

**NORTH LAKE TAHOE RESORT  
ASSOCIATION**

**FINANCIAL STATEMENTS WITH  
INDEPENDENT AUDITOR'S REPORT**

**YEARS ENDED  
JUNE 30, 2011 AND 2010**

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# NORTH LAKE TAHOE RESORT ASSOCIATION

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## INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors of  
North Lake Tahoe Resort Association**

We have audited the accompanying statements of financial position of North Lake Tahoe Resort Association (Association) as of June 30, 2011 and 2010, and the related statements of activities and of cash flows for the years then ended. These financial statements are the responsibility of the Association's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our 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 as of June 30, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

The supplemental schedules on pages 10 through 11 are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to those statements taken as a whole.

**GILBERT ASSOCIATES, INC.**  
**Sacramento, California**

**November XX, 2011**

# NORTH LAKE TAHOE RESORT ASSOCIATION

## STATEMENTS OF FINANCIAL POSITION JUNE 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and equivalents	\$ 741,839	\$ 710,603
Cash held on behalf of marketing cooperative	170,636	188,695
Accounts receivable	113,163	86,996
Prepaid expenses and other	11,344	15,021
Inventories	4,406	928
Placer County receivable	518,901	430,587
Infrastructure funds held by Placer County	<u>6,415,907</u>	<u>5,440,204</u>
Total current assets	7,976,196	6,873,034
<b>NONCURRENT ASSETS:</b>		
Investments	213,197	211,007
Property and equipment, net	<u>26,756</u>	<u>43,203</u>
<b>TOTAL ASSETS</b>	<u>\$ 8,216,149</u>	<u>\$ 7,127,244</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 224,863	\$ 152,035
Accrued liabilities	130,721	123,705
Cash held on behalf of marketing cooperative	170,636	188,695
Deferred revenue - chamber dues	73,947	79,703
Deferred revenue - infrastructure funds	6,890,474	5,888,737
Deferred revenue - other	<u>28,090</u>	<u>26,428</u>
Total liabilities	<u>7,518,731</u>	<u>6,459,303</u>
<b>NET ASSETS:</b>		
Unrestricted:		
Invested in property and equipment	26,756	43,203
Designated marketing reserve	293,110	243,110
Designated maintenance reserve	98,544	
Undesignated	<u>279,008</u>	<u>381,628</u>
Total net assets	<u>697,418</u>	<u>667,941</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 8,216,149</u>	<u>\$ 7,127,244</u>

The accompanying notes are an integral part of these financial statements.

# NORTH LAKE TAHOE RESORT ASSOCIATION

## STATEMENTS OF ACTIVITIES YEARS ENDED JUNE 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
<b>REVENUES:</b>		
Placer County:		
Operations funding	\$ 3,545,774	\$ 3,183,455
Infrastructure	535,853	1,003,098
Commission and booking fees	130,805	118,198
Member services and special events	121,767	122,107
Member dues	114,662	134,417
Advertising and retail sales	24,469	9,103
Interest and investment income	3,250	4,474
Miscellaneous	4,449	185
Total revenues	<u>4,481,029</u>	<u>4,575,037</u>
<b>EXPENSES:</b>		
Program services:		
Marketing (tourism promotion)	1,793,523	1,463,998
Visitor support and transportation	1,036,842	1,067,316
Infrastructure	546,217	956,547
Group sales and conferences	414,447	385,964
Visitor information	152,242	127,254
North Lake Tahoe Chamber of Commerce	138,361	137,670
Total program services	4,081,632	4,138,749
Supporting services:		
General and administrative	369,920	450,759
Total expenses	<u>4,451,552</u>	<u>4,589,508</u>
<b>INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS</b>	<u>29,477</u>	<u>(14,471)</u>
<b>NET ASSETS, Beginning of Year</b>	<u>667,941</u>	<u>682,412</u>
<b>NET ASSETS, End of Year</b>	<u>\$ 697,418</u>	<u>\$ 667,941</u>

The accompanying notes are an integral part of these financial statements.

# NORTH LAKE TAHOE RESORT ASSOCIATION

## STATEMENTS OF CASH FLOWS YEARS ENDED JUNE 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Increase (decrease) in net assets	\$ 29,477	\$ (14,471)
Reconciliation to net cash and equivalents provided by operating activities:		
Depreciation	17,907	19,068
Loss on disposal of equipment	385	
Net realized and unrealized gain on investments	(193)	(1,905)
Changes in:		
Accounts receivable	(26,167)	34,158
Prepaid expenses and other	3,677	14,610
Inventories	(3,478)	(37)
Placer County receivable	(88,314)	106,555
Infrastructure funds held by Placer County	(975,703)	91,490
Accounts payable	72,828	(184,606)
Accrued liabilities	7,016	(13,434)
Deferred revenue - chamber dues	(5,756)	(10,824)
Deferred revenue - infrastructure funds	1,001,737	97,615
Deferred revenue - other	1,662	(1,177)
Net cash and equivalents provided by operating activities	<u>35,078</u>	<u>137,042</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of investments	(202,260)	(202,132)
Proceeds from sale of investments	200,263	401,303
Purchases of property and equipment	<u>(1,845)</u>	<u>(4,165)</u>
Net cash and equivalents provided (used) by investing activities	<u>(3,842)</u>	<u>195,006</u>
<b>NET INCREASE IN CASH AND EQUIVALENTS</b>	31,236	332,048
<b>CASH AND EQUIVALENTS, Beginning of Year</b>	<u>710,603</u>	<u>378,555</u>
<b>CASH AND EQUIVALENTS, End of Year</b>	<u>\$ 741,839</u>	<u>\$ 710,603</u>

The accompanying notes are an integral part of these financial statements.

# NORTH LAKE TAHOE RESORT ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2011 AND 2010

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### 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

The North Lake Tahoe Resort Association (Association) was incorporated in February 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, recreational and cultural climate of the North Lake Tahoe, California area.

The majority of the Association's revenue is derived from grants from Placer County to administer and invest portions of transient occupancy taxes collected in the North Lake Tahoe area. For the years ended June 30, 2011 and 2010, 91% and 92%, respectively, of total revenues were derived from Placer County funding. Additional sources of funding are received from Chamber membership fees, commissions and booking fees, retail sales, sales of advertising in Association publications, and revenue from special events.

The Association also serves as a partner with Placer County in the development and funding of infrastructure and transportation projects designed to enhance tourism and community quality of life for the benefit of all in the North Lake Tahoe region.

**Basis of presentation** – The financial statements are prepared on the accrual basis of accounting and in conformity with professional standards applicable to not-for-profit entities.

**Placer County contract** – The Association's contract with Placer County is considered to be an exchange transaction. Accordingly, revenue earned from this contract is reported as unrestricted support. Funds received from this contract for infrastructure are recognized as revenue when the related expenditures are made. All other Placer County contract revenue is recognized as revenue during the contract year, unless specifically restricted by the contract.

Infrastructure funds held by Placer County represent contract amounts awarded for infrastructure projects that are held by Placer County for the Association. These funds are disbursed to the Association as requested to reimburse approved infrastructure expenditures incurred.

Deferred revenue represents infrastructure funds held by Placer County and the Association that has not yet been expended. Interest earned on infrastructure funds held by the Association is reflected as deferred income until expended.

**Cash and equivalents** – For financial statement purposes, the Association considers all investments with a maturity at purchase of three months or less to be cash equivalents.

**Cash held on behalf of marketing cooperative** – The Association receives and distributes funds on behalf of North Lake Tahoe Marketing Cooperative, a joint marketing effort between the Association and Lake Tahoe Incline Village Crystal Bay Visitors and Convention Bureau. See note 6 for additional information.

# NORTH LAKE TAHOE RESORT ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2011 AND 2010

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**Investments** are stated at fair value.

**Accounts receivable** consist of amounts due from members for annual dues, cooperative advertising costs, commissions from group conference sales, and 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 of collection are exhausted. Management estimates uncollectible amounts based on past experience and believes an allowance for doubtful accounts is unnecessary at June 30, 2011 and 2010.

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

**Property and equipment** are stated at cost and depreciated using the straight-line method over estimated useful lives of three to seven years. The Association's policy is to capitalize assets where costs have exceeded \$1,000.

**Designated net assets** – The Association has created a marketing reserve, pursuant to the 2003-04 contract with Placer County, to be used for any unforeseen fluctuations in collections of transit occupancy taxes. Use of the reserve is at the discretion of the Association's Board of Directors subject to compliance with an existing policy. The reserve totaled \$293,110 and \$243,110 at June 30, 2011 and 2010, respectively.

Pursuant to the 2010-11 contract with Placer County, the Association designated \$150,000 of its net assets for maintenance of tourism-serving infrastructure projects. Unspent funds designated for tourism-serving infrastructure projects totaled \$98,544 at June 30, 2011.

**Income taxes** – The Association is exempt from federal income taxes under Internal Revenue Code Section 501 (c)(4) and Section 2370(f) of the California Tax Code. The Association has implemented the amended accounting principles related to accounting for uncertainty in income taxes and has determined that there is no material impact on the financial statements. With some exceptions, the Association is no longer subject to U.S. federal and California income tax examinations by tax authorities for years prior to 2007.

**Functional allocation of expenses** – The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited.

**Advertising** costs are expensed as incurred.

**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.



# NORTH LAKE TAHOE RESORT ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2011 AND 2010

Subsequent events have been reviewed through November XX, 2011, the date the financial statements were available to be issued.

