backed-up both on the server every day at 3pm and to the Staff Accountant's hard drive every week. The server is backed up to the cloud by Crashplan.	New backup procedures were implemented during the year. Management will begin testing back-ups monthly.
OTHER MATTERS					
2017/18	<u>BALANCE SHEET RECONCILIATIONS</u>	Balance sheet reconciliations were not being performed on a regular basis during the year and were not regularly provided at monthly finance meetings.	<i>2018 Recommendation:</i> We recommend that balance sheet reconciliations be performed monthly and presented quarterly at each finance meeting. A financial close checklist that includes all balance sheet reconciliations and deadlines should be completed monthly.	First year identified, see recommendation	Reconciliations are currently done on a monthly basis and management will present them to the finance committee quarterly.
2017/18	<u>CAPITALIZATION POLICY</u>	Fixed assets were capitalized in the past based on a \$1,000 capitalization policy. During the fiscal year, the Director of Finance opted to change that policy to a \$2,000 capitalization policy. No formal policy change was made.	<i>2018 recommendation:</i> We recommend that the Association implement a formal capitalization policy and adhere to that.	First year identified, see recommendation	The Director of Finance plans on making a formal change to the capitalization policy.

NORTH LAKE TAHOE RESORT ASSOCIATION
Appendix A (Summary of Internal Control Findings)
Prepared by
McClintock Accountancy Corporation
June 30, 2018

Year Identified	Audit Area	Observations in Initial Year Identified	Recommendation in Initial Year Identified	Status as of June 30, 2018	Management Comment
CLOSED MATTERS					
2015/16	<u>CODING OF EXPENSES</u>	Coding of expenses has been inconsistently applied year over year making management and understanding of the financial statements a difficult process when reviewing year over year variances.	<i>2017 Recommendation:</i> We recommend a process be put in place whereby management reviews the chart of accounts and the expectations for coding expenses going forward. This should also align with the budgeting process and accounting in accordance with the terms of the current contract.	Coding throughout the year was consistent with prior year and budget.	Matter closed
2015/16	<u>PLACER COUNTY CONTRACT</u>	The Association has been subject to complex accounting issues as a result of annual changes to the Placer County contract. Related accounting considerations are not thoroughly considered and documented until the annual audit.	<i>Recommendation:</i> We suggest the Association prepare a memo that summarizes the details of the contract and the related accounting conclusions reached for each contract year. The memo should include conclusions reached with respect to approved grant expenditures.	The most recent Placer County contract includes a paragraph that states the accounting conclusions reached for the fiscal year, including conclusions reached about approved grant expenditures for grants occurring in the subsequent fiscal year.	Matter closed
2015/16	<u>INVENTORY</u>	During the 2016 physical inventory count there was a discrepancy between actual inventory counted and the inventory sub-ledger maintained on the QuickBooks POS. This resulted in a \$2,600 book to physical adjustment prior to year-end. While not material to the Association's financial statements, the Association's investigation was unable to identify an underlying cause of the discrepancy.	<i>Recommendation:</i> In order to strengthen controls surrounding physical inventory counts, we recommend the following: 1) Develop written procedures for physical inventories to be provided to all employees involved in the count process prior to the count taking place. These procedures should include physical inventory planning prior to the count, the timing of the count, providing accounting with final count details, and allowing enough time for a representative from the accounting department to review and re-perform the counts as deemed necessary. We have provided the Association with some samples that can assist in developing a procedure document. 2) Perform full physical inventory counts after hours at least quarterly. The Association can monitor book to physical adjustments and adjust the timing of the counts as necessary.	Management performed inventory counts for each quarter, led by accounting staff. All counts performed were a blind counts and resulted in immaterial variances from the GL.	Matter closed

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NORTH LAKE TAHOE RESORT ASSOCIATION, INC.

Tahoe City, California

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

June 30, 2018 and 2017

NORTH LAKE TAHOE RESORT ASSOCIATION, INC.

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DRAFT

M^cCLINTOCK ACCOUNTANCY CORPORATION

ROBERT J. M^cCLINTOCK, CPA
MICHAEL R. GRIESMER, CPA
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SHARON FERREIRA, CPA
KENDALL GALKA, CPA

305 WEST LAKE BOULEVARD
P. O. BOX 6179
TAHOE CITY, CA 96145
TELEPHONE: 530-583-6994
FAX: 530-583-5405

11500 DONNER PASS RD.
SUITE B
P. O. BOX 2468
TRUCKEE, CA 96160
TELEPHONE: 530-587-9221
FAX: 530-587-4946

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
North Lake Tahoe Resort Association, Inc.

We have audited the accompanying financial statements of North Lake Tahoe Resort Association, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of North Lake Tahoe Resort Association, Inc. as of June 30, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

McCLINTOCK ACCOUNTANCY CORPORATION

Tahoe City, California

October 22, 2018

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NORTH LAKE TAHOE RESORT ASSOCIATION, INC.

Exhibit A

STATEMENTS OF FINANCIAL POSITION

June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 794,418	\$ 949,616
Restricted TOT cash reserve (Note 6)	100,449	100,249
Accounts receivable, net of allowance for doubtful accounts of \$2,500 in 2018 and \$3,343 in 2017	28,078	29,564
Prepaid expenses	27,267	14,799
Inventories	28,203	31,787
	<u>978,415</u>	<u>1,126,015</u>
Noncurrent Assets:		
Property and equipment, net of accumulated depreciation (Note 7)	3,041	5,586
	<u>3,041</u>	<u>5,586</u>
Total Assets	<u>\$ 981,456</u>	<u>\$ 1,131,601</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Current Liabilities:		
Accounts payable	\$ 48,060	\$ 96,507
Accounts payable - Marketing Coop	38,046	129,000
Placer County payable	229,432	231,039
Accrued liabilities	194,701	224,477
Deferred revenue - membership dues	56,329	52,435
Deferred revenue - other	535	-0-
Total Liabilities (all current)	<u>567,103</u>	<u>733,458</u>
NET ASSETS (Note 2)		
Unrestricted		
Invested in property and equipment	3,041	5,586
Designated marketing reserve (Note 3)	325,773	306,848
Undesignated	(14,911)	(14,540)
Total Unrestricted	<u>313,904</u>	<u>297,894</u>
Temporarily Restricted (Note 6)	100,449	100,249
Total Net Assets	<u>414,353</u>	<u>398,143</u>
Total Liabilities and Net Assets	<u>\$ 981,456</u>	<u>\$ 1,131,601</u>

The accompanying notes are an integral part of these statements.

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NORTH LAKE TAHOE RESORT ASSOCIATION, INC.

Exhibit B

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

For the Years Ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
CHANGES IN NET ASSETS:		
Revenue and other support:		
Placer County contract revenue	\$ 3,555,227	\$ 3,544,222
Commissions and booking fees	65,176	109,912
Member dues	135,752	146,839
Member services and special events	143,526	44,892
Retail sales and other	100,343	98,454
Interest income	276	275
	<u>4,000,300</u>	<u>3,944,594</u>
Expenses and losses:		
Program services:		
Marketing	2,481,596	2,311,532
Group sales and conferences	340,080	354,440
Visitor support and transportation	26,478	158,779
Visitor information	373,701	377,489
North Lake Tahoe Chamber of Commerce	165,435	158,516
Tourism master plan implementation	10,036	-0-
Infrastructure	23,575	117,940
	<u>3,420,901</u>	<u>3,478,696</u>
Supporting services:		
General and administrative	584,638	483,938
	<u>4,005,539</u>	<u>3,962,634</u>
	<u>4,005,539</u>	<u>3,962,634</u>
Decrease in Net Assets	(5,239)	(18,040)
NET ASSETS		
Net assets distributed (to) from Placer County	<u>21,448</u>	<u>(17,359)</u>
Beginning of Year	<u>398,143</u>	<u>433,542</u>
End of Year	<u>\$ 414,352</u>	<u>\$ 398,143</u>

The accompanying notes are an integral part of these statements.

NORTH LAKE TAHOE RESORT ASSOCIATION, INC.

