



north lake tahoe

Chamber | CVB | Resort Association

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FINANCE COMMITTEE

Thursday, October 26, 2017 at 3:00 pm.

NLTRA - Visitor Center Conference Room

PRELIMINARY MINUTES

COMMITTEE MEMBERS IN ATTENDANCE: Christy Beck, David Brown, Ramona Cruz via telephone, Chad Fenstermacher via telephone and Mike Salmon via telephone.

COMMITTEE MEMBERS NOT PRESENT: Eric Pilcher and Erin Casey.

RESORT ASSOCIATION STAFF: Al Priester, Cindy Gustafson, Ron Treabess and Lauren Sully.

OTHERS IN ATTENDANCE: None.

A. Call to Order – Establish Quorum:

- Christy Beck called the meeting to order at 3:06 pm and a quorum was established.

B. Public Forum: None.

C. Agenda Amendments and Approval. (MOTION)

M/S/C (Ramona Cruz/Mike Salmon/4-0-0)

D. Approval of Finance Committee Meeting Minutes for June 22, 2017 and September 28, 2017. (MOTION)

M/S/C (Dave Brown/Mike Salmon/4-0-0)

E. REVIEW ACTION ITEMS:

Action Item 4: QuickBooks A/R customer and A/P vendor reconciliation. [Ongoing]

- 10/26/17 Meeting: Still ongoing, will have to make a decision down the road to either get these reconciled or get new books.

Action Item 9: Al to confirm Administration allocation for 2016-2017.

- 10/26/17 Meeting: Will be resolved once we have the final budget from the County, which we are close to approaching. We will be making a recommendation in total and will be able to break that out by the departments and by month within the next week. Should be closed out by next meeting.

Action Item 14: From 10/27/16 Finance Committee Meeting, Memo of Management's Position on Accounting Policies.

- 10/26/17 Meeting: Will soon be receiving an Auditor's Memorandum, which will have some impact on these positions that we will want to document. We did as a Finance Committee agree to change procedure with respect to commissions, both commissions receivable and payable in our last meeting. Would like to recap this particular item with input from the audit at our next Finance Meeting.

Action Item 20: December Financials to include a comparative balance sheet for current month (detail), last month (summarized) and last year's year-end audited balances.

- 10/26/17 Meeting: We have about 20 client adjusting entries, which we knew going in. We have to identify them to the Auditor's or they become audit adjustments. There will also be some audit adjusting entries to finalize things that we haven't done in the past, one being the calculation of the marketing reserve. The auditors did it last year and will do it this year, but what they have represented is that they will give me their working papers so that we can do it next year prior to the audit commencing. As well as some of their closing entries. There are a number of adjustments that will be reflected in the statements coming out and we will have those in time to have June - October Financials ready for the November Finance Meeting on November 30th.

Action Item 21: Contract negotiation for 17/18 to address holding accounts for refunds and expenses from the prior year at a specified date.

- 10/26/17 Meeting: No Discussion.

Action Item 23: Provide explanation of incongruity in commission revenue decreasing year over year while commission expense to employees increased year over year.

- 10/26/17 Meeting: No Discussion.

F. Discussion of September 2017 Pre-Audit Draft Financial Statements.

- Total Cash on Hand of \$1,081,158 remains strong and compares to prior year Cash on Hand of \$856,600.
- A/R increased slightly from \$33,752 to \$36,091. A/R over 90 days delinquent increased \$6,639 to \$16,014 from the prior month's \$9,375. These are hotel property invoices deemed collectible with no reserve being established.
- Membership A/R declined 33% from \$14,130 to \$9,450. Over 120 days delinquent decreased from \$8,255 to \$5,265 MOM. A bad debt write-off of \$2,768 was recognized in Sep.
- A/P are at \$280,045 with minimal A/P delinquent more than 90 days. A/P balance is primarily a \$141,000 Marketing Co-op invoice paid Oct 2nd, and a \$72,628 Vail invoice received Sep 26th.
- YTD profit of \$35,461 translates to expenditures under budget for the three months ended Sep 30.
- The Profit and Loss by Class is useful in gauging where each Department is in relation to their budget. Marketing, Conference & VIC are looked at in total for purposes of any over budget funds being paid back to the County at year-end and are under budget by \$38,799 YTD. Membership is over budget by \$14,632 for the period.
- Losses in Membership will reduce Retained Earnings. YTD, Membership has lost \$14,632. Retained Earnings at the beginning of the year, before Audit adjustments, was \$4,073, a deficit of \$10,559. 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, 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. The balance of Deferred Revenue at Sep 30, 2017 is \$46,230.
- Still finalizing the 12 month budget for fiscal year 2017.2018, which we can properly allocate and get into QuickBooks and will have Budget vs. Actuals for the next meeting.
- Discussion of G + A Allocation. (Look into and discuss further with County how the G + A Allocation should be distributed - current calculation done by the County years ago). Multiple ways to calculate; on expense or income, etc. Membership has 5% expense and 8% admin overhead allocation. Should be on expenses because the Chamber income changes and our goal is to increase revenue and build up the reserve.

NEW ACTION ITEM: G + A Allocation Distributed (how was the current allocation calculated, moving forward possibly changing it to be distributed by revenue or expense).

- A draft audit report will be included in the finance packet and the Auditors will review at the finance meeting. Once the Finance Committee approves the Audit, it goes to the Board. Cindy suggested that the Auditors meet with either the Board or Finance Committee without staff present. Ramona mentioned that at the TCPUD they would have the Auditors meet with the Board or Committee a few minutes prior to the regular meeting without staff present.
- This will be our last year with McClintock based on a 5 year term per the contract with the County. We will have to make decisions for next year, which should happen relatively quickly in order to be working with new Auditors.

NEW ACTION ITEM: RFP for new Auditors.

- Eric Pilcher has been extremely busy. (Need to check on getting replacement).

NEW ACTION ITEM: Monty Waugh needs to be taken off the Committee since he moved to Colorado. Send Form 700 to Christy to pass along to Monty. Also need a formal resignation.

G. Discussion of First Quarter Marketing Cooperative Financial Statements

- YOY expenses are significantly higher because of timing.

H. Supplemental Information

- September 2017 Dashboard Report

I. Approval of September 2017 CEO Expenses (MOTION)

M/S/C (Ramona Cruz/Dave Brown/4-0-0)

J. Committee Member Comments

- None.

K. Adjourn

- Finance Committee Meeting was adjourned at 4:12 pm.



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MEMO

To: NLTRA Finance Committee

Cc: File

From: Al Priester, Director of Finance and Human Resources

Date: November 30, 2017

Re: Staff Action Items

Staff Action Items That Remain Open:

ACTION ITEM 4: QuickBooks A/R customer and A/P vendor reconciliation. Ongoing, may require setting up new books.

- 10/26/17 Meeting: Still ongoing, will have to make a decision down the road to either get these reconciled or get new books.

ACTION ITEM 9: AI to confirm Administration allocation for 2016-2017.