### 2. INVESTMENTS

Investments consist of the following:

	<u>2011</u>	<u>2010</u>
Certificates of deposit	\$ 206,945	\$ 204,685
Fixed income securities	<u>6,252</u>	<u>6,322</u>
Total	<u>\$ 213,197</u>	<u>\$ 211,007</u>

The Association values its financial assets and liabilities based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Association utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy that prioritizes observable and unobservable inputs is used to measure fair value into three broad levels, as follows:

- Level 1 Inputs      Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.
- Level 2 Inputs      Inputs other than quoted prices in active markets that are observable either directly or indirectly.
- Level 3 Inputs      Unobservable inputs in which there is little or no market data, which require us to develop our own assumptions.

The Association's investments are classified within Level 2 of the hierarchy because they are valued using alternative pricing methods using observable inputs, such as current interest rates.

Interest and investment income consists of the following:

	<u>2011</u>	<u>2010</u>
Interest and dividends	\$ 3,057	\$ 2,569
Net realized and unrealized gain	<u>193</u>	<u>1,905</u>
Total	<u>\$ 3,250</u>	<u>\$ 4,474</u>

# NORTH LAKE TAHOE RESORT ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2011 AND 2010

### 3. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>2011</u>	<u>2010</u>
Furniture and fixtures	\$ 64,991	\$ 64,991
Computer equipment	58,337	63,178
Software	54,619	54,619
Leasehold improvements	<u>23,284</u>	<u>23,284</u>
Total	201,231	206,072
Less accumulated depreciation	<u>(174,475)</u>	<u>(162,869)</u>
Total	<u>\$ 26,756</u>	<u>\$ 43,203</u>

### 4. OPERATING LEASE OBLIGATION

The Association leases office space and copiers at various locations under operating leases expiring through 2014. Total expense under the operating leases was \$79,301 and \$81,011 for the years ended June 30, 2011 and 2010, respectively.

Future minimum lease payments are as follows:

#### Year ending June 30:

2012	\$ 89,268
2013	12,492
2014	<u>9,427</u>
Total	<u>\$ 111,187</u>

### 5. PROFIT SHARING PLAN

The Association sponsors a retirement plan under the provisions of IRC Section 401(k). The plan covers substantially all full-time employees that have completed three months of service with the Association. Contributions to the plan by the Association equal the salary reduction elected by the employee up to a maximum of 6% of annual salary. The amount the Association contributed for the years ended June 30, 2011 and 2010 was \$44,020 and 49,330, respectively.

# NORTH LAKE TAHOE RESORT ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2011 AND 2010

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### 6. 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 (Bureau) to cooperatively promote tourism based on shared objectives which are more effectively and efficiently accomplished collectively rather than independently. Under the terms of the NLTMC, the Association and Bureau are required to make annual contributions to fund its marketing efforts. The NLTMC remains in effect unless canceled by the Association or Bureau with a minimum of 12 months notice. In the event the NLTMC is dissolved, any deficiency of funds to cover expenses will be funded by the Association and Bureau on a pro rata share in accordance with their annual contributions to the NLTMC. At June 30, 2011, the NLTMC had a net asset balance of \$14,669 and at June 30, 2010 the NLTMC had a net deficit balance of \$1,018. During the years ended June 30, 2011 and 2010, the Association contributed \$1,085,712 and \$961,956, 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.

## SUPPLEMENTARY INFORMATION

TABLE 1. Summary of the data used in the analysis. The number of observations is given in parentheses. The variables are defined in the text.

# NORTH LAKE TAHOE RESORT ASSOCIATION

## SUPPLEMENTARY SCHEDULE OF DEPARTMENTAL DETAIL ACTIVITY (Page 1 of 2) YEARS ENDED JUNE 30, 2011 AND 2010

	Program Services					Supporting Service		
	Marketing (tourism promotion)	Group sales and conferences	Visitor information	Visitor support and transportation	North Lake Tahoe Chamber of Commerce	Infrastructure	General and administrative	Total
<b>REVENUES AND OTHER INCOME:</b>								
Placer County:								
Operations funding	\$ 1,994,311	\$ 310,004	\$ 144,000	\$ 1,097,459				\$3,545,774
Infrastructure						\$ 535,853		535,853
Commission and booking fees	11,145	119,660						130,805
Member services and special events	80,253				\$ 41,514			121,767
Member dues		8,030			106,632			114,662
Advertising and retail sales				24,469				24,469
Interest and investment income						871	\$ 2,379	3,250
Miscellaneous							4,449	4,449
Total revenues	<u>2,085,709</u>	<u>437,694</u>	<u>168,469</u>	<u>1,097,459</u>	<u>148,146</u>	<u>536,724</u>	<u>6,828</u>	<u>4,481,029</u>
<b>EXPENSES:</b>								
Project costs	857,284	228,428		960,161		456,797		1,416,958
Marketing cooperative and media	305,413	151,727	117,086	60,358	84,361	73,027	240,332	1,085,712
Salaries and benefits	196,509	8,555						1,032,304
Programs	194,345							205,064
Special events	102,068							194,345
Marketing other	24,304	12,368		8,703	8,735	8,703	24,304	102,068
Rent and utilities	78,837							92,683
Autumn food and wine costs								78,837
Board functions								62,978
Membership events and newsletter	9,179	2,989	1,340	1,977	33,077	1,977	3,915	33,077
Telephone								23,270
Professional fees	4,768	2,408	2,408	1,185	1,185	1,185	18,886	23,280
Depreciation								17,907
Cost of goods sold								16,920
Total expenses								<u>4,575,037</u>

# NORTH LAKE TAHOE RESORT ASSOCIATION

## SUPPLEMENTARY SCHEDULE OF DEPARTMENTAL DETAIL ACTIVITY (Page 2 of 2) YEARS ENDED JUNE 30, 2011 AND 2010

	Program Services						Supporting Service		
	Marketing (tourism promotion)	Group sales and conferences	Visitor information	Visitor support and transportation	North Lake Tahoe Chamber of Commerce	Infrastructure	General and administrative	Total	Total
								2011	2010
<b>EXPENSES (Cont'd):</b>									
Equipment rental and leasing	1,989	1,595	3,933	1,314	2,600	1,314	2,223	14,968	13,531
Supplies	3,646	1,820	1,107	659	987	660	2,789	11,668	12,318
Equipment supplies and maintenance	1,775	1,191	1,797	506	656	506	3,817	10,248	13,964
Automobile expense	1,451	170	71	1,059	1,384	1,059	638	5,832	6,325
Insurance and bonding	1,151	599	599	368	368	368	1,151	4,604	5,359
Dues and subscriptions	1,578	1,380		72	144	72	1,090	4,336	4,988
Credit card fees	2,929		523		862			4,314	7,991
Associate relations	968	504	504	310	310	310	968	3,874	6,808
Local meals and entertainment	2,396	120	60	94	623	154	382	3,829	6,350
Mail expenses	995	472	122	2	933	11	753	3,288	3,190
Travel	1,397							1,397	6,219
Taxes licenses and fees	233	121	206	74	74	74	233	1,015	2,575
Training and seminars					169		308	477	2,932
Internet	290							290	435
Market study reports research									22,125
Bad debt									2,220
Promotional giveaways									651
Miscellaneous expense	18						385	403	
<b>Total functional expenses before general and administrative allocation</b>	<b>1,793,523</b>	<b>414,447</b>	<b>152,242</b>	<b>1,036,842</b>	<b>138,361</b>	<b>546,217</b>	<b>369,920</b>	<b>4,451,552</b>	<b>4,589,508</b>
<b>General and administrative allocation</b>	<b>226,780</b>	<b>55,920</b>	<b>20,216</b>	<b>35,032</b>	<b>22,452</b>	<b>37,572</b>	<b>(397,972)</b>		
<b>Total expenses</b>	<b>2,020,303</b>	<b>470,367</b>	<b>172,458</b>	<b>1,071,874</b>	<b>160,813</b>	<b>583,789</b>	<b>(28,052)</b>	<b>4,451,552</b>	<b>4,589,508</b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b>\$ 65,406</b>	<b>\$ (32,673)</b>	<b>\$ (3,989)</b>	<b>\$ 25,585</b>	<b>\$ (12,667)</b>	<b>\$ (47,065)</b>	<b>\$ 34,880</b>	<b>\$ 29,477</b>	<b>\$ (14,471)</b>

# COMMUNICATIONS WITH THOSE CHARGED WITH GOVERNANCE

In accordance with professional standards, we are providing the North Lake Tahoe Resort Association (Association) Finance Committee with information regarding the scope and results of the audit to assist the Finance Committee in overseeing management's financial reporting and disclosure process. Below we summarize these required communications.

Area	Comments
<p><b>Auditors' Responsibilities under Generally Accepted Auditing Standards (GAAS)</b></p> <p>As stated in our engagement letter, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.</p>	<p>We plan to issue an unqualified opinion on the financial statements of the Association for the years ended June 30, 2011 and 2010.</p>
<p><b>Planned Scope and Timing of the Audit</b></p>	<p>We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter.</p>
<p><b>Significant Accounting Policies</b></p> <p>Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application.</p>	<p>The significant accounting policies used by the Association are described in notes to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2011. We noted no transactions entered into by the Association during the year for which there is a lack of authoritative guidance or consensus. We are not aware of any significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.</p>
<p><b>Disagreements with Management</b></p> <p>For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report.</p>	<p>We are pleased to report that no such disagreements arose during the course of our audit.</p>
<p><b>Management Representations</b></p>	<p>We have requested certain representations from management that are included in their letter to us dated at report issuance.</p>
<p><b>Management Consultations with Other Independent Accountants</b></p>	<p>To our knowledge, there were no such consultations with other accountants.</p>
<p><b>Serious Difficulties Encountered in Performing the Audit</b></p>	<p>We encountered no significant difficulties in dealing with management in performing and completing our audit. Management and staff were well prepared and very cooperative.</p>

Area	Comments
<p><b>Management Judgments and Accounting Estimates</b></p> <p>Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.</p>	<p>We considered the methodologies and judgments used in assessing the collectability of accounts receivable and selection of useful lives of property and equipment. We found the judgments used to be appropriate.</p>

DRAFT

Area	Comments
<p><b>Other Audit Findings or Issues</b></p>	<p>We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Association's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.</p>
<p><b>Significant Adjustments or Disclosures Not Reflected in the Financial Statements</b></p> <p>Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.</p>	<p>Adjustments detected as a result of audit procedures not corrected by management are summarized as follows: Decrease in membership dues receivable and deferred membership dues of \$10,669. Management, with our concurrence, has determined that the effect is immaterial to the financial statements taken as a whole.</p>



To the Board of Directors  
and Management of  
North Lake Tahoe Resort Association

In planning and performing our audit of the financial statements of North Lake Tahoe Resort Association (Association) as of and for the year ended June 30, 2011 in accordance with auditing standards generally accepted in the United States of America, we considered the Association's internal control over financial reporting 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 internal controls. Accordingly, we do not express an opinion on the effectiveness of the Association's internal controls.