Exhibit C

STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Decrease in unrestricted net assets	\$ (5,239)	\$ (18,040)
Reconciliation of change in net assets to cash provided (used) by operating activities		
Depreciation	2,546	2,464
Changes in operating assets and liabilities:		
Accounts receivable	1,487	81,361
Placer County receivable/payable	(1,606)	207,099
Prepaid expenses	(12,468)	(5,923)
Inventories	3,584	621
Accounts payable	(139,404)	42,514
Accrued liabilities	(29,775)	52,951
Deferred revenue - membership dues	3,894	(17,115)
Deferred revenue - other	535	-0-
Net Cash Provided (Used) by Operating Activities	<u>(176,446)</u>	<u>345,932</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	-0-	(5,086)
Net Cash Used by Investing Activities	<u>-0-</u>	<u>(5,086)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net assets distributed (to) from Placer County	21,448	(17,359)
Net Cash Provided (Used) by Financing Activities	<u>21,448</u>	<u>(17,359)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(154,998)	323,487
Cash and Cash Equivalents, Beginning of Year	1,049,865	726,378
Cash and Cash Equivalents, End of Year	<u>\$ 894,867</u>	<u>\$ 1,049,865</u>
Cash and Cash Equivalent Analysis:		
Cash and cash equivalents	\$ 794,418	\$ 949,616
Restricted TOT cash reserve	100,449	100,249
Net Cash and Cash Equivalents	<u>\$ 894,867</u>	<u>\$ 1,049,865</u>

The accompanying notes are an integral part of these statements.

NORTH LAKE TAHOE RESORT ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2018 and 2017

1. Form of Organization

North Lake Tahoe Resort Association, Inc. (the “Association”) was incorporated in the State of California in 1996, upon consolidation of the Tahoe North Visitors and Convention Bureau and the North Lake Tahoe Chamber of Commerce. The Association is organized under Section 501(c)(4) of the Internal Revenue Code as a non-profit public benefit corporation.

The primary function of the Association is to promote tourism and benefit business through efforts that enhance the economic, environmental, recreation and cultural climate of the North Lake Tahoe, California area. The Association provides the following services to its members and the North Lake Tahoe community: Chamber of Commerce, Visitors and Convention Bureau, marketing, conference sales and membership services. The Association also serves as a partner with Placer County in the development and funding plan for infrastructure and transportation projects designed to enhance tourism and community quality of life for the benefit of all in the North Lake Tahoe region.

The majority of the Association’s revenue is derived from contract grants with Placer County to administer and invest portions of transient occupancy taxes collected in the North Lake Tahoe area. Additional sources of revenue are derived from membership dues, commissions and booking fees earned from conference sales, special events, and from the sale of inventory items at its visitor centers.

2. Summary of Significant Accounting Policies

Basis of Accounting and Financial Statement Presentation

The financial statements of the Association have been prepared on the accrual basis of accounting. Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in ASC 958, “*Financial Statements of Not-for-Profit Organizations.*” Under ASC 958, the Association reports information regarding its financial position and activities according to three classes of net assets: Unrestricted net assets, temporarily restricted net assets (if any) and permanently restricted net assets (if any). At June 30, 2018 and 2017, there were no permanently restricted net assets, as the Association has not received these types of contributions.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Recognition of Placer County Contract Grant Revenue

The Association’s contract with Placer County is considered to be an exchange transaction. Therefore, revenues received from this contract are reported as unrestricted support.

NORTH LAKE TAHOE RESORT ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2018 and 2017

Placer County contract grant revenues are recognized as revenue during the contract year, unless specifically restricted by the contract.

Liquidity Information

In order to provide information about liquidity, assets have been sequenced according to their nearness to conversion to cash and liabilities have been sequenced according to the nearness of their maturity and resulting use of cash.

Accounts Receivable

Accounts receivable consists of amounts due from members for membership dues, cooperative advertising costs, and commissions from group conference sales, as well as other miscellaneous receivables for services provided. The Association does not charge interest on delinquent receivables. Accounts are written off directly to bad debt expense when all attempts at collection are exhausted.

Inventories

Inventories are primarily for the sale of retail goods at the visitor centers and are stated at the lower of cost or market. Cost is determined by the first-in, first-out method.

Property, Buildings and Equipment

In general, property and equipment are capitalized on the Association's books and stated at cost when the asset has over a year of life and costs of over \$1,000. Depreciation is computed on the straight-line basis over the useful lives of the assets, which range from 3 to 7 years.

Marketing Cooperative Agreement

During the year ended June 30, 2007, the Association established the North Lake Tahoe Marketing Cooperative (NLTMC) with Lake Tahoe Incline Village Crystal Bay Visitors and Convention Bureau (IVCBVCB) to cooperatively promote tourism based on shared objectives which are more effectively and efficiently accomplished collectively rather than independently. Under the terms of the agreement, the Association and the IVCBVCB are required to make annual contributions to fund marketing efforts based upon an approved pre-set formula. The Association contributed \$1,411,821 and \$1,277,371 for the years ended June 30, 2018 and 2017, respectively in connection with this marketing effort, which is included in marketing (tourism promotion) and group sales and conference expense in the statement of activities and changes in net assets. The Marketing Cooperative activities and balances are reported separately from those of the Association. At June 30, 2018 and 2017, the Association owed NLTMC \$38,046 and \$129,000, respectively.

Unrestricted Net Assets

All net asset balances are classified as unrestricted, excluding the temporarily restricted cash flow reserve at Note 6. Net assets are not subject to imposed restriction or restrictions that have expired. As reflected in the accompanying notes, the Association has designated a portion of unrestricted net assets for specific purposes.

NORTH LAKE TAHOE RESORT ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2018 and 2017

Advertising Costs

Advertising costs are expensed as incurred.

Income Tax Status

The Association is exempt from federal income taxes under the provisions of Internal Revenue Code Section 501(c) (4), and section 23701(f) for California purposes. Unrelated business income, if any, is taxed at regular corporate tax rates.

The Association's three previous federal tax returns and four previous state tax returns are available for examination by the taxing authorities.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a function basis in the statement of activities. Accordingly, certain costs, other than general and administrative costs, have been allocated among the program and supporting services benefited.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Association considers all unrestricted cash, money market funds, and debt securities with an original maturity less than three months to be cash equivalents.

Fair Value

The carrying amount of financial instruments, including cash, accounts receivable and accounts payable approximates their fair value due to the short term maturities of these instruments.

3. Designated Net Assets

Pursuant to its contract with Placer County, the Association created a visitor support and transportation fund which designates net assets from visitor support and transportation result of activities annually. The designated visitor support and transportation net assets totaled \$-0- at June 30, 2018 and 2017. During 2017, the Association remitted to Placer Country the balance of the designated visitor support and transportation net asset balance.

The Association created a marketing reserve, pursuant to the 2003-04 contract with Placer County, to be used for expenditures in key areas due to any unforeseen adverse fluctuations in collections of transient occupancy taxes. The details in the use of the reserves can be decided solely at the discretion of the Association's board of directors subject to compliance with an existing policy of maintaining the reserve level at 10% of a three year average of budgeted annual marketing, conference and visitor information center expenditures. The designated marketing reserve totaled \$325,773 and \$306,848 at June 30, 2018 and 2017 respectively.

NORTH LAKE TAHOE RESORT ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2018 and 2017

4. Concentration of Credit Risk

The Association maintains its cash accounts at a local bank. At June 30, 2018 and 2017, the aggregate balance of these accounts exceeded the federally insured (FDIC) limits by \$578,942 and \$762,613 respectively.

5. Concentration of Revenue

Support from Placer County in the form of contract grants contributed to 89% and 90% of the Association's total revenues and support for the years ended June 30, 2018 and 2017, respectively. The Association's contract with Placer County is renewed annually. At June 30, 2018 and 2017, the Association owed Placer County \$229,432 and \$231,039, respectively.

6. Restricted Cash and Investments

Restrictions on Association cash and investment balances at June 30, 2018 and 2017, consist of the following:

	2018	2017
TOT cash reserve	\$ 100,449	\$ 100,249
	\$ 100,449	\$ 100,249

The restricted Transient Occupancy Tax (TOT) cash reserve is comprised of previous years' TOT fund balance of \$100,000. The policy restricts use of these assets to only those that achieve public benefit, as agreed to by contract between Placer County and the Association. Expenditure shall only occur following approval by the Association Board of Directors and approval by the Placer County Executive Office.

7. Property and Equipment

Property and equipment at June 30, 2018 and 2017, consists of the following:

	2018	2017
Furniture and fixtures	\$ 68,768	\$ 68,768
Computer equipment	8,436	8,436
Computer software	21,520	21,520
Leasehold improvements	24,284	24,284
	123,008	123,008
Less accumulated depreciation	(119,967)	(117,422)
Net property and equipment	\$ 3,041	\$ 5,586

Depreciation expense was \$2,545 and \$2,464 for the years ended June 30, 2018 and 2017 respectively.