- Negotiations are ongoing with the County. Will not be going back to 15/16, address this and make changes.
- 11/29/16 Meeting: Ongoing as we negotiate the 17/18 Contract. Something to continue to talk about. Keep this item on here.
- 12/22/16 Meeting: Ongoing.
- 2/23/17 Meeting: On-going
- 3/30/17 Meeting: Ongoing with Erin at the County. Ongoing - S/B resolved by next few meetings.
- 6/22/17 Meeting: in midst of one month and six month contract negotiations with Placer County; deferred.
- 9/01/17 Meeting: Ongoing, it has been the County's request to re-look at the allocation percentage for each department to allocate administration department at the end of each month and year. (Al recommended to do it by revenue, can either take revenue total or expenditure total). Need to check with Erin to make sure that is okay.
- 10/26/17 Meeting: Will be resolved once we have the final budget from the County, which we are close to approaching. We will be making a recommendation in total and will be able to break that out by the departments and by month within the next week. Should be closed out by next meeting.

ACTION ITEM 14: From 10/27/16 Finance Committee Meeting, Memo of Management's Position on Accounting Policies.

- 11/29/16 Meeting - Discussion: Still open. Trying to have that complete for packet going to the board so that it can be approved for part of our policies and procedures. Will present it at the December Finance Committee Meeting so it can be reviewed prior to taking it to the board in January.
- 12/22/16 Meeting: Due to it being a short month, push forward to next month. No pressing issues.
- 2/23/17 Meeting: Due to IT Consultant's deletion of QB files, deferred until recovery complete.
- 3/30/17 Meeting: Was on hold while recovering financials in QB. Ongoing. Will be completed before end of audit field work.
- 9/01/17 Meeting: Still open and will be completed before the auditors start field work on 9/18/17.
- 10/26/17 Meeting: Will soon be receiving an Auditor's Memorandum, which will have some impact on these positions that we will want to document. We did as a Finance Committee agree to change procedure with respect to commissions, both commissions receivable and payable in our last meeting. Would like to recap this particular item with input from the audit at our next Finance Meeting.

ACTION ITEM 20: December Financials to include a comparative balance sheet for current month (detail), last month (summarized) and last year's year end audited balances. Due to IT Consultant's deletion of QB files, deferred until recovery complete.

- 3/30/17 Meeting: Lost our ability to get this report, Lower priority
- 9/01/17 Meeting: Deferring until recovery is complete. Although the data recovery is complete, the auditing of that information is not. Everything is stamped pre-audit because we are still finishing our audit prior to the auditors coming in. The revenues got recorded on last year percentages and not the July budgeted percentages, so these P&L Budget vs. Actual reports differ from the financials that are in the packet in terms of revenues, not expenses. (Should happen after the audit.)
- 10/26/17 Meeting: We have about 20 client adjusting entries, which we knew going in. We have to identify them to the Auditor's or they become audit adjustments. There will also be some audit adjusting entries to finalize things that we haven't done in the past, one being the calculation of the marketing reserve. The auditors did it last year and will do it this year, but what they have represented is that they will give me their working papers so that we can do it next year prior to the audit commencing. As well as some of their closing entries. There are a number of adjustments that will be reflected in the statements coming out and we will have those in time to have June - October Financials ready for the November Finance Meeting on November 30th.

ACTION ITEM 21: Contract negotiation for 17/18 to address holding accounts for refunds and expenses from the prior year at a specified date.

- 3/30/17 Meeting: In process, ongoing.
- 9/01/17 Meeting: Through two contract negotiations, July 31 (one month) and Jan 31 (six months), we have yet to address a holding account for refunds and expenses. For ex, we are getting some refunds and additional invoices for 16/17 that has happened in the past six months beyond the close of the year and long after the audit has been completed. (Typically below \$10k). We started a holding account.
- 10/26/17 Meeting: No Discussion.

ACTION ITEM 23: Provide explanation of incongruity in Commission revenue increasing year over year while Commission expense to employees increased year over year.

- 6/22/17 Meeting: Flesh out roles and goals for commissions policies and procedures. Coordinate meeting with Christy Beck and Conference staff.
- 9/01/17 Meeting: Need to have a meeting with Christy Beck and the staff. There are a lot of mechanisms that are not understood by NLTRA staff and hotel accounting departments.
- 10/26/17 Meeting: No Discussion.

NEW ACTION ITEM 24: G + A Allocation Distributed (how was the current allocation calculated, moving forward possibly changing it to be distributed by revenue or expense).

- 10/26/17 Meeting: Discussion of G + A Allocation. (Look into and discuss further with County how the G + A Allocation should be distributed - current calculation done by the County years ago). Multiple ways to calculate; on expense or income, etc. Membership has 5% expense and 8% admin overhead allocation. Should be on expenses because the Chamber income changes and our goal is to increase revenue and build up the reserve.

NEW ACTION ITEM 25: RFP for New Auditors.

- 10/26/17 Meeting: This will be our last year with McClintock based on a 5 year term per the contract with the County. We will have to make decisions for next year, which should happen relatively quickly in order to be working with new Auditors.

NEW ACTION ITEM 26: Monty Waugh needs to be taken off the Committee since he moved to Colorado. Send Form 700 to Christy to pass along to Monty. Also need a formal resignation.



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Finance Staff Report

Date: 11/30/17

TO: NLTRA Finance Committee

FROM: Al Priester, Director of Finance and Human Resources

RE: Dec 4, 2017 Finance Committee Meeting

The fiscal year 2016-2017 draft audited financial statements will be presented by McClintock Accountancy Corporation at the Dec 4, 2017 Finance Committee Meeting. Management has reviewed and agreed with all client and audit adjustments and is in the process of posting those adjustments to our books. The adjustment for Deferred Revenue is in conjunction with the Auditor's recommendation to modify our methodology to provide for more accurate reporting. As such, both Income Statement and Balance Sheets for fiscal 2017-2018 need revision and October's financial statements are not being presented for review or approval. The revisions are not material in nature and all revised 2017-2018 financials will be presented at the next regularly scheduled Finance Committee meeting.

The fiscal 2017-2018 Annual Budget by Department has been completed including an Attachment C reconciliation that provides final contract numbers for presentation to Placer County.

Action requested: Review and approval of the Draft Audited June 30, 2017 NLTRA Financial Statements. Review and approval of the 2017-2018 Annual Budget and final Attachment C for completing the five month contract ending June 30, 2018 with Placer County.

North Lake Tahoe Resort Association, Inc.

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

For the Year Ended June 30, 2017

- 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 twenty-eight audit adjustments proposed as a result of the current year audit, including twenty by management, compared to fourteen in prior year, two of which were proposed by management. All adjustments were accepted after final review by NLTRA staff. The adjustments related primarily to reversing accruals made at year end, allocating admin expense, truing up equity accounts, adjustments relating to commissions and incentives, reclassification of expenses, recording disposal of fixed assets, 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, 2017

McCLINTOCK ACCOUNTANCY CORPORATION

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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, 2017, 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 the year ended June 30, 2017, and our comments and suggestions.