A control deficiency 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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified.

As part of our audit for the year ended June 30, 2010, we generated recommendations that we consider to represent "best practices" and do not consider the absence of these safeguards to indicate a reportable control deficiency. We offer the following update to our 2010 observations:

#### **REVIEW PROCESS**

The Association closes its books and reconciles the accounting records on a regular and timely basis. The Executive Director receives and reviews the bank statements before providing them to the Chief Financial Officer (CFO). Supporting documentation for journal entries and account reconciliations is filed and maintained in an orderly fashion. However, due to the small size of the accounting department, the majority of journal entries are prepared by the CFO and are not subject to a subsequent review by a person other than the preparer. Lack of review over journal entries can create the risk that errors and irregularities won't be detected in a timely manner.

We recommend the Association consider strengthening their review process by ensuring journal entries are reviewed and approved by the Executive Director.

To the Board of Directors  
and Management of  
North Lake Tahoe Resort Association  
Page 2 of 2

**2011 Status:** This recommendation was implemented during the year, but due to changes in personnel, journal entries are no longer being reviewed by a person other than the preparer. We continue to encourage the adoption of this recommendation.

### **CONTROLS OVER CREDIT CARD AND EMPLOYEE REIMBURSEMENT TRANSACTIONS**

The Association has strong controls over obtaining supporting information for credit card charges and employee reimbursement requests (such as receipts); however, we identified several areas where the review process could be strengthened:

- The CFO is responsible for the review of all corporate credit card holders' charges including the Executive Director's.
- Although employee reimbursements are reviewed and approved by each employee's supervisor, directors review and approve their own requests for reimbursement.

We recommend that the Association consider assigning the review of the Executive Director's credit card charges and reimbursement requests to a member of the Board of Directors or Finance Committee. Although we found no instances of abuse in our testing, we believe that this review is most appropriately performed by someone who is not in a subordinate position to the Executive Director. To make the review more convenient and eliminate urgency, documents could be provided to the Board or Finance Committee member quarterly, after the credit card balances and reimbursements have been paid. We also recommend that the review of the directors' and CFO's credit card charges and reimbursement request be performed by the Executive Director. We believe that implementation of this level of review represents best practices.

**2011 Status:** The Association has implemented procedures requiring review of the CFO's credit card charges and employee reimbursements by the Executive Director. The Association has also implemented procedures requiring the Finance Committee to review the Executive Director's employee reimbursements. The Executive Director's credit card charges were not being reviewed by the Finance Committee during the 2011 fiscal year; however it is our understanding that this has been implemented in the 2012 fiscal year.

\*\*\*\*\*

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.

GILBERT ASSOCIATES, INC.  
Sacramento, California

November XX, 2011



## north lake tahoe

Chamber | CVB | Resort Association

November 2, 2011

To: Board of Directors

From: Ron Treabess, Director of Community Partnerships and Planning

Re: Infrastructure/Transportation Project Update: Regional Wayfinding Signage,  
North Lake Tahoe Water Shuttle Program, North Lake Tahoe Bike Trail

The Executive Committee has requested that staff prepare a status report on the following three projects in addition to that included in the Infrastructure/Transportation Monthly Activity Report, which is a Consent Calendar item on each Board meeting agenda. The following projects are progressing on a daily basis. Staff will present verbal up-to-date reports as to any additional progress at the Board meeting, and will be prepared to answer any questions.

### **Regional Wayfinding Signage**

A meeting has been held with County staff, TRPA staff and NLTRA staff to determine how to move forward with this important project. The participants decided the best approach was for NLTRA staff and consultant to move forward with creating a final, functioning Wayfinding Signage Design Guidelines Manual as soon as is reasonably and efficiently possible. This will include consolidating existing materials, editing text for accuracy and redundancy, writing new copy as needed, editing and revising proposed signage drawings as needed, removing any reference to a new permitting process, and providing a clearly written outline of the existing permitting process that incorporates reference to current regulatory procedures that a future wayfinding signage applicant can follow. This is in accordance with the scope of service as approved by the NLTRA Board of Directors. The remaining wayfinding funds and Research and Planning funds will be used to complete the Manual. The time to complete these tasks is 12-14 weeks. At the time of completion, staff will move forward with specific design and construction documents necessary for permitting, fabrication, and installation of pilot/demonstration signs in spring, 2012.

The part of the Boards approval that is not being pursued at this time is the expensive submittal of Placer County's Environmental Questionnaire and Zoning Text Amendment, as well as an Amendment to TRPA's Regional Plan. The participants at the meeting from those agencies discussed the possibility that individual sign projects may qualify for permitting under existing regulations. They agreed to revisit the possibility with each

agency before we move ahead with the time and expense of preparing those submittals. NLTRA staff will address those issues if and when it is determined what permitting actions will be required to move forward with individual signage projects.

### **North Lake Tahoe Water Shuttle (North and West Shore)**

Utilizing the *Lake Tahoe Waterborne Shuttle Service Concept Design and Feasibility Study* (Feasibility Study) recommended actions and implementation plan, staff has been working with TTD, TNT/TMA and LSC to determine advanced planning needs for initiation of a North Lake Tahoe Water Shuttle for operation during summer of 2012. A request to use Research and Planning funds to do this advanced planning will be presented at the November Joint Committee meeting and the December Board meeting. The planning that is necessary is 3-fold: 1) landside facilities, use agreements, and permits; 2) RFP preparation for shuttle service provider; 3) ticketing, marketing, and monitoring programs. These will be three separate efforts that will each result in determination of direction, actions, and related funding needs to provide a successful shuttle service. Consultants are preparing proposals that will allow planning work to be completed by end of December or early January. Specific funding needs will have then been identified for items such as selected piers, usable landside facilities, necessary improvements to landside facilities, permitting requirements, access and use agreement requirements, and initial negotiations with landing site owners. The RFP would be ready to release for soliciting proposals from shuttle service providers. And we will know what funding will be necessary to set up a defined ticketing system, to design a marketing program and materials, and formulate a data collection and analysis monitoring program.

With the completion of this planning information, TTD can make the final decision to implement the water shuttle program and determine the Water Shuttle Program manager in January. TTD would also submit any necessary Infrastructure funding request, and release the RFP for solicitation of shuttle service proposals in January. After the 30 day solicitation period, the proposals would be reviewed for recommendation to TTD for selection. TTD would then prepare to enter into a contract with the selected shuttle service provider.

Simultaneously, in February, the ticketing system/program will be designed, as will the marketing program and materials. Draft access and use agreements with landing site owners will be prepared in February, with finalization of the agreements occurring in March.

April will be when the schedule is finalized, the ticketing system is set up, and any necessary signage and landing site improvements installed. The marketing program will be initiated in April/May and all agreements will be in place. Operation of the service and the Water Shuttle Program manager's monitoring program will commence on Memorial weekend or in June, 2012. Monitoring will be continuous from June to October with recommendations for program changes as findings indicate.

### **North Lake Tahoe Bike Trail (Dollar Point to Tahoe Vista)**

This bike trail project, partially funded with \$200,000 of Infrastructure TOT, is being managed by Placer County Department of Public Works (DPW). It is in the middle of environmental/preliminary engineering that should be complete by June 30, 2012 using \$435,000 of Tahoe Conservancy funding. The existing NLTRA \$200,000 allocated to the project is reserved for detailed design to occur in the latter half of 2012. DPW will pursue construction funding next year with hopes of breaking ground in 2013. However, the construction estimate could be as high as \$5,000,000, which could delay the start, while

funding is being secured. NLTRA staff will help seek other funding sources in addition to Infrastructure TOT.

The following is a brief summary on the status of this project taken from the most recent Placer County DPW trail report.

- Placer County has retained Hauge Brueck Associates, LLC for a professional services agreement not-to-exceed contract price of \$343,880 for performing environmental analysis and preliminary engineering tasks associated with the planning efforts of the project.
- Preferred trail alignment has been established which begins at the end of the existing bike trail at Dollar Point and travels north to the end of Fulton Crescent Road. (see attached Figure 1)
- Various field studies to support environmental analysis have been completed.
- In order to have specific identity in relation to the area, the project name has changed to Dollar Creek Shared-Use Trail. This name change also better aligns with the 2010 Lake Tahoe Region Bicycle and Pedestrian Plan of TRPA that designates the route to be a shared-use trail or AASHTO Class 1 compliant.
- A Public Informational Open House meeting was held on October 18, 2011 to share information about the proposed project with the public and other interested stakeholders as well as received their feedback and written comments. Over 50 people attended.