NORTH LAKE TAHOE RESORT ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2018 and 2017

8. Operating Leases

The Association leases various facilities and equipment from others under non-cancellable operating leases expiring in May, 2022. Lease rent expense, including real property taxes and common area costs, was \$149,946 in 2018 and \$148,032 in 2017. Minimum lease payments are subject to escalation clauses and options to renew. At June 30, 2018, future minimum lease payments under such leases to the end of the contract are as follows:

<u>Year Ending June 30</u>	
2019	\$ 114,000
2020	114,000
2021	114,000
2022	95,000
Total	<u>\$ 437,000</u>

9. Retirement Plan

The Association offers a 401(k) retirement plan to all full-time employees who have completed at least three months of service. The Association matches participant contributions of up to 4% to the plan based on up to 6% of the participant's regular salary. Contributions to the plan by the Association were approximately \$34,558 and \$34,643 for the years ended June 30, 2018 and 2017, respectively.

10. Subsequent Events

Subsequent events have been evaluated by management through October 22, 2018, the date that the statements were available for issuance.

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	Adjusted Balance Jun 30, 2017	Unadjusted Jun 30, 2018	Adjusting AJE	Adjusted Balance Jun 30, 2018
A Cash and Cash Equivalents				
1001-00 - Petty Cash	223.85	288.93		288.93
1003-00 - Cash - Operations BOTW #6712	757,355.52	619,231.58		619,231.58
1007-00 - Cash - Payroll BOTW #7421	10,974.29	6,195.35		6,195.35
1008-00 - Marketing Reserve - Plumas	50,093.17	50,168.37		50,168.37
1009-00 - Cash Flow Reserve - Plumas	100,248.52	100,449.22		100,449.22
1071-00 - Payroll Reserves BOTW #8163	29,581.56	29,581.56		29,581.56
1080-00 - Special Events BOTW #1626	100,520.92	88,354.98		88,354.98
1095-00 - Cash in Drawer	867.04	597.37		597.37
A Cash and Cash Equivalents Total	1,049,864.87	894,867.36	0.00	894,867.36
B Accts Receivable				
1200-00 - Quickbooks Accounts Receivable	20,712.90	24,331.01		24,331.01
1200-99 - AR Other	1,614.30	(40.72)		(40.72)
1201-00 - WebLink Accounts Receivable	10,580.00	2,870.19		2,870.19
1201-01 - WebLink AR - Member Dues	0.00	3,417.08		3,417.08
1201-02 - Allowance for Doubtful Accounts	(3,343.00)	(2,499.92)		(2,499.92)
B Accts Receivable Total	29,564.20	28,077.64	0.00	28,077.64
B-2 AR - intercompany				
1299-00 - Receivable from NLTMC caje4 to true up receivable from NLTMC to agree to NLTMC books	0.00	19,605.05		28,953.74
caje4 to true up receivable from NLTMC to agree to NLTMC books			3,700.00	
			5,648.69	
B-2 AR - intercompany Total	0.00	19,605.05	9,348.69	28,953.74
C Inventories				
1210-10 - Inventory Asset	31,787.23	28,203.25		28,203.25
C Inventories Total	31,787.23	28,203.25	0.00	28,203.25
L Prepaid Exp and Other				
1400-00 - Prepaid Expenses	11,155.21	17,116.13		17,116.13
1410-00 - Prepaid Insurance	2,644.16	9,151.10		9,151.10
1430-00 - Prepaid 1st Class Postage	1,000.00	1,000.00		1,000.00
L Prepaid Exp and Other Total	14,799.37	27,267.23	0.00	27,267.23
Current Assets Total	1,126,015.67	998,020.53	9,348.69	1,007,369.22
UV Property & Equipment				
1700-00 - Furniture & Fixtures	68,767.95	68,767.95		68,767.95
1740-00 - Computer Equipment	8,435.60	8,435.60		8,435.60
1750-00 - Computer Software	21,520.46	21,520.46		21,520.46
1770-00 - Leasehold Improvements	24,283.86	24,283.86		24,283.86
UV Property & Equipment Total	123,007.87	123,007.87	0.00	123,007.87
UV-1 Acc. Depr.- Prop and Eq.				
1701-00 - Accum. Depr. - Furn & Fix	(68,767.95)	(68,767.95)		(68,767.95)
1741-00 - Accum. Depr. - Computer Equip	(7,694.95)	(8,435.14)		(8,435.14)

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	<u>Adjusted Balance</u> <u>Jun 30, 2017</u>	<u>Unadjusted</u> <u>Jun 30, 2018</u>	<u>Adjusting AJE</u>	<u>Adjusted Balance</u> <u>Jun 30, 2018</u>
1751-00 - Accum. Amort. - Software	(16,691.41)	(18,480.13)		(18,480.13)
1771-00 - Accum. Amort - Leasehold Impr	(24,267.41)	(24,284.08)		(24,284.08)
UV-1 Acc. Depr.- Prop and Eq. Total	<u>(117,421.72)</u>	<u>(119,967.30)</u>	<u>0.00</u>	<u>(119,967.30)</u>
Net Property and Equipment Total	<u>5,586.15</u>	<u>3,040.57</u>	<u>0.00</u>	<u>3,040.57</u>
Assets Total	<u>1,131,601.82</u>	<u>1,001,061.10</u>	<u>9,348.69</u>	<u>1,010,409.79</u>
AA Accounts Payable				
2000-00 - Accounts Payable	(222,016.51)	(31,144.71)		(42,155.90)
02 to accrue for June interim CFO service			(5,362.50)	
caje4 to true up receivable from NLTC				
to agree to NLTC books			(5,648.69)	
2080-01 - MC_5901_Hall	(151.00)	0.00		0.00
2080-02 - MC_6765_Jason	(14.99)	(14.99)		(14.99)
2080-04 - MC_5968_Ronald	0.00	(125.54)		(125.54)
2080-06 - MC_5288_Emily	(422.97)	0.00		0.00
2080-08 - MC_5755_John	(339.84)	0.00		0.00
2080-09 - MC_0319_Sarah	(288.38)	0.00		0.00
2080-10 - MC_9495_Al	(298.19)	(179.97)		(179.97)
2080-11 - MC_3978_Amber	(806.59)	(3,069.67)		(3,069.67)
2080-12 - MC_3960_Natalie	(1,168.44)	0.00		0.00
2080-13 - MC_6903_Cindy	0.00	(2,429.58)		(2,429.58)
2080-14 - MC_6193_Daphne	0.00	(83.49)		(83.49)
2400-42 - Marketing Co-op	0.00	(67,000.00)		(67,000.00)
AA Accounts Payable Total	<u>(225,506.91)</u>	<u>(104,047.95)</u>	<u>(11,011.19)</u>	<u>(115,059.14)</u>
BB Accrued Liabilities				
2100-00 - Salaries / Wages Payable	(38,973.37)	(36,870.44)		(36,870.44)
2101-00 - Incentive Payable	(68,890.65)	(48,866.10)		(43,383.86)
caje5 to true up incentive accrual			5,482.24	
2102-00 - Commissions Payable	(7,823.98)	(4,697.50)		(4,697.50)
2120-00 - Empl. Federal Tax Payable	(3,117.87)	(3,071.61)		(3,071.61)
2175-00 - 401 (k) Plan	(1,558.93)	(1,156.88)		(1,156.88)
2180-00 - Estimated PTO Liability	(74,725.45)	(49,004.41)		(49,004.41)
2190-00 - Sales and Use Tax Payable	(2,225.84)	0.00		0.00
2195-00 - Use Tax Payable	0.00	(852.82)		(852.82)
2250-00 - Accrued Expenses	(26,912.45)	(49,521.00)		(49,521.00)
2550-00 - *Sales Tax Payable	0.00	(1,941.18)		(1,941.18)
2800-00 - Suspense	(248.00)	(501.75)		(4,201.75)
caje4 to true up receivable from NLTC				
to agree to NLTC books			(3,700.00)	
2900-00 - Due To/From County of Placer	(231,038.68)	(205,008.80)		(229,432.34)
01 to true up fund balances			(5,348.00)	
03 to true up designated marketing reserves			(15,865.44)	
05 to true up placer revenue based on actual expenses			113,500.00	
06 to record revenue over expenses as due back to the county			(119,226.10)	
caje6 to record transportation revenue to cover placer approved expense			2,516.00	