This letter does not affect our report dated November 14, 2017 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
November 14, 2017

DRAFT

NORTH LAKE TAHOE RESORT ASSOCIATION
Appendix A (Summary of Internal Control Findings)

Prepared by
McClintock Accountancy Corporation
June 30, 2017

| Year Identified | Audit Area | Observations in Initial Year Identified | Recommendation in Initial Year Identified | Status as of June 30, 2017 | Management Comment |
|--|-------------------------------|--|---|---|---|
| DEFICIENCIES IN INTERNAL CONTROL OVER FINANCIAL REPORTING | | | | | |
| 2016/17 | <u>FINANCIAL CLOSE</u> | <p>The 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.</p> | <p><i>Recommendation:</i> The financial close checklist is not being strictly adhered to as of the current fiscal year end. 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.</p> | <p>New comment in current year. See recommendation.</p> | <p>In January 2017, NLTRA's IT Consultant deleted our Quickbooks file prior to confirming that there was adequate backup. 4 1/2 months of data were lost. With concerted effort, we were able to recover the deleted data over the ensuing 5 months. This data loss prevented the timely issuance of complete financials until after recovery. It also put us in a position that we were not ready for an audit with all i's dotted and t's crossed. After assimilation of audit adjustments, we expect to be able to issue monthly financials in a complete and timely manner.</p> |
| 2016/17 | <u>PROPERTY AND EQUIPMENT</u> | <p>During the fiscal year, approximately \$54,000 in fixed assets were identified during the audit to be disposed.</p> | <p><i>Recommendation:</i> We recommend that Management perform an inventory of fixed assets at least annually, to determine whether adjustments need to be made.</p> | <p>New comment in current year. See recommendation.</p> | <p>Fixed Assets will be reviewed annually with the preparation of the Property Tax filing with Placer County.</p> |
| 2016/17 | <u>IT BACKUP</u> | <p>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.</p> | <p><i>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.</p> | <p>New comment in current year. See recommendation.</p> | <p>Current backup procedures entail nightly backup from our primary server, where the current QB files reside, to Carbonite's cloud backup service. In addition, weekly backups are made to a thumb drive and stored onsite.</p> |
| PRIOR YEAR OTHER MATTERS | | | | | |
| 2015/16 | <u>CODING OF EXPENSES</u> | <p>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</p> | <p><i>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.</p> | <p>Coding throughout the year was consistent with budget although there were changes in the chart of accounts at the beginning of the year resulting in difficulty reviewing expenses year over year.</p> | <p>Coding will be consistently applied year over year going forward.</p> |

NORTH LAKE TAHOE RESORT ASSOCIATION
Appendix A (Summary of Internal Control Findings)

Prepared by
McClintock Accountancy Corporation
June 30, 2017

| Year Identified | Audit Area | Observations in Initial Year Identified | Recommendation in Initial Year Identified | Status as of June 30, 2017 | Management Comment |
|-----------------|-------------------------------|---|---|---|---|
| 2015/16 | <u>PLACER COUNTY CONTRACT</u> | The Association continues to be 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. | No such memo was prepared, however, management has been discussing the treatment of grants and revenue recognition with Placer County. No conclusions have been made. | After extensive discussions with the County during the negotiations of three separate contracts during fiscal 17-18, we are now in a position to memorialize the correct treatment of the various accounting issues these contracts have presented. This will be accomplished prior to the conclusion of the final 17-18 contract negotiations. |
| 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 3 quarters, excepting the quarter of the data loss during which priorities shifted and there wasn't staff availability to monitor the count. One of the three counts performed was a blind count, as suggested by us in 2016. | 2015/16: An additional inventory count was performed in August of 2016, resulting in a positive book to actual adjustment of \$279. Going forward, inventory accounts will be performed quarterly. 2016/17: Inventory will be counted quarterly with at least one blind count per year. |

NORTH LAKE TAHOE RESORT ASSOCIATION
Appendix A (Summary of Internal Control Findings)

Prepared by
McClintock Accountancy Corporation
June 30, 2017

| <u>Year Identified</u> | <u>Audit Area</u> | <u>Observations in Initial Year Identified</u> | <u>Recommendation in Initial Year Identified</u> | <u>Status as of June 30, 2017</u> | <u>Management Comment</u> |
|------------------------|------------------------------|---|--|---|---------------------------|
| CLOSED MATTERS | | | | | |
| 2015/16 | <u>941 RECONCILIATIONS</u> | Payroll is not reconciled to the quarterly 941 payroll reports. | <i>Recommendation</i> : We suggest the Association begin performing reconciliations to the 941 reports. | 941 reconciliations were prepared each quarter, all of which were provided for the audit. | Matter closed |
| 2015/16 | <u>SEGREGATION OF DUTIES</u> | Checks are currently printed and signed (one of two required signatures) by the Directors of Finance. | <i>Recommendation</i> : In order to enhance segregation of duties, we recommend that check stock and printing be maintained and implemented by the staff accountant. | Checks are now printed by the staff accountant and then signed by the Director of Finance | Matter closed |
| 2015/16 | <u>MEMBERSHIP BILLING</u> | During the current fiscal year conference memberships were never billed as required at the first of the calendar year due to miscommunications amongst departments. | <i>Recommendation</i> : Given the consistent utilization of this software, it would be in the Association's best interest to ensure Management and staff are up to date on the functions and shortcuts that the software can offer in order to increase efficiency. This can be done by investing in training for Management and staff whom are regularly using Microsoft excel. | Management has amended the membership period from a calendar year to an annual membership that correlates with the fiscal year . The billing procedure has been added to the financial close checklist. We found no instances of members not being billed in the year ended 9/30/17. There is a new Director of Membership that has a procedure in place for billing and following up on unpaid membership dues. This procedure has been effective. | Matter closed |

Recent Accounting Pronouncements

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

The ASU is focused on improving net asset classification requirements and information provided in financial statements and notes about liquidity, financial performance, and cash flows. New reporting requires expenses to be reported by function and nature. Current standards only require reporting expenses by function. Effective for fiscal year ending June 30, 2019.

ASU 2014-09: Revenue from Contracts with Customer

Set up to develop a common revenue standard for U.S. GAAP and IFRS. The core principle of the guidance is that an entity should 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. This ASU supersedes current revenue recognition guidance. A five step revenue recognition process which will need to be thoroughly considered and documented. Effective for fiscal year ending June 30, 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.

DRAFT

North Lake Tahoe Resort Association, Inc.

November 14, 2017

To McClintock Accountancy Corporation

This representation letter is provided in connection with your audit of the financial statements of North Lake Tahoe Resort Association, Inc., which comprise the statements of financial position as of June 30, 2017 and 2016, 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, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of November 14, 2017, the following representations made to you during your audit.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated December 7, 2016, including our responsibility for the preparation and fair presentation of the financial statements.
2. The financial statements referred to above are fairly presented in conformity with U.S. GAAP.
3. We acknowledge our responsibility for 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.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions we used in making accounting estimates are reasonable.
6. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
7. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
8. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
9. Material concentrations have been appropriately disclosed in accordance with U.S. GAAP.
10. Guarantees, whether written or oral, under which the organization is contingently liable, have been properly recorded or disclosed in accordance with U.S. GAAP.

Information Provided

11. We have provided you with:
 - Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - Additional information that you have requested from us for the purpose of the audit.
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
12. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
13. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
14. We have no knowledge of any fraud or suspected fraud that affects the organization and involves:
 - Management,
 - Employees who have significant roles in internal control, or
 - Others where the fraud could have a material effect on the financial statements.
15. We have no knowledge of any allegations of fraud or suspected fraud affecting the organization's financial statements communicated by employees, former employees, grantors, regulators, or others.
16. We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
17. We have disclosed to you the identity of the organization's related parties and all the related party relationships and transactions of which we are aware.
18. The organization has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
19. North Lake Tahoe Resort Association, Inc. is an exempt organization under Section 501(c)(4) of the Internal Revenue Code. Any activities of which we are aware that would jeopardize the Organization's tax-exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up-to-date.
20. We are in agreement with the adjusting journal entries you have provided and they have been posted to the Association's book of accounts.