**Nichols Consulting Engineers, Chtd.**  
 1885 S. Arlington Ave. Ste. 111  
 Reno, Nevada 89509  
 (775) 330-4895 • Fax (775) 330-0098



**DOLLAR CREEK SHARED-USE TRAIL**

OWNER

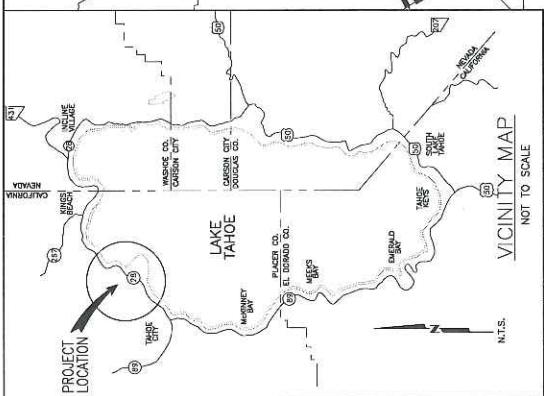
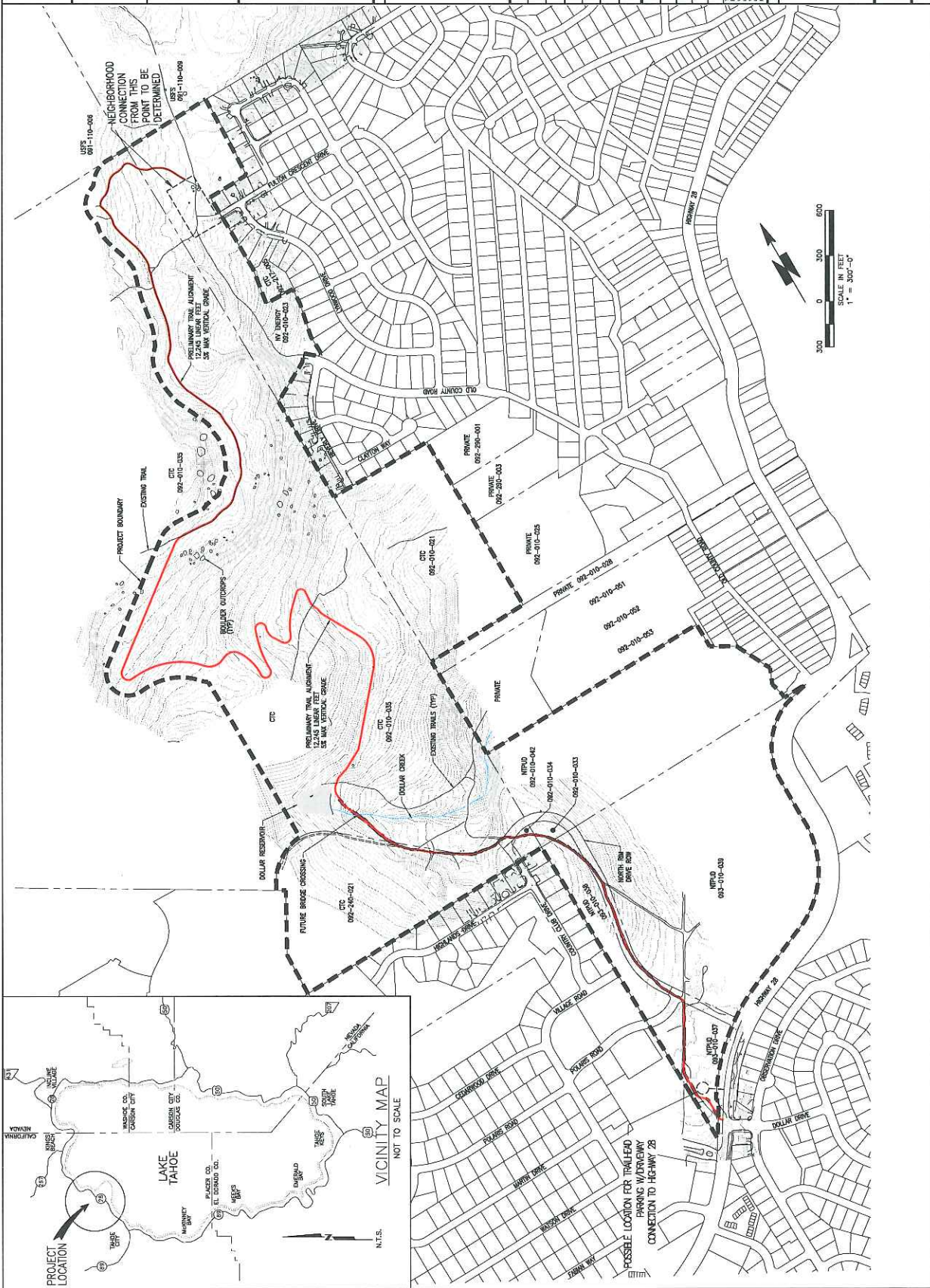
**PLACER COUNTY DEPARTMENT OF PUBLIC WORKS**

NO.	DATE	DESCRIPTION

PROJECT NO:	ACS3.01.14	CS
ISSUED BY:		
DESIGNED BY:		
CHECKED BY:	PP	DATE: 10/03/2011
DATE:	10/03/2011	

**PRELIMINARY TRAIL ALIGNMENT**

**FIGURE 1**  
 SHEET 1 OF 1



POSSIBLE LOCATION FOR TRAILHEAD PARKING W/DROVEWAY CONNECTION TO HWY 20



November 2, 2011

To: Board of Directors

From: Ron Treabess, Director of Community Partnerships and Planning

Re: West Commons Beach Conceptual Alternatives—Feedback Process

The Steering Committee with representatives from a variety of agencies has been meeting to propose guiding principals and a range of alternative uses, based on those principals, to assist the community in considering options for the redevelopment of the current Tahoe City fire station site when vacated.

#### **Guiding Principals for Alternative Analysis**

- Enhance the downtown community through increased visitation, public access, recreation, cultural and environmental awareness and education;
- Help achieve a better visitor experience by creating a centerpiece within the town's center;
- Strengthen the economy by ensuring that the West Commons site becomes an integral part of the Tahoe City community;
- Provide opportunities to increase the economic self-sustainability of the site and Commons Beach; and,
- Provide full access to all facilities.

#### **Range of Alternative Site Uses**

- Demolition of existing fire station and implementation of original Commons Beach Strategic Plan;
- Renovation of existing fire station for a use to be determined and renovation of the Tahoe Community Center as an improved art center, interpretive center or other Community uses plus site improvements for accessibility, concessions, and possible additional parking;

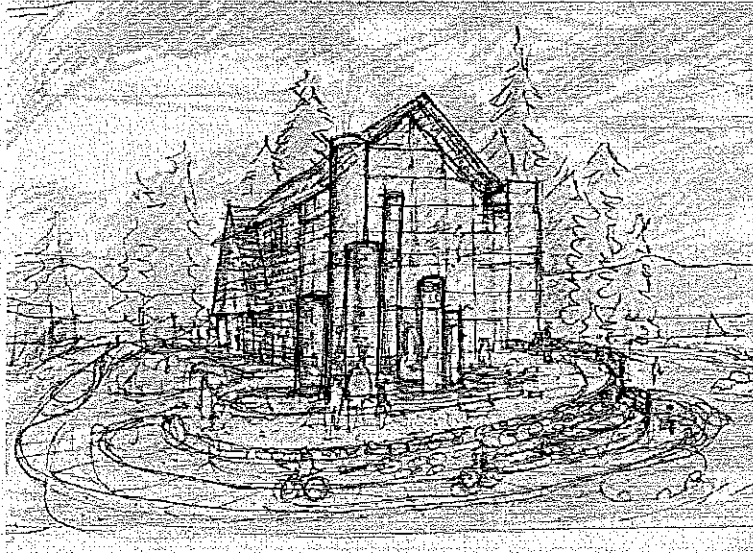


- Demolition of existing fire station to be replaced by a new building and renovation of the Tahoe Community Center to serve needs as previously described;
- Demolition of existing fire station and Tahoe Community Center (possible relocation) to be replaced by new building that has site improvements addressing community and visitor defined uses;

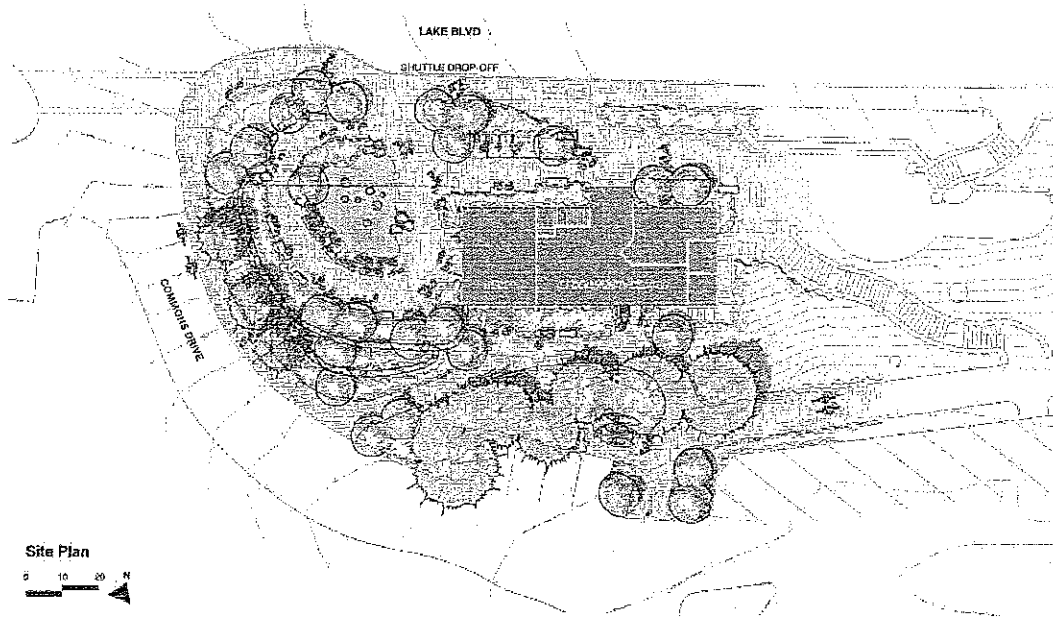
Using approved TOT funding, the Tahoe City Public Utility District (TCPUD) initiated a professional services agreement with a team of consultants, including the consultant who prepared the original Commons Beach plan. The consultants prepared conceptual design options for the site based on the principals and range of alternative uses (see attached concepts). A joint NLTRA and TCPUD Board meeting was held on October 17<sup>th</sup>, to present the conceptual alternatives and receive initial public input to assist the Steering Committee, the Boards, and the community in deciding what direction to take in moving forward. Evaluation sheets (see attached form) were distributed and collected at the meeting. In addition, a video of the meeting has been posted on the TCPUD ([www.tahoecitypud.com](http://www.tahoecitypud.com)) and NLTRA ([www.nltra.org](http://www.nltra.org)) websites to solicit further response from people who did not attend the meeting. Staff made a subsequent presentation to the Placer County Board of Supervisors, informing them on the progress of the project and received some additional input. The Steering Committee is scheduled to meet November 17<sup>th</sup> to review community input and suggest next steps for the process. These steps will, at a minimum, include development of preliminary construction, operating, and maintenance costs for the range of alternatives, the need to expand or reduce the range of alternatives based on input, who will take the lead in the process, and possible request for additional funding to continue the process. As the community input and other feedback is compiled, and other next steps are developed, staff will continue to apprise the Board of results.