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	<u>Adjusted Balance</u> <u>Jun 30, 2017</u>	<u>Unadjusted</u> <u>Jun 30, 2018</u>	<u>Adjusting AJE</u>	<u>Adjusted Balance</u> <u>Jun 30, 2018</u>
BB Accrued Liabilities Total	(455,515.22)	(401,492.49)	(22,641.30)	(424,133.79)
CC Deposits				
1490-00 - Security Deposits	50.00	650.00		650.00
CC Deposits Total	50.00	650.00	0.00	650.00
DD Def. Revenue - Member Due				
2400-60 - Deferred Revenue- Member Dues	(52,487.08)	(56,979.45)		(56,979.45)
DD Def. Revenue - Member Due Total	(52,487.08)	(56,979.45)	0.00	(56,979.45)
DD-1 Def. Revenue - Other				
2500-00 - Deferred Revenue - TMBC	0.00	(535.45)		(535.45)
2651-00 - Deferred Rev - Conference	0.00	0.04		0.04
DD-1 Def. Revenue - Other Total	0.00	(535.41)	0.00	(535.41)
Current Liabilities Total	(733,459.21)	(562,405.30)	(33,652.49)	(596,057.79)
TT Unrestricted Net Assets				
3200-00 - Unrestricted Net Assets	(9,286.63)	882.19		6,430.19
01 to true up fund balances			5,548.00	
3300-11 - Designated Marketing Reserve	(256,830.18)	(291,620.18)		(275,754.74)
03 to true up designated marketing reserves			15,865.44	
3301-00 - Cash Flow Reserve	(100,048.23)	(100,048.23)		(100,248.23)
01 to true up fund balances			(200.00)	
3302-00 - Marketing Cash Reserve	(50,018.09)	(50,018.09)		(50,018.09)
TT Unrestricted Net Assets Total	(416,183.13)	(440,804.31)	21,213.44	(419,590.87)
(Profit)/Loss	18,040.52	2,148.51	3,090.36	5,238.87
Equity Total	(398,142.61)	(438,655.80)	24,303.80	(414,352.00)
Liabilities/Equity Total	(1,131,601.82)	(1,001,061.10)	(9,348.69)	(1,010,409.79)
10 P.C. Grant Rev.				
4050-11 - County of Placer TOT Funding	(2,581,813.50)	(2,797,153.00)		(2,857,916.14)
05 to true up placer revenue based on actual expenses			(140,713.00)	
06 to record revenue over expenses as due back to the county			119,046.86	
07 to record revenue and expenses that never hit P&L that used PY placer funds			(39,097.00)	
4050-30 - County of Placer TOT Funding	(269,435.12)	(322,306.00)		(274,220.00)
05 to true up placer revenue based on actual expenses			48,086.00	
4050-41 - County of Placer TOT Funding	(212,012.05)	(8,245.00)		(28,860.00)
05 to true up placer revenue based on actual expenses			(7,903.00)	
07 to record revenue and expenses that never hit P&L that used PY placer funds			(10,196.00)	
caje6 to record transportation revenue to cover placer approved expense			(2,516.00)	

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	<u>Adjusted Balance</u> <u>Jun 30, 2017</u>	<u>Unadjusted</u> <u>Jun 30, 2018</u>	<u>Adjusting AJE</u>	<u>Adjusted Balance</u> <u>Jun 30, 2018</u>
4050-42 - County of Placer TOT Funding 05 to true up placer revenue based on actual expenses	(309,788.28)	(350,773.00)	(1,310.00)	(352,083.00)
4050-50 - County of Placer TOT Funding 05 to true up placer revenue based on actual expenses	(171,173.18)	(15,870.00)	(11,660.00)	(27,520.74)
06 to record revenue over expenses as due back to the county			9.26	
4050-51 - County of Placer TOT Funding 06 to record revenue over expenses as due back to the county	0.00	(14,797.00)	169.98	(14,627.02)
10 P.C. Grant Rev. Total	<u>(3,544,222.13)</u>	<u>(3,509,144.00)</u>	<u>(46,082.90)</u>	<u>(3,555,226.90)</u>
30 Member Dues				
4200-60 - Membership Dues	(138,164.22)	(124,676.94)		(124,676.94)
4201-60 - New Member Fees	(975.00)	(75.00)		(75.00)
4205-30 - Conference Dues	(7,700.00)	(11,000.04)		(11,000.04)
30 Member Dues Total	<u>(146,839.22)</u>	<u>(135,751.98)</u>	<u>0.00</u>	<u>(135,751.98)</u>
40 Member services & special				
4250-00 - Revenues-Membership Activities -	0.00	100.00		100.00
4250-01 - Community Awards - Other	0.00	(18,190.00)		(18,190.00)
4250-02 - Chamber Events	0.00	(373.10)		(373.10)
4250-03 - Summer/Winter Rec Luncheon	0.00	(5,410.01)		(5,410.01)
4250-04 - Silent Auction	0.00	(18,521.88)		(18,521.88)
4250-05 - Sponsorships	0.00	(12,440.00)		(12,440.00)
4250-60 - Revenues-Membership Activities -	(37,402.33)	(3,299.22)		(3,299.22)
4251-01 - Tues AM Breakfast Club Sponsors	0.00	(1,000.00)		(1,000.00)
4251-60 - Tues AM Breakfast Club - Other	(6,989.42)	(5,513.86)		(5,513.86)
4252-60 - Sponsorships	(500.00)	(1,250.00)		(1,250.00)
4350-11 - Special Events (Marketing)	0.00	(77,627.73)		(77,627.73)
40 Member services & special Total	<u>(44,891.75)</u>	<u>(143,525.80)</u>	<u>0.00</u>	<u>(143,525.80)</u>
50 Retail sales & other				
4502-42 - Non-Retail VIC income	(5,767.00)	(9,262.96)		(9,262.96)
4602-42 - Merchandise Sales - Other	(91,309.03)	(88,387.57)		(88,387.57)
4720-42 - Miscellaneous	0.00	(400.00)		(400.00)
4720-60 - Miscellaneous	0.00	(15.00)		(15.00)
5250-42 - Purchase Discounts	(1,431.86)	(2,277.70)		(2,277.70)
5290-42 - Purchases - Resale items	54.00	0.00		0.00
50 Retail sales & other Total	<u>(98,453.89)</u>	<u>(100,343.23)</u>	<u>0.00</u>	<u>(100,343.23)</u>
60 Commissions & Bookings				
4600-30 - Commissions - Other	(100,944.46)	(59,194.61)		(59,194.61)
4601-30 - Commissions - South Shore	(8,967.66)	(5,981.74)		(5,981.74)
60 Commissions & Bookings Total	<u>(109,912.12)</u>	<u>(65,176.35)</u>	<u>0.00</u>	<u>(65,176.35)</u>
70 Interest Income				
4700-11 - Revenues- Interest & Investment	0.00	(75.20)		(75.20)
4700-70 - Revenues- Interest & Investment	0.00	(200.70)		(200.70)

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	Adjusted Balance Jun 30, 2017	Unadjusted Jun 30, 2018	Adjusting AJE	Adjusted Balance Jun 30, 2018
4701-00 - Interest Income - CF Reserve	(200.29)	0.00		0.00
4702-00 - Interest Income - MKT Reserve	(75.08)	0.00		0.00
70 Interest Income Total	<u>(275.37)</u>	<u>(275.90)</u>	0.00	<u>(275.90)</u>
Sales Total	<u>(3,944,594.48)</u>	<u>(3,954,217.26)</u>	<u>(46,082.90)</u>	<u>(4,000,300.16)</u>
Revenue Total	<u>(3,944,594.48)</u>	<u>(3,954,217.26)</u>	<u>(46,082.90)</u>	<u>(4,000,300.16)</u>
100 Marketing				
5000-11 - Salaries & Wages - Other	266,336.63	245,709.59		240,748.14
caje2 to reclass commission expenses that were falsly recorded as incentives			(3,847.75)	
caje3 to reclassify wages recorded to wrong depts			(549.83)	
caje5 to true up incentive accrual			(563.87)	
5001-11 - In-Market Administration	16,500.00	16,500.00		16,500.00
5010-11 - Sales Commissions	0.00	(3,847.75)		0.00
caje2 to reclass commission expenses that were falsly recorded as incentives			3,847.75	
5020-11 - P/R - Tax Expense	21,753.34	19,308.26		19,308.26
5030-11 - P/R - Health Insurance Expense	44,336.64	35,267.53		35,267.53
5040-11 - P/R - Workmans Comp	437.88	2,511.70		2,511.70
5060-11 - 401 (k)	9,114.70	8,082.10		8,082.10
5070-11 - Other Benefits and Expenses	1,398.36	1,388.18		1,388.18
5100-11 - Rent - Other	22,927.37	23,806.20		23,806.20
5110-11 - Utilities	1,572.67	1,521.71		1,521.71
5140-11 - Repairs & Maintenance	1,749.82	586.14		586.14
5150-11 - Office - Cleaning	2,269.18	2,577.80		2,577.80
5320-11 - Telephone	6,328.07	6,619.11		6,619.11
5350-11 - Internet	224.85	0.00		0.00
5420-11 - Mail - USPS - Other	486.84	665.60		665.60
5470-11 - Mail - UPS	100.00	0.00		0.00
5480-11 - Mail - Fed Ex	31.13	69.24		69.24
5510-11 - Insurance/Bonding	1,309.71	1,601.83		1,601.83
5520-11 - Supplies - Other	1,547.35	2,258.47		2,258.47
5525-11 - Supplies- Computer <\$1000	201.31	3,152.73		3,152.73
5610-11 - Depreciation	303.00	206.21		206.21
5700-11 - Equipment Support & Maintenance	2,254.61	2,500.68		2,500.68
5710-11 - Taxes, Licenses & Fees	115.67	68.91		68.91
5740-11 - Equipment Rental/Leasing	1,594.96	3,448.52		3,448.52
5800-11 - Training Seminars	3,180.61	1,917.26		1,917.26
5810-11 - Public Outreach	1,650.00	0.00		0.00
5815-11 - Training Video Series	10,327.80	0.00		0.00
5820-11 - Sales CRM/CMS	2,373.94	0.00		0.00
5900-11 - Professional Fees - Other	4,031.25	0.00		0.00
5910-11 - Professional Fees - Attorneys	0.00	1,220.00		1,220.00
5921-11 - Professional Fees - Other	0.00	42,522.75		42,522.75
5941-11 - Research & Planning	12,300.00	0.00		0.00
6015-11 - Cross Country	4,000.00	0.00		0.00
6016-11 - Special Event Partnership	43,019.51	49,750.00		88,847.00
07 to record revenue and expenses that never hit P&L that used PY placer funds			39,097.00	
6018-11 - Business Assoc. Grants	30,000.00	30,000.00		30,000.00
6023-11 - Autumn Food & Wine	32,897.86	117,571.83		117,571.83