21. In regard to the financial statement preparation services performed by you, we have—

- Assumed all management responsibilities.
- Designated a member of management who has suitable skill, knowledge, or experience to oversee the services.
- Evaluated the adequacy and results of the services performed.
- Accepted responsibility for the results of the services.

Signature: _____

Title: _____

Signature: _____

Title: _____

North Lake Tahoe Resort Association
Grouping Schedule Report
Leadsheet codes

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| | | Adjusted Balance Jun 30, 2016 | Unadjusted Jun 30, 2017 | Adjusting AJE | Adjusted Balance Jun 30, 2017 |
|------------|--|----------------------------------|----------------------------|---------------|----------------------------------|
| A | Cash and Cash Equivalents | | | | |
| | 1001-00 - Petty Cash | 1,000.00 | 223.85 | | 223.85 |
| | 1003-00 - Cash - Operations BOTW #6712 | 419,238.41 | 757,355.52 | | 757,355.52 |
| | 1007-00 - Cash - Payroll BOTW #7421 | 5,255.55 | 10,974.29 | | 10,974.29 |
| | 1008-00 - Marketing Reserve - Plumas | 50,018.09 | 50,093.17 | | 50,093.17 |
| | 1009-00 - Cash Flow Reserve - Plumas | 100,048.23 | 100,248.52 | | 100,248.52 |
| | 1071-00 - Payroll Reserves BOTW #8163 | 29,581.56 | 29,581.56 | | 29,581.56 |
| | 1080-00 - Special Events BOTW #1626 | 13,144.02 | 100,520.92 | | 100,520.92 |
| | 1095-00 - Cash in Drawer | 361.80 | 867.04 | | 867.04 |
| | 1205-00 - Undeposited Funds | 107,730.65 | 0.00 | | 0.00 |
| A | Cash and Cash Equivalents Total | 726,378.31 | 1,049,864.87 | 0.00 | 1,049,864.87 |
| B | Accts Receivable | | | | |
| | 1200-00 - Quickbooks Accounts Receivable | 72,038.63 | 21,504.43 | | 20,712.90 |
| | caje03 to adjust commission revenue | | | 1,045.87 | |
| | caje17 to reverse duplicate commissions recorded | | | (1,837.40) | |
| | 1200-99 - AR Other | 3,717.04 | 1,598.66 | | 1,614.30 |
| | caje05 to move JTs Lifelock to the correc account | | | 15.64 | |
| | 1201-00 - WebLink Accounts Receivable | 71,765.00 | 25,435.00 | | 10,580.00 |
| | 2 to reverse accrual of deferred and AR | | | (14,855.00) | |
| | 1201-02 - Allowance for Doubtful Accounts | (36,595.00) | (3,343.00) | | (3,343.00) |
| B | Accts Receivable Total | 110,925.67 | 45,195.09 | (15,630.89) | 29,564.20 |
| B-1 | Placer County Receivable | | | | |
| | 1290-00 - A/R - TOT | (23,940.82) | 0.00 | | 0.00 |
| B-1 | Placer County Receivable Total | (23,940.82) | 0.00 | 0.00 | 0.00 |
| B-2 | AR - intercompany | | | | |
| | 1298-00 - Receivable from Employees | 40.00 | 0.00 | | 0.00 |
| | 1299-00 - Receivable from NLTMC | 6,803.02 | 0.00 | | 0.00 |
| B-2 | AR - intercompany Total | 6,843.02 | 0.00 | 0.00 | 0.00 |
| C | Inventories | | | | |
| | 1210-10 - Inventory Asset | 32,408.18 | 31,787.23 | | 31,787.23 |
| C | Inventories Total | 32,408.18 | 31,787.23 | 0.00 | 31,787.23 |
| L | Prepaid Exp and Other | | | | |
| | 1400-00 - Prepaid Expenses | 4,709.61 | 13,294.04 | | 11,155.21 |
| | caje15 to remove from expense to prepaid to be amortized over the period 7/1/17-12/31/19 | | | 7,125.00 | |
| | 1 to reverse accrual of prepaid that wasnt paid in CY | | | (9,263.83) | |
| | 1410-00 - Prepaid Insurance | 3,166.32 | 2,644.16 | | 2,644.16 |
| | 1430-00 - Prepaid 1st Class Postage | 1,000.00 | 1,000.00 | | 1,000.00 |
| L | Prepaid Exp and Other Total | 8,875.93 | 16,938.20 | (2,138.83) | 14,799.37 |

**North Lake Tahoe Resort Association
Grouping Schedule Report
Leadsheet codes**

| | <u>Adjusted Balance Jun 30, 2016</u> | <u>Unadjusted Jun 30, 2017</u> | <u>Adjusting AJE</u> | <u>Adjusted Balance Jun 30, 2017</u> |
|--|--|------------------------------------|----------------------|--|
| Current Assets Total | 861,490.29 | 1,143,785.39 | (17,769.72) | 1,126,015.67 |
| UV Property & Equipment | | | | |
| 1700-00 - Furniture & Fixtures | 68,767.95 | 68,767.95 | | 68,767.95 |
| 1740-00 - Computer Equipment | 43,766.13 | 43,766.13 | | 8,435.60 |
| 8 to record fixed asset disposals | | | (35,330.53) | |
| 1750-00 - Computer Software | 34,993.97 | 40,080.06 | | 21,520.46 |
| 8 to record fixed asset disposals | | | (18,559.60) | |
| 1770-00 - Leasehold Improvements | 24,283.86 | 24,283.86 | | 24,283.86 |
| UV Property & Equipment Total | 171,811.91 | 176,898.00 | (53,890.13) | 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 | (42,218.00) | (43,025.48) | | (7,694.95) |
| 8 to record fixed asset disposals | | | 35,330.53 | |
| 1751-00 - Accum. Amort. - Software | (33,795.00) | (35,251.01) | | (16,691.41) |
| 8 to record fixed asset disposals | | | 18,559.60 | |
| 1771-00 - Accum. Amort - Leasehold Impr | (24,067.37) | (24,267.41) | | (24,267.41) |
| UV-1 Acc. Depr.- Prop and Eq. Total | (168,848.32) | (171,311.85) | 53,890.13 | (117,421.72) |
| Net Property and Equipment Total | 2,963.59 | 5,586.15 | 0.00 | 5,586.15 |
| Assets Total | 864,453.88 | 1,149,371.54 | (17,769.72) | 1,131,601.82 |
| AA Accounts Payable | | | | |
| 2000-00 - Accounts Payable | (160,730.57) | (234,280.34) | | (222,016.51) |
| 1 to reverse accrual of prepaid that wasnt paid in CY | | | 9,263.83 | |
| 4 to reverse accrual of Tahoe Trail event that occurred in 2017/18 | | | 5,000.00 | |
| caje19 to record unrecorded tax expense at year end | | | (2,000.00) | |
| 2001-00 - Credit Card Payable | (29,105.41) | 0.00 | | 0.00 |
| 2080-01 - MC_5901_Hall | 0.00 | (151.00) | | (151.00) |
| 2080-02 - MC_4222_Jason | 0.00 | (14.99) | | (14.99) |
| 2080-06 - MC_5288_Emily | 0.00 | (422.97) | | (422.97) |
| 2080-08 - MC_5755_John | 0.00 | (339.84) | | (339.84) |
| 2080-09 - MC_0319_Sarah | 0.00 | (288.38) | | (288.38) |
| 2080-10 - MC_9495_Al | 0.00 | (298.19) | | (298.19) |
| 2080-11 - MC_3978_Amber | 0.00 | (806.59) | | (806.59) |
| 2080-12 - MC_3960_Natalie | 0.00 | (1,168.44) | | (1,168.44) |
| AA Accounts Payable Total | (189,835.98) | (237,770.74) | 12,263.83 | (225,506.91) |
| BB Accrued Liabilities | | | | |
| 2100-00 - Salaries / Wages Payable | (35,719.15) | (38,973.37) | | (38,973.37) |
| 2101-00 - Incentive Payable | (40,243.00) | (86,508.99) | | (68,890.65) |
| caje04 to reduce incentive accrual to actuals paid for FY 2016-17 | | | 24,552.31 | |
| caje20 to accrue incentive due to Al Priester | | | (6,933.97) | |
| 2102-00 - Commissions Payable | (8,404.31) | (7,823.98) | | (7,823.98) |
| 2120-00 - Empl. Federal Tax Payable | (2,888.75) | (3,117.87) | | (3,117.87) |