# Alter. #1: Welcome Plaza Rendering



Fountain of the Lake Welcome Plaza



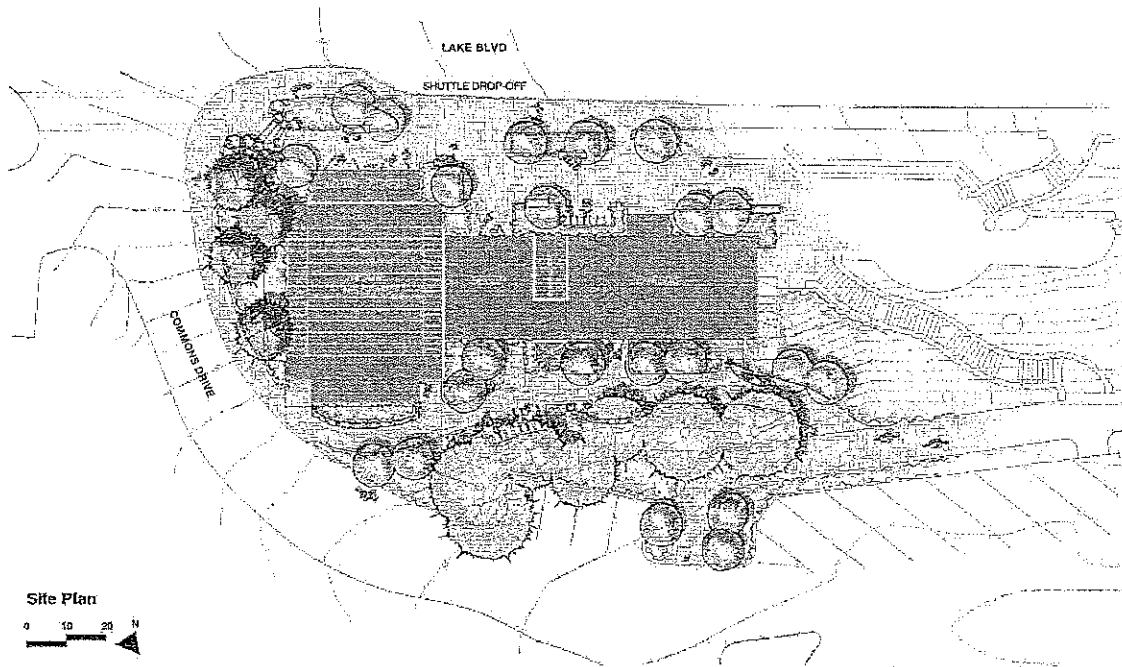
**WEST COMMONS BEACH DEVELOPMENT**



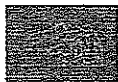
# Alter. #2: Community Center Plus



Community Center Plus



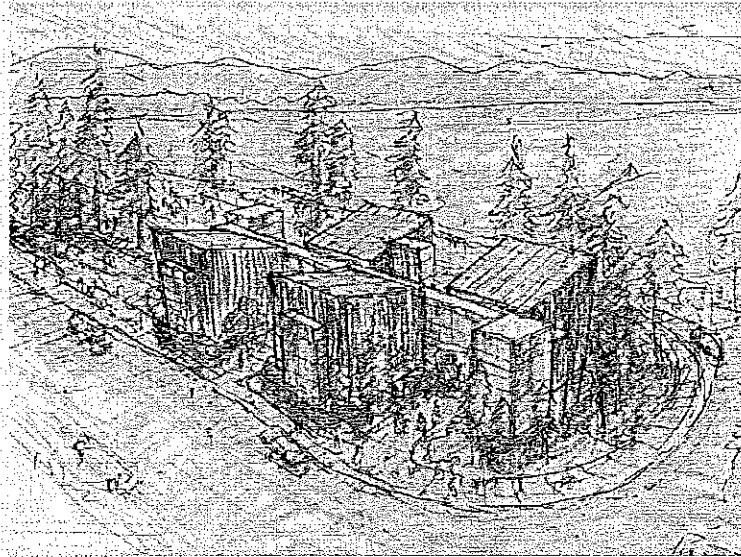
Site Plan  
0 10 20 N



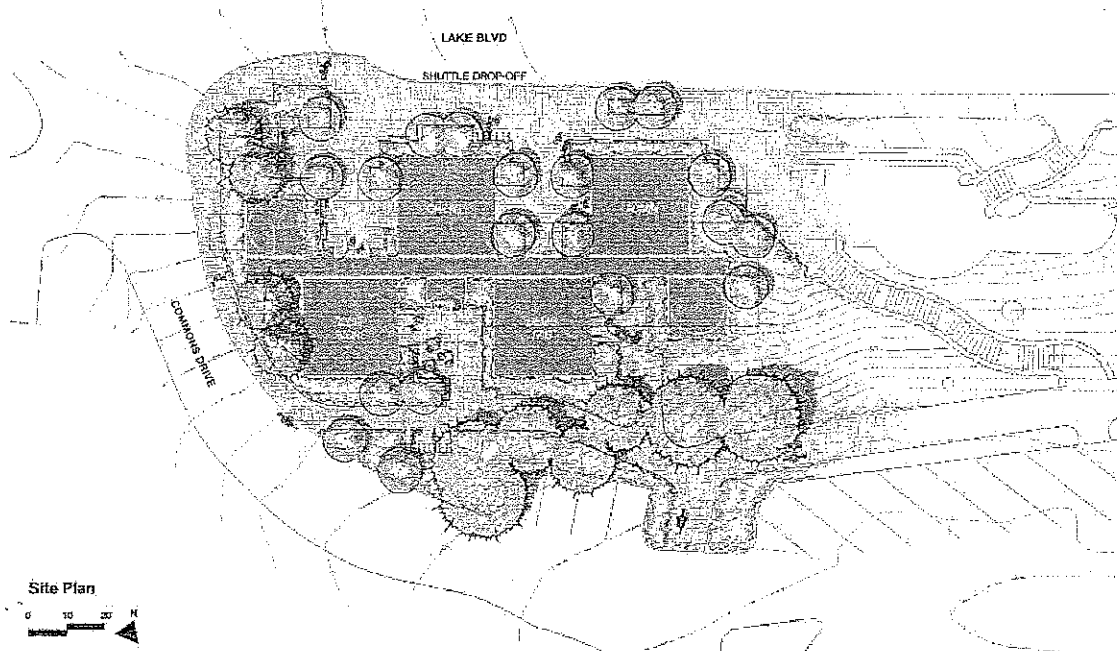
WEST COMMONS BEACH DEVELOPMENT



# Alter. # 3 Tahoe Experience Pavilions



Tahoe Experience Pavilions



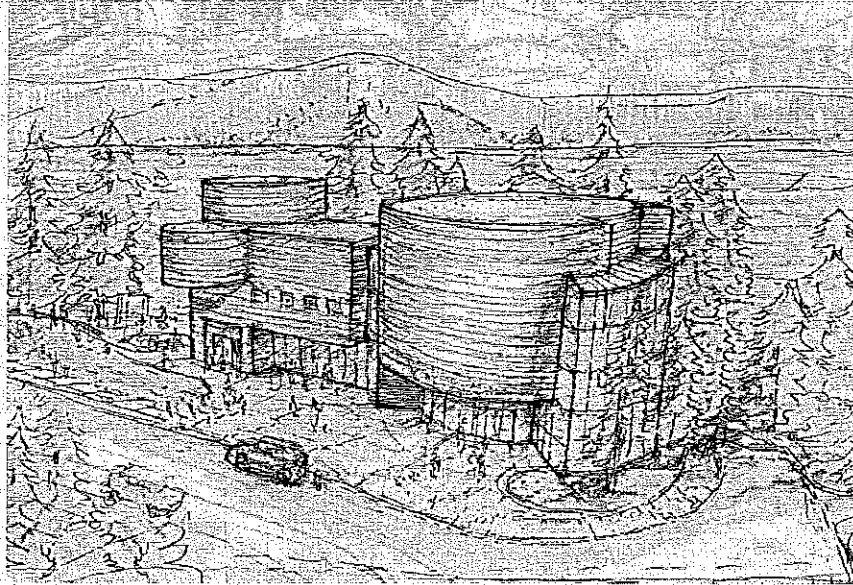
Site Plan  
0 10 20 30 ft



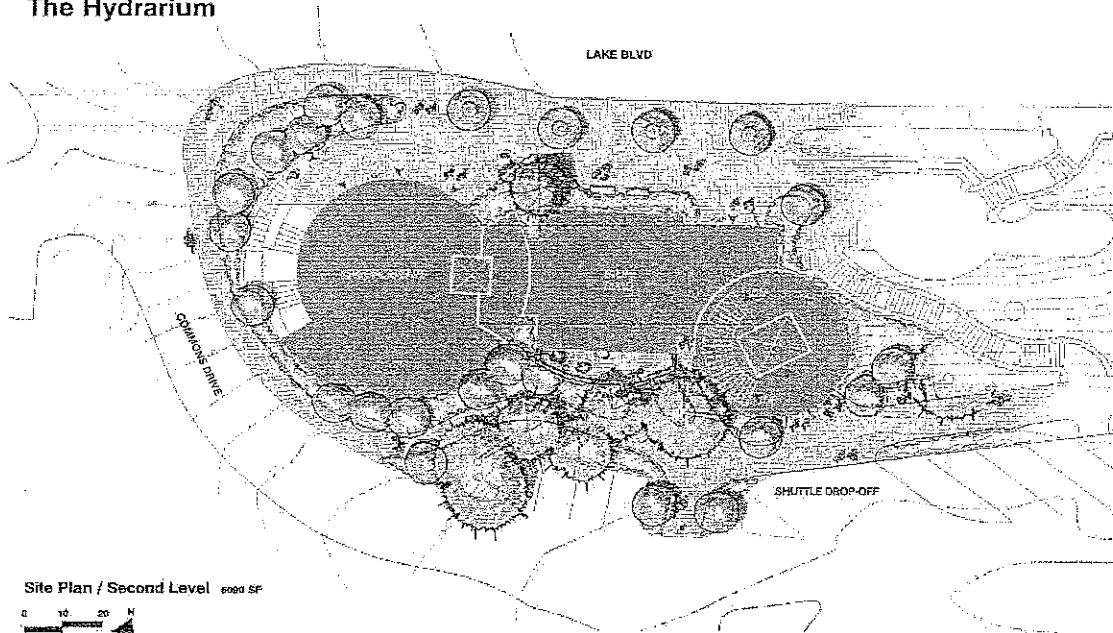
WEST COMMONS BEACH DEVELOPMENT



# Alter. #4: The Hydrarium



The Hydrarium



Site Plan / Second Level 6000 SF



WEST COMMONS BEACH DEVELOPMENT



# Public Workshop 10/17/2011

## West Commons Analysis Alternatives

Please rank the following alternatives:

<b>4 Alternatives</b>	<i>Really Like</i>	<i>Like</i>	<i>Neutral</i>	<i>Dislike</i>	<i>Really Dislike</i>
	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
<i>Alternative #1</i> <i>Fountain of the Lake</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Alternative #2</i> <i>Community Center Plus</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Alternative #3</i> <i>Tahoe Experience Pavilions</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Alternative #4</i> <i>The Hydrarium</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*Other Suggested Alternatives that Should be Considered* \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Comments you would like considered in the evaluation process:  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

*Please check as many as apply:*

I am  year-round resident  
 second homeowner  
 business owner  
 agency/organization representative of \_\_\_\_\_

Optional: *Name* \_\_\_\_\_  
*Email* \_\_\_\_\_  
*Mailing Address* \_\_\_\_\_

Check here to be notified of future meetings & updates on West Commons project

Kelli Twomey, Director of Resource Development & Community Relations  
 Phone: 530.583.3796 x21 • Email: [ktwomey@tcpud.org](mailto:ktwomey@tcpud.org)  
[www.tahoecitypud.com](http://www.tahoecitypud.com)





## north lake tahoe

Chamber | CVB | Resort Association

November 2, 2011

To: Board of Directors

From: Ron Treabess, Director of community Partnerships and Planning

Re: Reno Tahoe International Airport Welcome Center Scope of Service for Planning and Design of Eventual Build-Out and the Final Design for Phase One Improvements

### The Status

At the July Board meeting, the Board, and subsequently the Placer County Board of Supervisors, approved \$40,000 for first year improvements to the Welcome Center now operating at a minimal level in the Reno Tahoe Airport baggage claim area. The goal was, and still is, to have the entire space operable to inform visitors to "Explore North Lake Tahoe" and of the opportunity to ride the North Lake Tahoe Express. The timing to complete this first phase is the start of our winter transit service which is when the new NLTE service contract will be initiated. In order to meet this deadline, staff has selected a highly recommended consulting firm which has the ability to take a project from concept through graphic design and architectural specs, and if need be, exhibit fabrication and installation. The following Scope of Service is to have BANG! Creative, Inc. prepare the necessary concept master plan for the Welcome Center, and all Exhibit design, graphics, drawings and specifications. This \$14,652 contract (see Scope of Service and Quote), when completed, will have all necessary work prepared, including cost estimates, to initiate a separate contract to construct architectural changes to the space, as well as a contract to fabricate and install the exhibitry. After discussions with the County, it was understood that while these separate contracts must be done sequentially and not as one Scope, that BANG! Creative could also be considered for the fabrication and installation of the exhibitry, if shown to be most efficient and time saving,

### The Request

That the Board approve, as required in the Placer/NLTRA agreement, the Scope of Service authorizing BANG! Creative, Inc. to proceed with the Planning and Design of the Airport Welcome Center within the cost (\$14,652) and the schedule as proposed. It is understood that this funding is part of the funds already approved by the Board and Board of Supervisors for this project. If approved, a formal Letter of Agreement, which will include the tasks in the Scope, will be prepared to serve as a contract between BANG! Creative and the North Lake Tahoe Resort Association.