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	Adjusted Balance Jun 30, 2017	Unadjusted Jun 30, 2018	Adjusting AJE	Adjusted Balance Jun 30, 2018
6420-01 - No Barriers	8,979.15	0.00		0.00
6420-11 - WinterWonderGrass_Tahoe	15,400.00	20,808.37		20,808.37
6421-01 - 4th of July Fireworks	20,000.00	20,000.00		20,000.00
6421-02 - AMGEN Tour of California	19,165.00	0.00		0.00
6421-03 - Barcelona Soccer	3,000.00	0.00		0.00
6421-04 - Broken Arrow Skyrace	20,000.00	15,000.00		15,000.00
6421-06 - Spartan	198,550.00	254,000.00		254,000.00
6421-07 - Tahoe Lacrosse Tournament	5,000.00	5,000.00		5,000.00
6421-08 - Tough Mudder	0.00	40,000.00		40,000.00
6421-09 - Wanderlust	35,367.73	41,370.28		41,370.28
6421-11 - New Event Development	5,880.28	10,020.47		10,020.47
6421-12 - World Cup	39,564.10	0.00		0.00
6421-13 - Big Blue Adventure	21,500.00	0.00		0.00
6421-15 - Lake Tahoe Dance Collective	5,000.00	0.00		0.00
6422-02 - Photography	6,363.00	0.00		0.00
6422-03 - Human Powered Sports Campaign	60,000.21	73.77		73.77
6422-04 - PR	3,500.00	0.00		0.00
6422-05 - Other	2,500.00	0.00		0.00
6422-06 - Music Campaign	12,951.59	3,566.24		3,566.24
6424-11 - Event Operation Expenses	8,914.78	7,683.50		7,683.50
6426-11 - Dues & Subscriptions	109.40	0.00		0.00
6436-11 - Membership - Wnt/Sum Rec Luncl	0.00	14.92		14.92
6490-11 - Classified Ads	50.00	50.00		50.00
6600-11 - Promotions/Giveaways	32.14	0.00		0.00
6701-11 - Market Study Reports/Research	402.40	807.50		807.50
6730-11 - Marketing Cooperative/Media	1,167,370.96	1,301,820.96		1,301,820.96
6742-11 - Non-NLT Co-Op Marketing Progr:	18,265.65	22,204.82		22,204.82
6743-11 - Shop Local	17,105.61	17,375.13		17,375.13
6745-11 - Touch Lake Tahoe	15,666.65	17,971.43		17,971.43
6746-11 - High Notes	16,387.82	19,999.66		19,999.66
6747-11 - Peak Your Adventure	19,716.00	20,299.66		20,299.66
7500-11 - Trade Shows/Travel	15.00	0.00		0.00
8200-11 - Associate Relations	381.49	315.27		315.27
8500-11 - Credit Card Fees	65.00	110.00		110.00
8700-11 - Automobile Expenses	1,604.71	1,233.11		1,233.11
8750-11 - Meals/Meetings	2,392.98	2,336.17		2,336.17
8810-11 - Dues & Subscriptions	3,941.18	2,434.86		2,434.86
8910-11 - Travel	9,714.11	2,132.02		2,132.02
8990-11 - Allocated	232,290.16	431,243.61		415,877.08
04 to allocate admin expenses after all audit adjustments			(15,366.53)	
100 Marketing Total	2,543,822.16	2,874,856.35	22,616.77	2,897,473.12
200 Conference				
5000-30 - Salaries & Wages - Other	144,214.10	145,739.82		143,757.06
caje2 to reclass commission expenses that were falsly recorded as incentives			(7,710.03)	
caje2 to reclass commission expenses that were falsly recorded as incentives			5,293.20	
caje5 to true up incentive accrual			434.07	
5010-30 - Sales Commissions	39,913.74	13,038.77		15,455.60
caje2 to reclass commission expenses that were falsly recorded as incentives			7,710.03	
caje2 to reclass commission expenses that were falsly recorded as incentives			(5,293.20)	

North Lake Tahoe Resort Association
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	Adjusted Balance Jun 30, 2017	Unadjusted Jun 30, 2018	Adjusting AJE	Adjusted Balance Jun 30, 2018
5020-30 - P/R - Tax Expense	15,052.25	13,780.45		13,780.45
5030-30 - P/R - Health Insurance Expense	14,997.59	16,998.76		16,998.76
5040-30 - P/R - Workmans Comp	310.21	1,803.03		1,803.03
5060-30 - 401 (k)	7,285.99	6,620.30		6,620.30
5070-30 - Other Benefits and Expenses	778.76	878.76		878.76
5100-30 - Rent - Other	10,983.75	11,409.64		11,409.64
5110-30 - Utilities	790.12	756.18		756.18
5140-30 - Repairs & Maintenance	907.24	286.36		286.36
5150-30 - Office - Cleaning	1,134.66	1,288.95		1,288.95
5320-30 - Telephone	2,876.06	2,406.51		2,406.51
5420-30 - Mail - USPS - Other	229.06	259.55		259.55
5470-30 - Mail - UPS	100.00	0.00		0.00
5510-30 - Insurance/Bonding	1,309.70	1,309.63		1,309.63
5520-30 - Supplies - Other	380.75	635.44		635.44
5525-30 - Supplies- Computer <\$1000	12.57	92.55		92.55
5610-30 - Depreciation	156.48	89.05		89.05
5700-30 - Equipment Support & Maintenance	760.87	1,100.59		1,100.59
5710-30 - Taxes, Licenses & Fees	53.39	12.82		12.82
5740-30 - Equipment Rental/Leasing	1,500.27	1,708.79		1,708.79
5830-30 - Commission Due to Third Party	(4,610.03)	765.00		765.00
6730-30 - Marketing Cooperative/Media	110,000.04	110,000.04		110,000.04
8200-30 - Associate Relations	0.00	720.13		720.13
8500-30 - Credit Card Fees	0.00	90.00		90.00
8700-30 - Automobile Expenses	147.96	0.00		0.00
8750-30 - Meals/Meetings	110.00	0.00		0.00
8810-30 - Dues & Subscriptions	815.00	475.00		475.00
8920-30 - Bad Debt	0.00	7,379.82		7,379.82
8990-30 - Allocated	53,233.17	58,836.60		56,740.07
04 to allocate admin expenses after all audit adjustments			(2,096.53)	
200 Conference Total	403,443.70	398,482.54	(1,662.46)	396,820.08
300 Transportation				
5000-41 - Salaries & Wages - Other	84,862.47	(3,778.56)		6,729.09
caje1 to reclassify Ron's salary to transit/infra			7,956.68	
caje1 to reclassify Ron's salary to transit/infra			1,077.35	
caje3 to reclassify wages recorded to wrong depts			1,473.62	
5020-41 - P/R - Tax Expense	6,505.24	1,115.07		1,115.07
5030-41 - P/R - Health Insurance Expense	5,519.05	224.06		224.06
5040-41 - P/R - Workmans Comp	109.47	105.50		105.50
5060-41 - 401 (k)	3,181.89	554.96		554.96
5070-41 - Other Benefits and Expenses	95.15	53.46		53.46
5100-41 - Rent - Other	4,393.49	646.13		646.13
5110-41 - Utilities	336.88	63.39		63.39
5140-41 - Repairs & Maintenance	543.81	5.16		5.16
5150-41 - Office - Cleaning	453.89	110.88		110.88
5320-41 - Telephone	2,314.33	447.55		447.55
5420-41 - Mail - USPS - Other	140.96	47.74		47.74
5470-41 - Mail - UPS	50.00	0.00		0.00
5510-41 - Insurance/Bonding	206.77	55.22		55.22
5520-41 - Supplies - Other	154.38	27.26		27.26