North Lake Tahoe Resort Association
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| | Adjusted Balance Jun 30, 2016 | Unadjusted Jun 30, 2017 | Adjusting AJE | Adjusted Balance Jun 30, 2017 |
|--|----------------------------------|----------------------------|---------------------|----------------------------------|
| 2175-00 - 401 (k) Plan | (1,104.44) | (1,558.93) | | (1,558.93) |
| 2180-00 - Estimated PTO Liability | (60,648.50) | (74,725.45) | | (74,725.45) |
| 2190-00 - Sales and Use Tax Payable | (149.00) | (2,225.84) | | (2,225.84) |
| 2250-00 - Accrued Expenses | (20,000.31) | (8,080.32) | | (26,912.45) |
| caje06 to accrue grant for Squaw Valley Half Marathon on 6/11/17 | | | (4,000.00) | |
| caje07 to reduce accrual for computers to actual | | | 107.87 | |
| caje09 to accrue expense in proper period | | | (14,940.00) | |
| 2410-00 - Wage Garnishment Payable | (899.48) | 0.00 | | 0.00 |
| 2550-00 - Sales Tax Payable | (1,469.00) | 0.00 | | 0.00 |
| 2800-00 - Suspense | 0.00 | (727.04) | | (248.00) |
| caje11 to reclassify portion of principal insurance to the correct account/department | | | (296.96) | |
| caje12 to record refund check for overpayment of property tax | | | 776.00 | |
| 2900-00 - Due To/From County of Placer | 0.00 | (64.81) | | (231,038.68) |
| 3 to record funds not spent payable back t county (r&p) | | | (51,009.45) | |
| 5 to true up Placer revenue based on unused funds | | | (160,878.28) | |
| caje14 to move funds to acct due back to county (due to a refund) | | | 13,160.00 | |
| 7 to reduce revenues by unspent contract dollars | | | (34,935.05) | |
| 7 to reduce revenues by unspent contract dollars | | | 2,688.91 | |
| BB Accrued Liabilities Total | <u>(171,525.94)</u> | <u>(223,806.60)</u> | <u>(231,708.62)</u> | <u>(455,515.22)</u> |
| CC Deposits | | | | |
| 1490-00 - Security Deposits | <u>0.00</u> | <u>50.00</u> | | <u>50.00</u> |
| CC Deposits Total | <u>0.00</u> | <u>50.00</u> | <u>0.00</u> | <u>50.00</u> |
| DD Def. Revenue - Member Due | | | | |
| 2400-60 - Deferred Revenue- Member Dues | (69,550.30) | (67,342.08) | | (52,487.08) |
| 2 to reverse accrual of deferred and AR | | | 14,855.00 | |
| DD Def. Revenue - Member Due Total | <u>(69,550.30)</u> | <u>(67,342.08)</u> | <u>14,855.00</u> | <u>(52,487.08)</u> |
| Current Liabilities Total | <u>(430,912.22)</u> | <u>(528,869.42)</u> | <u>(204,589.79)</u> | <u>(733,459.21)</u> |
| TT Unrestricted Net Assets | | | | |
| 3200-00 - Unrestricted Net Assets | (62,655.64) | (22,635.91) | | (9,286.63) |
| caje01 to adjust fund balances to agree to PY financials | | | 48.23 | |
| caje13 to record PY CHP refund in the proper period | | | (1,593.65) | |
| caje18 to record additional revenue per th 6th amendment | | | 12,371.00 | |
| 6 to increase designated marketing reserv to 10% of 3 year average mkt expenditures | | | 2,523.70 | |
| 3300-11 - Designated Marketing Reserve | (254,324.57) | (254,324.57) | | (256,830.18) |
| caje01 to adjust fund balances to agree to PY financials | | | 18.09 | |

North Lake Tahoe Resort Association
Grouping Schedule Report
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| | | <u>Adjusted Balance</u> <u>Jun 30, 2016</u> | <u>Unadjusted</u> <u>Jun 30, 2017</u> | <u>Adjusting AJE</u> | <u>Adjusted Balance</u> <u>Jun 30, 2017</u> |
|-----------|--|--|--|----------------------|--|
| | 6 to increase designated marketing reserve to 10% of 3 year average mkt expenditures | | | (2,523.70) | |
| | 3301-00 - Cash Flow Reserve | (100,000.00) | (100,200.29) | | (100,048.23) |
| | caje01 to adjust fund balances to agree to PY financials | | | (48.23) | |
| | caje02 to reclassify revenue out of fund accounts | | | 200.29 | |
| | 3302-00 - Marketing Cash Reserve | (50,000.00) | (50,075.08) | | (50,018.09) |
| | caje01 to adjust fund balances to agree to PY financials | | | (18.09) | |
| | caje02 to reclassify revenue out of fund accounts | | | 75.08 | |
| TT | Unrestricted Net Assets Total | <u>(466,980.21)</u> | <u>(427,235.85)</u> | <u>11,052.72</u> | <u>(416,183.13)</u> |
| | (Profit)/Loss | 33,438.55 | (193,266.27) | 211,306.79 | 18,040.52 |
| | Equity Total | <u>(433,541.66)</u> | <u>(620,502.12)</u> | <u>222,359.51</u> | <u>(398,142.61)</u> |
| | Liabilities/Equity Total | <u>(864,453.88)</u> | <u>(1,149,371.54)</u> | <u>17,769.72</u> | <u>(1,131,601.82)</u> |
| 10 | P.C. Grant Rev. | | | | |
| | 4050-11 - County of Placer TOT Funding | (2,237,157.39) | (2,665,685.00) | | (2,581,813.50) |
| | caje18 to record additional revenue per the 6th amendment | | | (12,371.00) | |
| | 5 to true up Placer revenue based on unused funds | | | 62,743.76 | |
| | 7 to reduce revenues by unspent contract dollars | | | 33,498.74 | |
| | 4050-30 - County of Placer TOT Funding | (312,082.70) | (289,596.00) | | (269,435.12) |
| | 5 to true up Placer revenue based on unused funds | | | 20,160.88 | |
| | 4050-41 - County of Placer TOT Funding | (202,780.21) | (264,216.00) | | (212,012.05) |
| | 3 to record funds not spent payable back to county (r&p) | | | 17,176.00 | |
| | 5 to true up Placer revenue based on unused funds | | | 33,591.64 | |
| | 7 to reduce revenues by unspent contract dollars | | | 1,436.31 | |
| | 4050-42 - County of Placer TOT Funding | (289,923.00) | (333,924.00) | | (309,788.28) |
| | 5 to true up Placer revenue based on unused funds | | | 24,135.72 | |
| | 4050-50 - County of Placer TOT Funding | (197,819.88) | (222,564.00) | | (171,173.18) |
| | 3 to record funds not spent payable back to county (r&p) | | | 33,833.45 | |
| | 5 to true up Placer revenue based on unused funds | | | 20,246.28 | |
| | 7 to reduce revenues by unspent contract dollars | | | (2,688.91) | |
| 10 | P.C. Grant Rev. Total | <u>(3,239,763.18)</u> | <u>(3,775,985.00)</u> | <u>231,762.87</u> | <u>(3,544,222.13)</u> |
| 30 | Member Dues | | | | |
| | 4200-30 - Membership Dues | (8,412.38) | 0.00 | | 0.00 |
| | 4200-60 - Membership Dues | (125,069.45) | (138,164.22) | | (138,164.22) |