### The Scope of Service and Task Outline

The following Scope itemizes the tasks to be completed by BANG! Creative Inc. for the North Lake Tahoe Resort Association (NLTRA). The tasks include preparation of the concept master plan for the eventual build-out of, and the final design for phase one improvements to the North Lake Tahoe Welcome Center at the Reno Tahoe International Airport (RTIA). The plan and design will 1) encourage arriving passengers to visit the Center to "Explore North Lake Tahoe", 2) discover the option to ride the North Lake Tahoe Express, and 3) provide a more convenient location to confirm reservations and purchase tickets for the Express.

1. Project Launch Meeting and Site Survey
  - On site discussion with NLTRA, Airport, and Express staffs
  - Confirm objectives, concept messages, and space requirements
  - Perform site survey and analysis
  - Prepare existing conditions graphic and description

---

\$800
  
2. Phase One Design
  - Prepare draft concept and final design for review
  - Review draft with NLTRA staff
  - Prepare final concept and design document to guide graphic design, architectural improvements, and fabrication drawings

---

\$2,400
  
3. Concept Master Plan for Long Term Space Development
  - Prepare draft sketches of what Center can become in the future after Phase One is completed
  - Review draft with NLTRA staff, subcommittee, and RTIA
  - Prepare final master plan with CAD renderings

---

\$3,120
  
4. Graphics Design
  - Prepare graphics size, shapes, and spaces
  - NLTRA to provide content and images for informational and Interpretive messages to insert on graphics
  - Review with NLTRA staff and RTIA
  - Prepare final graphics design documents

---

\$2,880
  
5. Architectural Specifications
  - Prepare architectural plans and specs for space modifications which may include demolition and sheet rock repair, floor covering removal, carpeting, painting, ceiling treatment, lighting, utility locations, and counter/work space
  - Preparation of materials as necessary for permitting
  - Permit, fees and permit processing to be completed by NLTRA
  - Preparation of materials and cost estimate to enable NLTRA to initiate contract for modifications

---

\$400

6. Graphics Production
- Prepare actual graphics to be used in exhibit fabrication
- 
- \$2,000
- 
7. Fabrication Drawings
- Prepare exhibit fabrication and installation drawings and documents
  - Preparation of materials as necessary for permitting
  - Permit, fees and permit processing to be completed by NLTRA
  - Preparation of materials and cost estimates that will enable NLTRA to initiate contract for exhibit fabrication and installation
- 
- \$600
- 
8. Project Management
- Provide one lead point of contact to insure coordination between BANG! Creative, NLTRA, and RTIA
  - Insure that the each project task progresses to completion in concert with other tasks occurring simultaneously to stay within the project time frame
  - Insure that all drawings, documents, and other materials are in a format that can be manipulated and/or reproduced by the NLTRA as may be necessary
  - Insure that the project is ready for space modifications, exhibit fabrication and installation no later than December 1, 2011, unless otherwise notified by the NLTRA. It is understood that Interior remodel and exhibit installation schedule may be subject to permit restrictions/approvals by others and out of BANG! Creative/NLTRA control
  - Insure that the project costs remain within the agreed upon amount of \$14,652, which includes up to \$452 of incidental travel expenses
  - Any necessary changes to tasks, costs, or schedule must first be approved by the NLTRA staff before any such actions can be taken by BANG! Creative
- 
- \$2,000





**QUOTE  
QTE11017.1**

DATE: Oct. 21, 2011

ATTN: Ron Treabess (530) 581. 8735 PHONE  
 Director of Community Planning  
 ADDRESS: **North Lake Tahoe V & CB**  
 100 North Lake Blvd, Second Floor  
 P.O.Box 5459  
 Tahoe City, CA 96145

PROJECT: **Airport Visitor Center**

DETAILS:

<b>GRAPHICS DESIGN &amp; INTERIOR IMPROVEMENTS:</b>				
<b>PART ONE</b>	Project Launch Meeting & Site Survey		\$ 800	
	"December" Design	Concept & Final Design	\$ 2,400	
	Concept Master Plan	CAD Renderings & Plan	\$ 3,120	
	Graphics Design	Content & Images by Client	\$ 2,880	
	Architectural Specifications		\$ 400	
	Project Management		\$ 2,000	
	Fabrication Drawings		\$ 600	
	Graphics Production		\$ 2,000	
	<b>ONSITE SERVICES:</b>		Budget	Contractor T.B.D.
	Demolition & Sheet Rock Repair	\$ 1,100	\$ -	
Flooring Demo - Carpet & Painting	\$ 6,900	\$ -		
Track Lighting - Power by Client	\$ 1,800	\$ -		
	\$ 9,800	\$ -		
<b>EXPENSES:</b>			\$ -	
Airfare, Parking, milage	Reimburse by Client	\$	452	
<b>QUOTE TOTAL</b>			<b>\$ 14,652</b>	

TERMS: Signed Agreement & 50% Deposit to Iniate Project.