North Lake Tahoe Resort Association
Grouping Schedule Report
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	Adjusted Balance Jun 30, 2017	Unadjusted Jun 30, 2018	Adjusting AJE	Adjusted Balance Jun 30, 2018
5525-41 - Supplies- Computer <\$1000	136.74	0.00		0.00
5610-41 - Depreciation	89.29	10.50		10.50
5700-41 - Equipment Support & Maintenance	296.50	127.57		127.57
5710-41 - Taxes, Licenses & Fees	32.85	0.00		0.00
5740-41 - Equipment Rental/Leasing	1,321.06	406.48		406.48
5940-41 - Research & Planning Membership	3,000.00	3,000.00		3,000.00
5941-41 - Research & Planning	22,824.00	1,891.25		12,087.25
07 to record revenue and expenses that never hit P&L that used PY placer funds			10,196.00	
5948-41 - Transportation Projects - Other	24,781.18	0.00		0.00
5953-41 - Summer Traffic Management (S-2)	111.87	0.00		0.00
8200-41 - Associate Relations	0.00	6.01		6.01
8500-41 - Credit Card Fees	22.50	4.50		4.50
8700-41 - Automobile Expenses	598.91	67.32		67.32
8750-41 - Meals/Meetings	911.98	80.60		80.60
8810-41 - Dues & Subscriptions	13.50	502.25		502.25
8990-41 - Allocated	53,233.17	2,470.80		2,382.76
04 to allocate admin expenses after all audit adjustments			(88.04)	
300 Transportation Total	216,241.33	8,245.10	20,615.61	28,860.71
400 Visitor Info. Center				
5000-42 - Salaries & Wages - Other	167,830.70	158,404.84		152,307.40
caje2 to reclass commission expenses that were falsly recorded as incentives			(1,732.42)	
caje3 to reclassify wages recorded to wrong depts			549.83	
caje3 to reclassify wages recorded to wrong depts			(3,269.23)	
caje5 to true up incentive accrual			(1,645.62)	
5010-42 - Sales Commissions	0.00	(1,732.42)		0.00
caje2 to reclass commission expenses that were falsly recorded as incentives			1,732.42	
5020-42 - P/R - Tax Expense	15,837.49	15,401.65		15,401.65
5030-42 - P/R - Health Insurance Expense	20,436.29	16,024.26		16,024.26
5040-42 - P/R - Workmans Comp	346.70	3,870.34		3,870.34
5060-42 - 401 (k)	6,161.86	5,915.49		5,915.49
5070-42 - Other Benefits and Expenses	553.76	979.71		979.71
5100-42 - Rent - Other	76,965.89	78,004.82		78,004.82
5110-42 - Utilities	6,242.84	6,541.91		6,541.91
5115-42 - Freight and Shipping Costs	2,333.15	1,798.83		1,798.83
5140-42 - Repairs & Maintenance	1,478.45	6,914.06		6,914.06
5150-42 - Office - Cleaning	1,894.32	1,424.46		1,424.46
5320-42 - Telephone	3,679.59	5,496.83		5,496.83
5420-42 - Mail - USPS - Other	229.06	685.33		685.33
5470-42 - Mail - UPS	50.00	0.00		0.00
5480-42 - Mail - Fed Ex	471.69	51.30		51.30
5510-42 - Insurance/Bonding	1,723.31	2,054.48		2,054.48
5520-42 - Supplies - Other	3,164.22	4,273.63		4,273.63
5525-42 - Supplies- Computer <\$1000	926.60	1,545.87		1,545.87
5530-42 - Visitor Communications - Other	(109.00)	0.00		0.00
5610-42 - Depreciation	1,037.57	1,530.09		1,530.09
5700-42 - Equipment Support & Maintenance	2,246.55	1,525.60		1,525.60
5710-42 - Taxes, Licenses & Fees	53.39	83.20		83.20

North Lake Tahoe Resort Association
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	Adjusted Balance Jun 30, 2017	Unadjusted Jun 30, 2018	Adjusting AJE	Adjusted Balance Jun 30, 2018
5740-42 - Equipment Rental/Leasing	5,088.62	3,399.89		3,399.89
5800-42 - Training Seminars	0.00	780.71		780.71
5815-42 - Training Video Series	0.00	1,058.00		1,058.00
5850-42 - Artist of Month - Commissions	2,453.21	4,158.92		4,158.92
5921-42 - Professional Fees - Other	0.00	216.00		216.00
5990-42 - POS Inventory Adjustments	1,327.33	513.17		513.17
6740-42 - Media/Collateral/Production	99.00	0.00		0.00
6742-42 - Non-NLT Co-Op Marketing Progr:	1,800.00	1,500.00		1,500.00
8100-42 - Cost of Goods Sold - Other	47,154.79	50,268.02		50,268.02
8200-42 - Associate Relations	355.19	414.97		414.97
8500-42 - Credit Card Fees	2,734.80	2,898.84		2,898.84
8700-42 - Automobile Expenses	1,060.21	553.26		553.26
8750-42 - Meals/Meetings	1,000.55	611.77		611.77
8810-42 - Dues & Subscriptions	647.76	497.79		497.79
8910-42 - Travel	213.48	0.00		0.00
8920-42 - Bad Debt	0.00	400.00		400.00
8990-42 - Allocated	48,393.78	73,035.36		70,432.89
04 to allocate admin expenses after all audit adjustments			(2,602.47)	
400 Visitor Info. Center Total	425,883.15	451,100.98	(6,967.49)	444,133.49
500 Infrastructure				
5000-50 - Salaries & Wages - Other	85,279.94	3,755.32		15,552.33
caje1 to reclassify Ron's salary to transit/infra			9,793.00	
caje1 to reclassify Ron's salary to transit/infra			530.39	
caje3 to reclassify wages recorded to wrong depts			1,473.62	
5020-50 - P/R - Tax Expense	6,086.56	2,157.07		2,157.07
5030-50 - P/R - Health Insurance Expense	5,519.12	381.25		381.25
5040-50 - P/R - Workmans Comp	109.47	178.90		178.90
5060-50 - 401 (k)	3,181.90	856.43		856.43
5070-50 - Other Benefits and Expenses	95.03	115.14		115.14
5100-50 - Rent - Other	4,393.49	1,061.51		1,061.51
5110-50 - Utilities	336.88	114.13		114.13
5140-50 - Repairs & Maintenance	543.81	21.25		21.25
5150-50 - Office - Cleaning	453.89	152.15		152.15
5320-50 - Telephone	2,314.30	908.21		908.21
5420-50 - Mail - USPS - Other	140.96	78.70		78.70
5470-50 - Mail - UPS	50.00	0.00		0.00
5510-50 - Insurance/Bonding	206.77	138.12		138.12
5520-50 - Supplies - Other	154.38	58.26		58.26
5525-50 - Supplies- Computer <\$1000	136.74	0.00		0.00
5610-50 - Depreciation	89.29	27.66		27.66
5700-50 - Equipment Support & Maintenance	296.50	130.83		130.83
5710-50 - Taxes, Licenses & Fees	32.85	0.00		0.00
5740-50 - Equipment Rental/Leasing	1,321.06	1,102.95		1,102.95
5941-50 - Research & Planning	6,166.55	375.00		375.00
8200-50 - Associate Relations	0.00	15.02		15.02
8500-50 - Credit Card Fees	22.50	10.13		10.13
8700-50 - Automobile Expenses	598.90	116.25		116.25
8750-50 - Meals/Meetings	395.63	21.52		21.52
8810-50 - Dues & Subscriptions	13.50	2.25		2.25

