

Accounting Staff Report for April 30, 2016 NLTRA Financials presented to the Board of Directors on June 1, 2016.

Included in the packet for this month's meeting are North Lake Tahoe Resort Association (NLTRA) Financial Statements for the Month of April 2016 including a Balance Sheet, Profit & Loss Statement, A/R & A/P Agings, a YTD P&L, YTD P&L by Class (Dept.), P&L Budget Performance and YTD Budget vs Actual by Class (Dept.). These financials were not approved by the Finance committee as it was their decision to have the accounting department continue to make corrections and adjustments that had not been made by the time of their meeting due to the extensive efforts required to modify the TOT Receipts allocation to TOT departments. The allocation during my tenure had been done on the basis of what was done during the first quarter of FY 15-16, which was represented to me as being accurate. In fact, the allocation had not taken into account the significant budget reduction within the Transportation Department for FY 15-16 and produced a YTD \$250K gain for Transportation and a YTD \$15K loss for Marketing. This has been corrected by using an allocation formula that is directly related to the FY 15-16 TOT Budget.

Below are comments and explanations for material amounts and/or anomalies or incongruent balances or amounts.

March 31. 2016 Balance Sheet

- All cash accounts have been reconciled.
- TOT receipts increased \$40K due to a partial payment by Placer County for a Fund Balance rollover from FY 14-15.
- A/R has a large negative balance due to May's County TOT payment being deposited on April 28th. For early payments in the future an entry to defer the receipt will be made.
- Acct 1299 is used to record credit card transactions that are incurred on behalf of North Lake Tahoe Marketing Corporation (NLTMC) and are due NLTRA. NLTMC has adequate funds to pay these.
- Prepaid Expenses and A/P increased \$50K in April due to an accrual for the Tough Mudder event that will be paid in May and expensed in June.

March 2016 Profit & Loss

- Salaries and Wages are higher than normal as there were three paydays in April.
- Acct 5920 Professional Fees are higher than normal due to costs incurred for reconciliation work and temporary help to fill the still vacant Staff Accountant position. These costs are offset by lower employee costs and an increase of \$15,000 to the budget. We are close to filling the position on a permanent basis.
- A full accounting for the April Awards Dinner is currently underway.
- Acct 8930 is a new account authorized by the Finance Committee and Placer County to record reconciling transactions from prior years.

A/R and A/P Agings

- There are many negative and over 90 Day account balances being reflected in this report. This is due to the previous practice of using General Journals to post payments or correct balances which produces a zero balance in total, but not in detail. This will take time to sort out but does not affect the total amount due and payable.

YTD Profit & Loss by Class (Dept.)

This is the first month that we have been able to produce a YTD Budget vs Actual report where the TOT Receipts and Administration Expense allocations are correct. Both the TOT Receipts and Administration Expense allocations have been carried back through each month to provide for correct period reports and year-to-year comparisons in the next fiscal year.

Budget vs Actual Reports

- The budget that has now been entered into QB for this fiscal year including payments by the County for Fund Balance Rollover. This is the first month that managers have had an opportunity to thoroughly review Budget vs Actual reports without nonsensical variances.
- The current Budget vs Actual reports are lengthy and cumbersome, primarily due to a very large chart of accounts. We will be working to reduce the size of the chart of accounts with the next budget cycle and can then also begin to utilize enhancements in QB reporting capabilities that eliminate zero balance accounts and consolidate sub accounts.