\$ 7,326 \* 50% Design Deposit - Initiate Project  
 \$ 5,861 \* 40% Payment - Upon Material Order  
 \$ 1,465 \* 10% Final Payment - Upon Completion

AGREED TO: \$ 14,652 Total Project Payments

**BANG! Creative, Inc.**  
 2385 Camino Vida Roble, #107  
 Carlsbad, CA 92011-1509  
 (760) 727-2004

\_\_\_\_\_  
 Ron Treabess - Director of Community Planning Date

# **North Lake Tahoe Membership Program Ideas**

## **Chamber Gift Certificates**

This would be a Gift Certificate sold through the Chamber at Information Center(s) to anyone for varying increments and good at any Chamber member business. There would be no fees to purchase or redeem and businesses would be reimbursed for full amount of certificate. Non-members would be allowed to accept only once and could use the gift certificate reimbursement towards their membership.

*Proposed timeline: Roll out December 2011/12 for Christmas Promotion*

## **New Database/Business Directory on Consumer Website**

We would purchase a Chamber membership software that will integrate with our accounting software, have a communications tool, develop an online searchable directory, create automatic referrals to individual businesses/industries, track membership drop/adds by a variety of fields, and be accessible by members for updating and changing profiles. Possibly look at changing from an anniversary billing date to a fiscal calendar billing cycle.

*Proposed timeline: Fully integrated software by March 2012, billing cycle change July, 2012*

## **Sustainable Business Program**

Develop a Tahoe Basin business certification program in conjunction with environmental groups with objective criteria to achieve certification at various levels. Charge a consultant fee to assist businesses with setting goals and identifying if certification has been reached. Certification would be recognized through publications and in Visitor Centers. Green e-letter and best practices luncheon of participants would be quarterly.

*Proposed timeline: 2012/13*

## **Wage and Salary Survey**

Work with hospitality industry to develop a comprehensive wage and salary survey that would provide information annually to participants to assist with hiring and wage levels locally.

*Proposed timeline: Fall 2012*

## **Member Polling**

Monthly polls of members through the Biz Bytes would provide some knowledge about issues of importance to the business community. Publication of results in following issues of Biz Bytes will help community and public officials with decisions that impact our economy.

*Proposed timeline: Spring 2012*

## **Small Business Development Center**

Provide business consultation and education for members on a scheduled basis to help existing businesses with operational questions or link new business start-ups with resources.

*Proposed timeline: Fall 2011*

### **Lodging Barometer**

Weekly sampling of occupancy for 3 – 10 day forecast of lodging types and geographic locations to be emailed to members weekly during peak seasons. This data will be helpful for restaurants and retailers to be able to anticipate staffing and inventory needs. It will also create a better understanding of impacts of events to lodging in the basin and an opportunity to forecast TOT collections YOY.

*Proposed timeline: June 2012*

### **Young Professional Network**

Work with young (under 35) or ‘young at heart’ professionals to develop a network organization. This allows the younger generations to more strongly engage in the community and develop leadership skills.

*Proposed timeline: 2013*

### **Business Outlook Breakfast/Lunch**

Develop quarterly chamber meetings with respected speakers from local industries (finance, real estate, lodging, ski area/recreation, retail/dining) talk about their current challenges and projections for the future, providing pertinent data to help attendees make better decisions.

*Proposed timeline: January 2012*

### **Hospitality Training**

Work first with local lodging to develop training on visitor services and resources (Fall 2011) then develop a community wide program for all businesses to include training, secret shopping opportunities, and awards/recognition each season.

*Proposed timeline: Develop in 2012 with full roll out by Winter 2012/13*

### **Networking and Other Ideas**

Some interesting ideas for networking events:

- Speed Networking
- Corks n’ Connections
- Brewing up Business

### **Other Ideas:**

- Member to Member discounts
- Social Networking – classes, groups, Linked In, Facebook, Twitter, etc.
- Expos: Health & Fitness, Home & Garden, Wedding, Tech Summit

ROBERT J. McCLINTOCK, CPA  
MICHAEL R. GRIESMER, CPA

SHARON FERREIRA, CPA  
BRENT GOUVEIA, CPA  
ERIC ALLEN, CPA

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

17400 NORTHWOODS BLVD.  
BUILDING B, SUITE 105  
P. O. Box 2468  
TRUCKEE, CA 96160  
TELEPHONE: 530-587-9221  
FAX: 530-587-4946

October 21, 2011

Ms. Sandy Evans Hall  
North Lake Tahoe Resort Association  
PO Box 1757  
Tahoe City, CA 96145

Dear Sandy:

This letter will confirm our understanding of the terms and objectives of our engagement and the nature and limitation of the services we will provide.

The procedures we will perform are solely to assist you in determining a count of the ballots voted in the 2011 North Lake Tahoe Resort Association Board of Directors election. We will determine the validity of the ballots based upon the instructions in the election procedures adopted by the Association.

We confirm to you that we are independent of Resort at Squaw Creek Condominium Association, as that term is comprehended under Rule 101 of the American Institute of Certified Public Accountants Code of Professional Conduct. We also confirm that we are in compliance with workers' compensation laws and that we maintain general liability insurance.

The procedures we will perform will not constitute an audit in accordance with generally accepted accounting principles, and consequently, no assurance on the Association's financial statements or any element of the financial statements will be given as a result of the performed procedures.

The fees for our services will be based on our normal hourly rates and will include any out-of-pocket expenses. We will plan to count the ballots at the NLTRA Offices.

North Lake Tahoe Resort Association  
October 21, 2011  
Page 2

If the foregoing is in accordance with your understanding, please sign the enclosed copy of this letter and return it to us. We appreciate the opportunity to be of service to the Association.

Sincerely,

*McClintock Accountancy Corporation*  
McCLINTOCK ACCOUNTANCY CORPORATION

You are hereby authorized to proceed with the services outlined above.

NORTH LAKE TAHOE RESORT ASSOCIATION

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date





## north lake tahoe

Chamber | CVB | Resort Association

**NORTH LAKE TAHOE RESORT ASSOCIATION  
BOARD OF DIRECTORS MEETING  
October 5, 2011  
Tahoe City Public Utility District Board Room  
MINUTES**

**ATTENDANCE:** Ron McIntyre, Allen Highfield, Ron Parson, Phil GilanFarr, Kali Kopley, Alex Mourelatos, Wally Auerbach, and Barb Cohen. Roger Beck arrived at 8:34 AM. Jennifer Merchant arrived at 8:38 AM. Kali Kopley left the meeting at 10:39 AM.

**NOT PRESENT:** Deanna Gescheider, Julie Regan, and Andy Wirth

**STAFF IN ATTENDANCE:** Sandy Evans Hall, Ron Treabess, Kym Fabel, and Andy Chapman

**OTHERS IN ATTENDANCE:** Jan Colyer, Steve Kastan, Marguerite Sprague, Matt Homolka, Brian Handley, and Les Pedersen

### **A. CALL TO ORDER - ESTABLISH QUORUM**

The meeting was called to order at 8:33 AM by Chairman Ron McIntyre and a quorum was established.

### **B. AGENDA AMENDMENTS AND APPROVAL**

#### **1. Agenda Additions and/or Deletions**

There were no changes to the agenda.

#### **2. Approval of Agenda**

**M/S/C (Parson/Kopley) (8-0-0) to approve the agenda as presented.**

### **C. PUBLIC FORUM**

Jan Colyer of the Truckee North Tahoe Transportation Management District (TNT TMA) reported she continues to investigate options for year-round transit service on Highway 267.

### **D. REPORTS & ACTION ITEMS**

#### **3. Contract with Placer County - Sandy Evans Hall**

Sandy Evans Hall presented the revised contract.

**M/S/C (Cohen/Kopley) (8-0-0) to approve the contract with Placer County as presented.**

#### **4. Tahoe City Golf Course – Phil GilanFarr**

Phil GilanFarr reported on a meeting with representatives from NLTRA, Tahoe City Public Utility District (TCPUD), Placer County Redevelopment Agency, and California Tahoe Conservancy (CTC) to clarify the proposed purchase of the Tahoe City Golf Course and the role each entity may play. Items to be considered during the due diligence phase of the purchase include potential uses of the property, environmental studies, the title report, and the appraisal. It was also noted that the property is not included in the Community Plan. A Letter of Intent (LOI) is being developed to clarify all agencies' role in the due diligence phase.

GilanFarr explained how the due diligence tasks were divided to the appropriate “responsible party.” NLTRA is being asked to contribute \$21,200 to fund Phase 1 Environmental Studies and an American Land Title Association (ALTA) survey, which relate to NLTRA stated goals. Discussion followed regarding the sales price of the property, potential uses of the land, contributions from other funding partners, and NLTRA’s role in future uses of the property.