North Lake Tahoe Resort Association
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	Adjusted Balance Jun 30, 2017	Unadjusted Jun 30, 2018	Adjusting AJE	Adjusted Balance Jun 30, 2018
8990-50 - Allocated	53,233.16	4,091.47		3,945.68
04 to allocate admin expenses after all audit adjustments			(145.79)	
500 Infrastructure Total	<u>171,173.18</u>	<u>15,869.52</u>	<u>11,651.22</u>	<u>27,520.74</u>
510 TMPI				
5000-51 - Salaries & Wages - Other	0.00	8,566.28		8,566.28
5020-51 - P/R - Tax Expense	0.00	132.84		132.84
5030-51 - P/R - Health Insurance Expense	0.00	37.80		37.80
5040-51 - P/R - Workmans Comp	0.00	48.68		48.68
5060-51 - 401 (k)	0.00	287.25		287.25
5100-51 - Rent - Other	0.00	443.28		443.28
5110-51 - Utilities	0.00	19.07		19.07
5140-51 - Repairs & Maintenance	0.00	13.93		13.93
5150-51 - Office - Cleaning	0.00	35.45		35.45
5320-51 - Telephone	0.00	175.86		175.86
5420-51 - Mail - USPS - Other	0.00	28.35		28.35
5510-51 - Insurance/Bonding	0.00	25.00		25.00
5520-51 - Supplies - Other	0.00	12.17		12.17
5525-51 - Supplies- Computer <\$1000	0.00	1.30		1.30
5610-51 - Depreciation	0.00	1.28		1.28
5700-51 - Equipment Support & Maintenance	0.00	4.20		4.20
5710-51 - Taxes, Licenses & Fees	0.00	3.87		3.87
5740-51 - Equipment Rental/Leasing	0.00	196.94		196.94
8750-51 - Meals/Meetings	0.00	2.70		2.70
8990-51 - Allocated	0.00	4,760.40		4,590.77
04 to allocate admin expenses after all audit adjustments			(169.63)	
510 TMPI Total	<u>0.00</u>	<u>14,796.65</u>	<u>(169.63)</u>	<u>14,627.02</u>
600 Membership				
5000-60 - Salaries & Wages - Other	65,893.17	75,414.07		79,546.99
caje2 to reclass commission expenses that were falsly recorded as incentives			(23.11)	
caje3 to reclassify wages recorded to wrong depts			886.80	
caje3 to reclassify wages recorded to wrong depts			3,269.23	
5001-60 - In-Market Administration	(16,500.00)	(16,500.00)		(16,500.00)
5010-60 - Sales Commissions	0.00	(23.11)		0.00
caje2 to reclass commission expenses that were falsly recorded as incentives			23.11	
5020-60 - P/R - Tax Expense	5,891.86	7,117.15		7,117.15
5030-60 - P/R - Health Insurance Expense	9,745.15	10,685.35		10,685.35
5040-60 - P/R - Workmans Comp	127.76	775.21		775.21
5060-60 - 401 (k)	1,485.86	2,465.53		2,465.53
5070-60 - Other Benefits and Expenses	136.63	148.72		148.72
5100-60 - Rent - Other	8,568.61	7,747.69		7,747.69
5110-60 - Utilities	544.90	461.19		461.19
5140-60 - Repairs & Maintenance	563.97	125.31		125.31
5150-60 - Office - Cleaning	794.21	760.37		760.37
5320-60 - Telephone	2,847.26	2,518.80		2,518.80
5420-60 - Mail - USPS - Other	590.96	658.60		658.60

North Lake Tahoe Resort Association
Grouping Schedule Report
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	<u>Adjusted Balance</u> <u>Jun 30, 2017</u>	<u>Unadjusted</u> <u>Jun 30, 2018</u>	<u>Adjusting AJE</u>	<u>Adjusted Balance</u> <u>Jun 30, 2018</u>
5470-60 - Mail - UPS	400.00	0.00		0.00
5510-60 - Insurance/Bonding	620.40	613.17		613.17
5520-60 - Supplies - Other	1,139.52	970.17		970.17
5525-60 - Supplies- Computer <\$1000	621.22	973.76		973.76
5610-60 - Depreciation	98.54	58.34		58.34
5700-60 - Equipment Support & Maintenance	1,243.47	642.27		642.27
5710-60 - Taxes, Licenses & Fees	33.85	15.57		15.57
5740-60 - Equipment Rental/Leasing	2,858.58	2,366.70		2,366.70
5800-60 - Training Seminars	892.11	0.00		0.00
5921-60 - Professional Fees - Other	0.00	270.00		270.00
6423-60 - Membership Activities - Other	7,335.24	458.88		458.88
6432-60 - Membership - Newsletter	2,001.24	0.00		0.00
6434-60 - Community Awards Dinner	21,651.45	25,425.60		25,425.60
6435-60 - Shop Local Event	0.00	295.24		295.24
6436-60 - Membership - Wnt/Sum Rec Luncl	996.71	3,081.05		3,081.05
6437-60 - Tuesday Morning Breakfast Club	6,088.50	6,043.22		6,043.22
6441-60 - Membership - Miscellaneous Exp	52.59	10.00		10.00
6442-60 - Public Relations/Website	81.00	6,910.45		6,910.45
6443-60 - Membership - Bridal Faire	75.63	0.00		0.00
6444-60 - Trades	1,190.00	3,615.00		3,615.00
6490-60 - Classified Ads	225.00	0.00		0.00
8200-60 - Associate Relations	0.00	93.10		93.10
8300-60 - Board Functions	0.00	156.03		156.03
8500-60 - Credit Card Fees	3,460.49	3,352.11		3,352.11
8700-60 - Automobile Expenses	907.22	597.87		597.87
8750-60 - Meals/Meetings	310.04	76.42		76.42
8810-60 - Dues & Subscriptions	1,945.94	306.67		306.67
8920-60 - Bad Debt	23,598.00	12,592.89		12,592.89
8990-60 - Allocated	43,554.40	31,801.64		30,668.45
04 to allocate admin expenses after all audit adjustments			(1,133.19)	
600 Membership Total	<u>202,071.48</u>	<u>193,081.03</u>	<u>3,022.84</u>	<u>196,103.87</u>
700 Administration				
5000-70 - Salaries & Wages - Other	285,765.68	399,917.71		372,984.77
caje1 to reclassify Ron's salary to transit/infra			(17,749.68)	
caje1 to reclassify Ron's salary to transit/infra			(1,607.74)	
caje2 to reclass commission expenses that were falsly recorded as incentives			(34.66)	
caje3 to reclassify wages recorded to wrong depts			(2,947.24)	
caje3 to reclassify wages recorded to wrong depts			(886.80)	
caje5 to true up incentive accrual			(3,706.82)	
5010-70 - Sales Commissions	0.00	(34.66)		0.00
caje2 to reclass commission expenses that were falsly recorded as incentives			34.66	
5020-70 - P/R - Tax Expense	22,372.26	33,708.43		33,708.43
5030-70 - P/R - Health Insurance Expense	17,477.13	13,063.96		13,063.96
5040-70 - P/R - Workmans Comp	383.00	2,994.64		2,994.64
5060-70 - 401 (k)	4,230.56	9,776.32		9,776.32
5070-70 - Other Benefits and Expenses	743.69	953.64		953.64