**North Lake Tahoe Resort Association
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| | Adjusted Balance Jun 30, 2016 | Unadjusted Jun 30, 2017 | Adjusting AJE | Adjusted Balance Jun 30, 2017 |
|---|----------------------------------|----------------------------|-------------------|----------------------------------|
| 4201-60 - New Member Fees | (2,045.00) | (975.00) | | (975.00) |
| 4205-30 - Conference Dues | 0.00 | (7,700.00) | | (7,700.00) |
| 30 Member Dues Total | (135,526.83) | (146,839.22) | 0.00 | (146,839.22) |
| 40 Member services & special | | | | |
| 4250-60 - Revenue - Membership Activities | (62,785.47) | (37,402.33) | | (37,402.33) |
| 4251-60 - Revenue-Tue AM Breakfast Club | (10,225.00) | (6,989.42) | | (6,989.42) |
| 4252-60 - Revenue - Sponsorships | (500.00) | (500.00) | | (500.00) |
| 4350-11 - Special Events (Marketing) | (41,035.65) | 0.00 | | 0.00 |
| 40 Member services & special Total | (114,546.12) | (44,891.75) | 0.00 | (44,891.75) |
| 50 Retail sales & other | | | | |
| 4502-42 - Non-retail VIC income | (3,157.10) | (5,767.00) | | (5,767.00) |
| 4502-60 - Non-retail VIC income | (375.00) | 0.00 | | 0.00 |
| 4602-42 - Merchandise Sales | (75,202.73) | (91,309.03) | | (91,309.03) |
| 5250-42 - Purchase Discounts | (129.45) | (1,431.86) | | (1,431.86) |
| 5290-42 - Purchases - Resale items | 0.00 | 54.00 | | 54.00 |
| 50 Retail sales & other Total | (78,864.28) | (98,453.89) | 0.00 | (98,453.89) |
| 60 Commissions & Bookings | | | | |
| 4600-30 - Commissions | (174,962.49) | (106,721.39) | | (100,944.46) |
| caje16 to adjust commission revenue | | | 2,555.00 | |
| caje16 to adjust commission revenue | | | 2,430.40 | |
| caje03 to adjust commission revenue | | | (1,045.87) | |
| caje17 to reverse duplicate commissions recorded | | | 1,837.40 | |
| 4601-30 - Commissions - South Shore | (13,395.34) | (8,967.66) | | (8,967.66) |
| 60 Commissions & Bookings Total | (188,357.83) | (115,689.05) | 5,776.93 | (109,912.12) |
| 70 Interest Income | | | | |
| 4701-00 - Interest Income - CF Reserve | (48.23) | 0.00 | | (200.29) |
| caje02 to reclassify revenue out of fund accounts | | | (200.29) | |
| 4702-00 - Interest Income - MKT Reserve | (18.09) | 0.00 | | (75.08) |
| caje02 to reclassify revenue out of fund accounts | | | (75.08) | |
| 70 Interest Income Total | (66.32) | 0.00 | (275.37) | (275.37) |
| Sales Total | (3,757,124.56) | (4,181,858.91) | 237,264.43 | (3,944,594.48) |
| Revenue Total | (3,757,124.56) | (4,181,858.91) | 237,264.43 | (3,944,594.48) |
| 100 Marketing | | | | |
| 5000-11 - Salaries / Wages Other | 263,119.38 | 270,416.31 | | 266,336.63 |
| caje04 to reduce incentive accrual to actuals paid for FY 2016-17 | | | (4,079.68) | |
| 5001-11 - In-Market Administration | 14,500.00 | 16,500.00 | | 16,500.00 |
| 5020-11 - P/R - Tax Expense | 22,700.53 | 21,753.34 | | 21,753.34 |
| 5030-11 - P/R - Health Insurance Expense | 26,199.89 | 44,332.64 | | 44,336.64 |
| caje11 to reclassify portion of principal insurance to the correct account/department | | | 4.00 | |

