

North Lake Tahoe Resort Association

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

For the Year Ended June 30, 2013

- A. Introduction of firm.
- B. Unqualified 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. There are no significant estimates.
 - Significant adjustments – There were six audit adjustments proposed as a result of the current year audit; all of which will likely be accepted pending final review by NLTRA staff. The adjustments related primarily to balance sheet reporting of the infrastructure funds held by Placer County.
 - 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

Placer County, California

Draft

INTERNAL CONTROL REPORT

June 30, 2013

INTERNAL CONTROL REPORT

To the Officers and Directors
North Lake Tahoe Resort Association

In planning and performing our audit of the financial statements of North Lake Tahoe Resort Association as of June 30, 2013, 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 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.

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.

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.

This letter does not affect our report dated _____, 2013, on the financial statements of North Lake Tahoe Resort Association.

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
November 22, 2013

Draft