



Finance Staff Report

Date: 9/28/17

TO: NLTRA Finance Committee

FROM: Al Priester, Director of Finance and Human Resources

RE: Aug 2017 Financial Statements

The Aug 2017 Financials in the Finance Committee packet for the September 28, 2017 meeting are being presented as **pre-audit drafts** starting on page 63 in the Finance Committee Packet and include: a detailed NLTRA Comparative Balance Sheet with A/R and A/P Aging's, a Membership A/R Aging, a Comparative Current Month Profit & Loss, and a Current Month Profit & Loss by Class. No Budget vs Actuals reports are provided as the August detail budget is still under reconciliation with the six month County contract. Also included are a NLTMC Comparative Balance Sheet with A/R and A/P Aging's, a Comparative Current Month Profit & Loss and a current Month and YTD Budget vs Actual.

Important points to note at August 31, 2017 are:

- Total Cash on Hand of \$878,759 remains strong and compares to prior year Cash on Hand of \$768,168.
- A/R decreased from \$46,097 to \$33,752, a 27% reduction. A/R over 90 days delinquent decreased \$1,121 to \$9,375 from the prior month's \$10,496. These are hotel property invoices deemed collectible with no reserve being established.
- Membership A/R declined 27% from \$18,550 to \$14,130. Over 120 days delinquent decreased from \$8,255 to \$7,060 MOM. We expect to collect 70% of this amount and will be adequately reserved for non-collectible.
- A/P are at \$50,111 with no A/P delinquent more than 90 days.
- Acct 2800-Suspense has a balance of \$1,767 which is primarily a deposit Eventbrite that has not been allocated.
- Monthly profit of \$46,295 translates to expenditures under budget for the month.
- The Profit and Loss by Class is useful in gauging where each Department is in relation to their budget. Conference, VIC and Membership are over budget for the month while all others are under budget.
- Membership has a month loss of \$1,921 after Administrative overhead. Losses in Membership will reduce Retained Earnings. YTD Membership has lost \$4,220. Retained Earnings at the beginning of the year, before Audit

adjustments, was \$4,073, a deficit of \$147. The County has continually asked the question of how the NLTRA can operate Membership at a deficit and not be using TOT funds. The answer is the NLTRA invoices Membership dues annually, collects those dues, i.e. cash in the bank, but only recognizes 1/12th of the dues as income monthly. The difference between what has been collected monthly versus what is recognized as income monthly, is posted to Deferred Revenue in accordance with GAAP. The balance in the Deferred Revenue account represents the cash sitting in the bank account that has not yet been recognized as revenue. That cash is not TOT funds. To the extent that Membership's losses do not exceed the balance in Deferred Revenue, Membership is not using TOT funds. Deferred Revenue over the last 12 months has ranged from a low of \$31,665 in December to a high of \$103,080 in January.

Action requested: No Action requested due to these financials being pre-audit drafts.