**North Lake Tahoe Resort Association
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| | Adjusted Balance Jun 30, 2016 | Unadjusted Jun 30, 2017 | Adjusting AJE | Adjusted Balance Jun 30, 2017 |
|--|----------------------------------|----------------------------|---------------|----------------------------------|
| 5040-11 - P/R - Workmans Comp | 1,179.08 | 1,241.88 | | 437.88 |
| caje14 to move funds to acct due back to county (due to a refund) | | | (804.00) | |
| 5060-11 - 401 (k) | 8,886.25 | 9,114.70 | | 9,114.70 |
| 5070-11 - Other Benefits and Expenses | 2,037.88 | 1,414.00 | | 1,398.36 |
| caje05 to move JTs Lifelock to the correc account | | | (15.64) | |
| 5100-11 - Rent - Other | 19,511.95 | 22,927.37 | | 22,927.37 |
| 5110-11 - Utilities | 1,526.72 | 1,572.67 | | 1,572.67 |
| 5140-11 - Repairs & Maintenance | 1,312.55 | 1,749.82 | | 1,749.82 |
| 5150-11 - Office - Cleaning | 1,718.61 | 2,269.18 | | 2,269.18 |
| 5320-11 - Telephone | 6,317.14 | 6,328.07 | | 6,328.07 |
| 5350-11 - Internet | 289.85 | 224.85 | | 224.85 |
| 5420-11 - Mail - USPS - Other | 74.03 | 486.84 | | 486.84 |
| 5470-11 - Mail - UPS | 558.71 | 100.00 | | 100.00 |
| 5480-11 - Mail - Fed Ex | 661.63 | 31.13 | | 31.13 |
| 5510-11 - Insurance/Bonding | 1,366.80 | 1,309.71 | | 1,309.71 |
| 5520-11 - Supplies | 0.00 | 1,547.35 | | 1,547.35 |
| 5521-11 - Supplies - Other | 3,232.92 | 0.00 | | 0.00 |
| 5525-11 - Supplies- Computer <\$1000 | 3,786.98 | 201.31 | | 201.31 |
| 5610-11 - Depreciation | 1,541.47 | 303.00 | | 303.00 |
| 5700-11 - Equipment Support & Maintenance | 1,341.75 | 2,254.61 | | 2,254.61 |
| 5710-11 - Taxes, Licenses & Fees | 303.35 | 309.67 | | 115.67 |
| caje12 to record refund check for overpayment of property tax | | | (194.00) | |
| 5740-11 - Equipment Rental/Leasing | 1,690.02 | 1,594.96 | | 1,594.96 |
| 5800-11 - Training Seminars | 2,125.48 | 3,180.61 | | 3,180.61 |
| 5810-11 - Public Outreach | 0.00 | 1,650.00 | | 1,650.00 |
| 5815-11 - Training Video Series | 0.00 | 10,327.80 | | 10,327.80 |
| 5820-11 - Sales CRM/CMS | 0.00 | 2,373.94 | | 2,373.94 |
| 5900-11 - Professional Fees | 0.00 | 4,031.25 | | 4,031.25 |
| 5920-11 - Professional Fees - Accountant | 7,500.00 | 0.00 | | 0.00 |
| 5941-11 - Research & Planning | 0.00 | 12,300.00 | | 12,300.00 |
| 6015-11 - Cross Country | 0.00 | 4,000.00 | | 4,000.00 |
| 6016-11 - Special Event Partnership | 12,924.05 | 39,019.51 | | 43,019.51 |
| caje06 to accrue grant for Squaw Valley Half Marathon on 6/11/17 | | | 4,000.00 | |
| 6018-11 - Business Assoc. Grants | 30,000.00 | 30,000.00 | | 30,000.00 |
| 6023-11 - Autumn Food & Wine - Other | 32,875.02 | 32,897.86 | | 32,897.86 |
| 6025-11 - AFW- Postage | 17.69 | 0.00 | | 0.00 |
| 6420-01 - No Barriers | 0.00 | 8,979.15 | | 8,979.15 |
| 6420-11 - WinterWonderGrass_Tahoe | 14,600.00 | 15,400.00 | | 15,400.00 |
| 6421-01 - 4th of July Fireworks | 0.00 | 20,000.00 | | 20,000.00 |
| 6421-02 - AMGEN Tour of California | 0.00 | 19,165.00 | | 19,165.00 |
| 6421-03 - Barcelona Soccer | 0.00 | 3,000.00 | | 3,000.00 |
| 6421-04 - Broken Arrow Skyrace | 0.00 | 20,000.00 | | 20,000.00 |
| 6421-06 - Spartan | 0.00 | 198,550.00 | | 198,550.00 |
| 6421-07 - Tahoe Lacrosse Tournament | 0.00 | 5,000.00 | | 5,000.00 |
| 6421-09 - Wanderlust | 0.00 | 35,367.73 | | 35,367.73 |
| 6421-11 - New Event Development | 36,211.82 | 5,880.28 | | 5,880.28 |
| 6421-12 - World Cup | 0.00 | 39,564.10 | | 39,564.10 |
| 6421-13 - Big Blue Adventure | 0.00 | 21,500.00 | | 21,500.00 |
| 6421-14 - Tahoe Trail 100 | 0.00 | 5,000.00 | | 0.00 |
| 4 to reverse accrual of Tahoe Trail event that occurred in 2017/18 | | | (5,000.00) | |

**North Lake Tahoe Resort Association
Grouping Schedule Report
Leadsheet codes**

| | Adjusted Balance Jun 30, 2016 | Unadjusted Jun 30, 2017 | Adjusting AJE | Adjusted Balance Jun 30, 2017 |
|---|----------------------------------|----------------------------|-------------------|----------------------------------|
| 6421-15 - Lake Tahoe Dance Collective | 0.00 | 5,000.00 | | 5,000.00 |
| 6422-02 - Photography | 0.00 | 6,363.00 | | 6,363.00 |
| 6422-03 - Human Powered Sports Campaign | 0.00 | 60,000.21 | | 60,000.21 |
| 6422-04 - PR | 0.00 | 3,500.00 | | 3,500.00 |
| 6422-05 - Other | 0.00 | 2,500.00 | | 2,500.00 |
| 6422-06 - Music Campaign | 0.00 | 12,951.59 | | 12,951.59 |
| 6422-11 - IronMan Lake Tahoe | 425,242.47 | 0.00 | | 0.00 |
| 6424-11 - Event Operation Expenses | 0.00 | 8,914.78 | | 8,914.78 |
| 6426-11 - Dues & Subscriptions | 0.00 | 109.40 | | 109.40 |
| 6427-11 - USA Cycling | (4,790.14) | 0.00 | | 0.00 |
| 6429-11 - Events - Other | 89,525.00 | 0.00 | | 0.00 |
| 6490-11 - Classified Ads | 0.00 | 50.00 | | 50.00 |
| 6600-11 - Promotions/Giveaways | 0.00 | 32.14 | | 32.14 |
| 6701-11 - Market Study Reports/Research | 5,398.94 | 402.40 | | 402.40 |
| 6730-11 - Marketing Cooperative/Media | 962,499.83 | 1,167,370.96 | | 1,167,370.96 |
| 6742-11 - Non-NLT Co-Op Marketing Progr | 36,424.85 | 27,185.65 | | 18,265.65 |
| caje15 to remove from expense to prepaid to be amortized over the period 7/1/17- 12/31/19 | | | (7,125.00) | |
| caje14 to move funds to acct due back to county (due to a refund) | | | (1,795.00) | |
| 6743-11 - Shop Local | 8,330.43 | 17,105.61 | | 17,105.61 |
| 6744-11 - Shopping Destination | 11,197.59 | 0.00 | | 0.00 |
| 6745-11 - Touch Lake Tahoe | 20,200.00 | 15,666.65 | | 15,666.65 |
| 6746-11 - High Notes | 31,631.83 | 24,402.82 | | 16,387.82 |
| caje14 to move funds to acct due back to county (due to a refund) | | | (8,015.00) | |
| 6747-11 - Peak Your Adventure | 21,900.00 | 19,716.00 | | 19,716.00 |
| 6748-11 - BACC Marketing Programs - Othe | 40.00 | 0.00 | | 0.00 |
| 7500-11 - Trade Shows/Travel | 362.45 | 15.00 | | 15.00 |
| 8200-11 - Associate Relations | 374.61 | 381.49 | | 381.49 |
| 8500-11 - Credit Card Fees | 90.00 | 65.00 | | 65.00 |
| 8700-11 - Automobile Expenses | 1,943.66 | 1,604.71 | | 1,604.71 |
| 8750-11 - Meals/Meetings | 2,026.87 | 2,392.98 | | 2,392.98 |
| 8810-11 - Dues & Subscriptions | 13,373.64 | 3,941.18 | | 3,941.18 |
| 8910-11 - Travel | 1,566.69 | 9,714.11 | | 9,714.11 |
| 8930-11 - Prior Period Adjustments | 6,669.85 | 0.00 | | 0.00 |
| 8990-11 - Allocated | 223,410.00 | 0.00 | | 232,290.16 |
| caje10 to allocate admin expense after all audit adjustments | | | 232,290.16 | |
| 100 Marketing Total | <u>2,377,530.12</u> | <u>2,334,556.32</u> | <u>209,265.84</u> | <u>2,543,822.16</u> |
| 200 Conference | | | | |
| 5000-30 - Salaries / Wages Other | 138,303.23 | 144,675.58 | | 144,214.10 |
| caje04 to reduce incentive accrual to actuals paid for FY 2016-17 | | | (461.48) | |
| 5010-30 - Sales Commissions | 23,075.16 | 39,913.74 | | 39,913.74 |
| 5020-30 - P/R - Tax Expense | 13,371.63 | 15,052.25 | | 15,052.25 |
| 5030-30 - P/R - Health Insurance Expense | 13,311.79 | 14,997.59 | | 14,997.59 |
| 5040-30 - P/R - Workmans Comp | 1,179.08 | 879.71 | | 310.21 |
| caje14 to move funds to acct due back to county (due to a refund) | | | (569.50) | |
| 5060-30 - 401 (k) | 6,604.93 | 7,285.99 | | 7,285.99 |
| 5070-30 - Other Benefits and Expenses | 477.82 | 778.76 | | 778.76 |