**M/S/C (Parson/Cohen) (8-0-2 abstentions from Auerbach and Merchant) to approve \$21,200 of Research and Planning Funds to assist in due diligence resource studies, particularly to fund the Phase 1 Environmental Site Assessment and the ALTA survey to determine appropriateness of public partnership purchase of the Tahoe City Golf Course.**

Discussion continued regarding getting the property included in the TRPA Master Plan, noting Placer County’s upcoming Community Plan process.

**M/S/C (Parson/GilanFarr) (10-0-0) to direct staff to write letters of support to Placer County and TRPA to include the Tahoe City Golf Course in the Community Plans and Master Plan. Further, to support Placer County’s process for a Community Plan that includes the extended community of Tahoe City.**

#### **5. Regional Skier Shuttle Program – Ron Treabess**

Ron Treabess presented the information in the Board packets regarding renewed efforts to develop a coordinated skier shuttle that would include North Tahoe, Truckee, and Donner Summit. It was hoped this program could begin this winter. Although that will not be possible, the twelve partners are still committed to the program and have agreed that the current planning efforts need to continue in order to implement the program next winter. The TNT TMA will develop a revised proposal for Board review. No action is requested today.

#### **6. Supplemental Operating Procedures and Policies - Sandy Evans Hall**

Sandy Evans Hall presented the document with revisions per Board direction.

**M/S/C (Parson/Kopley) (10-0-0) to approve the Supplemental Operating Procedures and Policies/Bylaw Revisions as presented.**

#### **7. Election Committee Appointments - Ron McIntyre - 1 board member minimum, 3-7 members total, 5 board positions open: At Large, Real Estate/Property Management, Ski Area, Recreation, Small Lodging**

Ron McIntyre reported there are five Board seats to be filled this year.

**M/S/C (Parson/Cohen) (10-0-0) to appoint Ron McIntyre, Phil GilanFarr, and Roger Beck to the Election Committee.**

#### **8. Special Events Grant Allocation Recommendation – Kali Kopley**

Kali Kopley referred to the recommendations made by the Special Events Grant Task Force to grant \$46,250 to local events. Ron Parson added that although not all events actually take place in Placer County, such as a golf event and those at Sugar Pine Point State Park, they do generate lodging in Placer County. The reporting process from those receiving grants was discussed.

**M/S/C (Parson/Highfield) (10-0-0) to approve the FY 2011/12 Special Event Grant allocations totaling \$46,250 as presented.**

#### **9. Updates on the North Lake Tahoe Marketing Cooperative FY 2011/12 and the San Diego Winter Ski Cooperative Plan – Les Pedersen, Marketing Committee Chair**

Les Pedersen, Marketing Committee Chair and Chair-Elect of the Marketing Cooperative Board, presented the proposed marketing and media plans, as well as the draft FY 2011/12 Co-op budget. Discussion followed regarding the focus of the marketing. Phil GilanFarr asked that consideration be given to driving business at the Lake during the winter, when it seems most of the focus is on the ski areas and Villages. Les Pedersen and Andy Chapman explained the efforts to emphasize Nordic skiing and snowshoeing in the basin. There are initiatives to push lakeside businesses in the winter and ski areas in the summer. Discussion continued regarding promoting the area to the drive market, the target markets, including San Diego and possibly Texas, and how the Co-op budget is approved. It was noted that only the proposed San Diego plan was included in the Board packets. **ACTION: The full Co-op Marketing Plan will be sent to the Board. ACTION: The Cooperative Marketing budget will be on next month's agenda for Board action.**

**10. Conflict of Interest Policy – Review of board policy and legal opinion for clarification – Ron McIntyre/Brian Hanley - Porter Simon**

Sandy Evans Hall said Association Counsel Brian Hanley of Porter Simon has been invited to address the Board regarding the NLTRA Conflict of Interest policy. Brian Hanley outlined general conflict of interest issues, recommending that if specific issues are to be discussed, the Board should adjourn into Closed Session in order to protect confidentiality. Discussion followed as the NLTRA Conflict of Interest policy was clarified, how material financial interests should be disclosed and determined. If a possible conflict is disclosed by a Board member, that person leaves the room while the rest of the Board votes on whether or not there is actually a conflict. Wally Auerbach asked if the policy extends to Board members and others sitting on NLTRA Committees. Brian Hanley stated that if Committee members are only making recommendations to the Board, they are not governed by the Policy. He believes the Policy would be in effect for Board members sitting on the Committee, given they would need to remove themselves from the issue at the Board meeting.

Jennifer Merchant stated Placer County helped draft the current Conflict of Interest policy. She added that the mere perception of a conflict can create significant problems in the community. Ron McIntyre asked if changes should be made to the current policy. Brian Hanley replied the policy as written serves its purpose, but if the Board feels it is too cumbersome, given the additional voting process required, revisions could be made to narrow the definition of "material financial interest." Discussion continued regarding implementation of the current policy and minor changes to streamline the disclosure and recusal process. **ACTION: Wally Auerbach, Ron McIntyre, and Sandy Evans Hall will submit proposed revisions to the Conflict of Interest policy for Board and Counsel review and possible Board action.**

**11. October 17, 6 – 8 p.m. Granlibakken – Joint Board Meeting with TCPUD and public on West Commons (Firehouse) alternatives**

Ron McIntyre reminded the group of the upcoming Joint Board meeting.

**12. October 25, 6 p.m. North Tahoe Event Center – Town Hall Meeting on Community Plan Update – Looking for board participation on zoning/design teams**

Sandy Evans Hall reported this meeting will be the beginning of the Community Plan update process. There are five zone areas and she would like NLTRA Board members or staff on each zone area committee.

**13. Barb Cohen resignation – Thank You for your service!**

Barb Cohen is moving to Palm Springs to run the family business. She addressed the Board, saying how much she has appreciated participating with NLTRA. Ron McIntyre presented a plaque thanking Barb and her husband Marty for all they've done for our community.

**E. CONSENT CALENDAR – MOTIONS**

Ron Parson asked that Items E15 and E16 be pulled for discussion

**M/S/C (GilanFarr/Merchant) (9-0-0) to approve the Consent Calendar with the exception of Items E15 and E16.**



14. Board Meeting Minutes – September 7, 2011
15. Financial Statements – June 30, 2011
16. Financial Statements – July 31, 2011
17. Joint Infrastructure/Transportation Committee – September 26, 2011
18. Marketing Committee – September 27, 2011
19. Conference Sales Reports
20. Infrastructure/Transportation Activity Report – September 2011
21. Chamber of Commerce Committee – NO SEPTEMBER MEETING
22. September Chamber of Commerce Business Plan Progress Report – NO REPORT
23. Group Sales Director Sub Committee – NO SEPTEMBER MEETING
24. Lodging Committee – NO SEPTEMBER MEETING
25. Finance Committee – September 6, 2011

ITEM E15: Ron Parson noted changes to the June 30, 2011 financial statements showing a net loss in Chamber revenue due to lower membership sales.

**M/S/C (GilanFarr/Highfield) (9-0-0) to approve Item E15.**

Item E16: Allen Highfield noted the budget numbers on the July 31, 2011 financial statements are incorrect. **ACTION: The budget numbers will be corrected and this item resubmitted for Board action.**

**M/S/C (Parson/Beck) (9-0-0) to table action on Item E16.**

#### **F. CHAMBER OF COMMERCE REPORTS**

##### **26. Chamber Activities and Events – Annual Meeting October 27 at North Tahoe Event Center**

Kym Fabel thanked Alex Mourelatos for the use of his Board room for the Chamber Education Classes. She noted the upcoming North Tahoe Truckee Leadership breakfast. The Annual Chamber Membership Luncheon will feature presentations regarding the changes in ownership of the local ski areas, as well as changes in the industry overall.

#### **G. DIRECTORS' COMMENTS – Economic Development, The Prosperity Center, Legislative Action**

Sandy Evans Hall reported she and Alex Mourelatos attended the Economic Development meeting in Roseville. Alex Mourelatos said that Board enthusiastically supported items that tag North Lake Tahoe and areas of overlap with our area. There is opportunity for North Lake Tahoe to access funds from the Economic Development Revolving Loan program.

Sandy Evans Hall attended the recent Prosperity Center meeting. Their item of focus is the Community Plan update.

Sandy Evans Hall reported the proposed “fitted sheet” legislation is dead for now and the helmet bill was vetoed by Governor Brown.

#### **H. MEETING REVIEW AND STAFF DIRECTION**

Allen Highfield said the Ritz was caught off guard with the recent Tough Mudder event in Squaw. A lot of area businesses received customers from the event, although there was not much notice that over 16,000 participants and spectators would be in the area. Phil GilanFarr added he was also happily overwhelmed and had his highest “to go” pizza day ever. He suggested that NLTRA needs to take a look that that event and similar ones to see how to be pro-active and take advantage of the opportunities presented.

Phil GilanFarr asked NLTRA to push hard to get Caltrans to be part of the community and discuss their plans. He cited the recent weekend paving work done in Tahoe Vista that caused massive traffic congestion and

installation of sidewalks in that area without discussing it with local businesses. Alex Mourelatos reported on discussions about providing visitors and residents with better winter traffic information. **ACTION: Sandy Evans Hall will compile a list of items that the legislative analyst may be able to help with.**

Ron Parson reported he and Allen Highfield have met with Placer County and determined five steps to determine conference equity, including analyzing what equity in this case is and how to compile data to ensure it is met. He will report to the Finance Committee and the NLTRA Board in more detail at a later date.

Sandy Evans Hall reviewed staff action items from today's meeting.

**I. CLOSED SESSION**

**a. NLTRA Lease Options**

Closed Session was not convened.

**J. RECONVENE TO OPEN SESSION**

**K. ADJOURNMENT**

The meeting adjourned at 11:18 AM.

Submitted by

Judy Friedman, Recording Secretary

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