North Lake Tahoe Resort Association
Grouping Schedule Report
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	<u>Adjusted Balance</u> <u>Jun 30, 2017</u>	<u>Unadjusted</u> <u>Jun 30, 2018</u>	<u>Adjusting AJE</u>	<u>Adjusted Balance</u> <u>Jun 30, 2018</u>
5100-70 - Rent - Other	19,799.63	26,826.73		26,826.73
5110-70 - Utilities	1,226.19	1,531.82		1,531.82
5140-70 - Repairs & Maintenance	3,770.48	2,965.22		2,965.22
5150-70 - Office - Cleaning	1,824.25	2,584.95		2,584.95
5320-70 - Telephone	8,739.18	10,232.37		10,232.37
5350-70 - Internet	0.00	25.00		25.00
5420-70 - Mail - USPS - Other	776.98	936.10		936.10
5470-70 - Mail - UPS	250.00	0.00		0.00
5480-70 - Mail - Fed Ex	24.02	0.00		0.00
5510-70 - Insurance/Bonding	1,516.50	1,981.55		1,981.55
5520-70 - Supplies - Other	5,232.53	5,861.95		5,861.95
5525-70 - Supplies- Computer <\$1000	1,841.39	160.91		160.91
5610-70 - Depreciation	689.36	622.45		622.45
5700-70 - Equipment Support & Maintenance	5,732.94	7,863.45		7,863.45
5710-70 - Taxes, Licenses & Fees	8,049.90	13,523.02		13,523.02
5740-70 - Equipment Rental/Leasing	1,874.56	3,937.62		3,937.62
5800-70 - Training Seminars	2,199.00	2,643.96		2,643.96
5900-70 - Professional Fees - Other	1,250.00	0.00		0.00
5910-70 - Professional Fees - Attorneys	3,978.19	8,620.00		8,620.00
5920-70 - Professional Fees - Accountant	37,862.00	26,250.00		26,250.00
5921-70 - Professional Fees - Other	36,837.71	13,531.25		18,893.75
02 to accrue for June interim CFO service			5,362.50	
6421-70 - New Event Development	50.00	0.00		0.00
6423-70 - Membership Activities - Other	33.65	0.00		0.00
6444-00 - Trades	0.00	(275.00)		(275.00)
8200-70 - Associate Relations	3,604.84	2,366.29		2,366.29
8300-70 - Board Functions	2,612.86	7,453.91		7,453.91
8500-00 - Credit Card Fees	0.00	8.10		8.10
8500-70 - Credit Card Fees	384.05	205.37		205.37
8700-70 - Automobile Expenses	295.38	2,234.97		2,234.97
8750-70 - Meals/Meetings	520.31	648.12		648.12
8810-70 - Dues & Subscriptions	1,989.62	3,053.33		3,053.33
8990-70 - Allocated	(483,937.84)	(606,239.88)		(584,637.70)
04 to allocate admin expenses after all audit adjustments			21,602.18	
700 Administration Total	<u>0.00</u>	<u>(66.40)</u>	<u>66.40</u>	<u>0.00</u>
Operating Expenses Total	<u>3,962,635.00</u>	<u>3,956,365.77</u>	<u>49,173.26</u>	<u>4,005,539.03</u>
Expense Total	<u>3,962,635.00</u>	<u>3,956,365.77</u>	<u>49,173.26</u>	<u>4,005,539.03</u>
Leadsheet codes Total	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
(Profit)/Loss	<u>18,040.52</u>	<u>2,148.51</u>	<u>3,090.36</u>	<u>5,238.87</u>

Prepared by_____

**North Lake Tahoe Resort Association
Adjusting Journal Entries**

199500

Reviewed by_____

Page 1

Reference	Type	Date Account Number	Description	Debit	Credit	Net Income Effect	Workpaper	Misstatement
01	Adjusting	06/30/18						
		3200-00	Unrestricted Net Assets	5,548.00				
		2900-00	Due To/From County of Pla		5,348.00			
		3301-00	Cash Flow Reserve		200.00			
						0.00		
			to true up fund balances				TT-10	
02	Adjusting	06/30/18						
		5921-70	Professional Fees - Other	5,362.50				
		2000-00	Accounts Payable		5,362.50			
						(5,362.50)		
			to accrue for June interim CFO services				AA-20	
03	Adjusting	06/30/18						
		2900-00	Due To/From County of Pla		15,865.44			
		3300-11	Designated Marketing Reser	15,865.44				
						0.00		
			to true up designated marketing reserves				TT-10	

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**North Lake Tahoe Resort Association
Adjusting Journal Entries**

199500

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Reference	Type	Date Account Number	Description	Debit	Credit	Net Income Effect	Workpaper	Misstatement
04	Adjusting	06/30/18						
		8990-11	Allocated		15,366.53			
		8990-30	Allocated		2,096.53			
		8990-42	Allocated		2,602.47			
		8990-41	Allocated		88.04			
		8990-50	Allocated		145.79			
		8990-51	Allocated		169.63			
		8990-60	Allocated		1,133.19			
		8990-70	Allocated	21,602.18				
						0.00		
			to allocate admin expenses after all audit adjustments				PL-25	
05	Adjusting	06/30/18						
		4050-30	County of Placer TOT Fund	48,086.00				
		4050-11	County of Placer TOT Fund		140,713.00			
		4050-42	County of Placer TOT Fund		1,310.00			
		4050-41	County of Placer TOT Fund		7,903.00			
		4050-50	County of Placer TOT Fund		11,660.00			
		2900-00	Due To/From County of Pla	113,500.00				
						113,500.00		
			to true up placer revenue based on actual expenses				PL-25	

**North Lake Tahoe Resort Association
Adjusting Journal Entries**

Reference	Type	Date Account Number	Description	Debit	Credit	Net Income Effect	Workpaper	Misstatement
06	Adjusting	06/30/18						
		4050-11	County of Placer TOT Fund	119,046.86				
		4050-50	County of Placer TOT Fund	9.26				
		4050-51	County of Placer TOT Fund	169.98				
		2900-00	Due To/From County of Pla		119,226.10			
						(119,226.10)		
			to record revenue over expenses as due back to the county				FS-2	
07	Adjusting	06/30/18						
		5941-41	Research & Planning	10,196.00				
		4050-41	County of Placer TOT Fund		10,196.00			
		6016-11	Special Event Partnership	39,097.00				
		4050-11	County of Placer TOT Fund		39,097.00			
						0.00		
			to record revenue and expenses that never hit P&L that used PY placer funds				TT-20	
caje1	Adjusting	06/30/18						
		5000-41	Salaries & Wages - Other	7,956.68				
		5000-50	Salaries & Wages - Other	9,793.00				
		5000-70	Salaries & Wages - Other		17,749.68			
		5000-41	Salaries & Wages - Other	1,077.35				
		5000-50	Salaries & Wages - Other	530.39				
		5000-70	Salaries & Wages - Other		1,607.74			
						0.00		

**North Lake Tahoe Resort Association
Adjusting Journal Entries**

Reference	Type	Date Account Number	Description	Debit	Credit	Net Income Effect	Workpaper	Misstatement
			to reclassify Ron's salary to transit/infra				CAJE-1	
caje2	Adjusting	06/30/18						
		5010-11	Sales Commissions	3,847.75				
		5010-30	Sales Commissions	7,710.03				
		5010-42	Sales Commissions	1,732.42				
		5010-60	Sales Commissions	23.11				
		5010-70	Sales Commissions	34.66				
		5000-11	Salaries & Wages - Other		3,847.75			
		5000-30	Salaries & Wages - Other		7,710.03			
		5000-42	Salaries & Wages - Other		1,732.42			
		5000-60	Salaries & Wages - Other		23.11			
		5000-70	Salaries & Wages - Other		34.66			
		5010-30	Sales Commissions		5,293.20			
		5000-30	Salaries & Wages - Other	5,293.20				
						0.00		
			to reclass commission expenses that were falsly recorded as incentives				CAJE-2	
caje3	Adjusting	06/30/18						
		5000-42	Salaries & Wages - Other	549.83				
		5000-11	Salaries & Wages - Other		549.83			
		5000-41	Salaries & Wages - Other	1,473.62				
		5000-50	Salaries & Wages - Other	1,473.62				
		5000-70	Salaries & Wages - Other		2,947.24			
		5000-60	Salaries & Wages - Other	886.80				
		5000-70	Salaries & Wages - Other		886.80			
		5000-60	Salaries & Wages - Other	3,269.23				
		5000-42	Salaries & Wages - Other		3,269.23			

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**North Lake Tahoe Resort Association
Adjusting Journal Entries**

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Reference	Type	Date Account Number	Description	Debit	Credit	Net Income Effect	Workpaper	Misstatement
			to reclassify wages recorded to wrong depts			0.00	CAJE-3	
caje4	Adjusting	06/30/18						
		1299-00	Receivable from NLTMC	3,700.00				
		2800-00	Suspense		3,700.00			
		1299-00	Receivable from NLTMC	5,648.69				
		2000-00	Accounts Payable		5,648.69			
			to true up receivable from NLTMC to agree to NLTMC books			0.00	CAJE-4	
caje5	Adjusting	06/30/18						
		5000-11	Salaries & Wages - Other		563.87			
		5000-30	Salaries & Wages - Other	434.07				
		5000-42	Salaries & Wages - Other		1,645.62			
		5000-70	Salaries & Wages - Other		3,706.82			
		2101-00	Incentive Payable	5,482.24				
			to true up incentive accrual			5,482.24	BB-30	

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**North Lake Tahoe Resort Association
Adjusting Journal Entries**

Reviewed by_____

Reference	Type	Date Account Number	Description	Debit	Credit	Net Income Effect	Workpaper	Misstatement
caje6	Adjusting	06/30/18						
		2900-00	Due To/From County of Pla	2,516.00				
		4050-41	County of Placer TOT Fund		2,516.00			
			to record transportation revenue to cover placer approved expense			2,516.00	FS-2	
		TOTAL		<u>441,915.91</u>	<u>441,915.91</u>	<u>(3,090.36)</u>		