**North Lake Tahoe Resort Association
Grouping Schedule Report
Leadsheet codes**

| | Adjusted Balance Jun 30, 2016 | Unadjusted Jun 30, 2017 | Adjusting AJE | Adjusted Balance Jun 30, 2017 |
|--|----------------------------------|----------------------------|------------------|----------------------------------|
| 5100-30 - Rent - Other | 9,756.31 | 10,983.75 | | 10,983.75 |
| 5110-30 - Utilities | 768.65 | 790.12 | | 790.12 |
| 5140-30 - Repairs & Maintenance | 681.92 | 907.24 | | 907.24 |
| 5150-30 - Office - Cleaning | 862.81 | 1,134.66 | | 1,134.66 |
| 5320-30 - Telephone | 2,815.92 | 2,876.06 | | 2,876.06 |
| 5420-30 - Mail - USPS - Other | 114.37 | 229.06 | | 229.06 |
| 5470-30 - Mail - UPS | 540.06 | 100.00 | | 100.00 |
| 5510-30 - Insurance/Bonding | 1,366.80 | 1,309.70 | | 1,309.70 |
| 5521-30 - Supplies - Other | 482.35 | 0.00 | | 0.00 |
| 5525-30 - Supplies- Computer <\$1000 | 94.99 | 12.57 | | 12.57 |
| 5610-30 - Depreciation | 801.48 | 156.48 | | 156.48 |
| 5700-30 - Equipment Support & Maintenance | 649.27 | 760.87 | | 760.87 |
| 5710-30 - Taxes, Licenses & Fees | 136.32 | 154.27 | | 53.39 |
| caje12 to record refund check for overpayment of property tax | | | (100.88) | |
| 5740-30 - Equipment Rental/Leasing | 1,607.84 | 1,500.27 | | 1,500.27 |
| 6421-30 - New Event Development | 256.24 | 0.00 | | 0.00 |
| 6730-30 - Marketing Cooperative/Media | 119,505.00 | 110,000.04 | | 110,000.04 |
| 6800-30 - Conference commissions | 2,681.46 | 0.00 | | 0.00 |
| 8200-30 - Associate Relations | 141.78 | 0.00 | | 0.00 |
| 8500-30 - Credit Card Fees | 90.00 | 0.00 | | 0.00 |
| 8700-30 - Automobile Expenses | 115.57 | 147.96 | | 147.96 |
| 8750-30 - Meals/Meetings | 0.00 | 110.00 | | 110.00 |
| 8810-30 - Dues & Subscriptions | 435.00 | 815.00 | | 815.00 |
| 8990-30 - Allocated | 51,198.13 | 0.00 | | 53,233.17 |
| caje10 to allocate admin expense after all audit adjustments | | | 53,233.17 | |
| 200 Conference Total | 391,425.91 | 355,571.67 | 52,101.31 | 407,672.98 |
| 300 Transportation | | | | |
| 5000-41 - Salaries / Wages Other | 75,174.55 | 85,603.29 | | 84,862.47 |
| caje04 to reduce incentive accrual to actuals paid for FY 2016-17 | | | (740.82) | |
| 5020-41 - P/R - Tax Expense | 6,326.38 | 6,505.24 | | 6,505.24 |
| 5030-41 - P/R - Health Insurance Expense | 3,646.98 | 5,519.05 | | 5,519.05 |
| 5040-41 - P/R - Workmans Comp | 1,310.10 | 310.47 | | 109.47 |
| caje14 to move funds to acct due back to county (due to a refund) | | | (201.00) | |
| 5060-41 - 401 (k) | 2,996.97 | 3,181.89 | | 3,181.89 |
| 5070-41 - Other Benefits and Expenses | 166.11 | 95.15 | | 95.15 |
| 5100-41 - Rent - Other | 6,611.44 | 4,393.49 | | 4,393.49 |
| 5110-41 - Utilities | 510.54 | 336.88 | | 336.88 |
| 5140-41 - Repairs & Maintenance | 421.15 | 543.81 | | 543.81 |
| 5150-41 - Office - Cleaning | 570.43 | 453.89 | | 453.89 |
| 5320-41 - Telephone | 2,120.52 | 2,314.33 | | 2,314.33 |
| 5420-41 - Mail - USPS - Other | 46.92 | 140.96 | | 140.96 |
| 5470-41 - Mail - UPS | 270.03 | 50.00 | | 50.00 |
| 5510-41 - Insurance/Bonding | 215.80 | 206.77 | | 206.77 |
| 5520-30 - Supplies | 0.00 | 380.75 | | 380.75 |
| 5520-41 - Supplies | 0.00 | 154.38 | | 154.38 |
| 5521-41 - Supplies - Other | 730.86 | 0.00 | | 0.00 |
| 5525-41 - Supplies- Computer <\$1000 | 0.00 | 136.74 | | 136.74 |
| 5610-41 - Depreciation | 493.21 | 89.29 | | 89.29 |
| 5700-41 - Equipment Support & Maintenance | 403.92 | 296.50 | | 296.50 |

North Lake Tahoe Resort Association
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| | <u>Adjusted Balance</u> <u>Jun 30, 2016</u> | <u>Unadjusted</u> <u>Jun 30, 2017</u> | <u>Adjusting AJE</u> | <u>Adjusted Balance</u> <u>Jun 30, 2017</u> |
|---|--|--|----------------------|--|
| 5710-41 - Taxes, Licenses & Fees | 83.89 | 94.93 | | 32.85 |
| caje12 to record refund check for overpayment of property tax | | | (62.08) | |
| 5740-41 - Equipment Rental/Leasing | 1,425.79 | 1,321.06 | | 1,321.06 |
| 5830-30 - Commission Due to Third Party | 0.00 | 375.37 | | (4,610.03) |
| caje16 to adjust commission revenue | | | (2,555.00) | |
| caje16 to adjust commission revenue | | | (2,430.40) | |
| 5940-41 - Research & Planning Membership | 0.00 | 3,000.00 | | 3,000.00 |
| 5941-41 - Research & Planning | 47,382.87 | 7,884.00 | | 22,824.00 |
| caje09 to accrue expense in proper period | | | 14,940.00 | |
| 5948-41 - Transportation Projects | 0.00 | 24,781.18 | | 24,781.18 |
| 5953-41 - Summer Traffic Management (S-2) | 0.00 | (1,481.78) | | 111.87 |
| caje13 to record PY CHP refund in the proper period | | | 1,593.65 | |
| 6429-41 - Sponsorship - Other | 100.00 | 0.00 | | 0.00 |
| 8200-41 - Associate Relations | 120.69 | 0.00 | | 0.00 |
| 8500-41 - Credit Card Fees | 22.50 | 22.50 | | 22.50 |
| 8700-41 - Automobile Expenses | 1,420.41 | 598.91 | | 598.91 |
| 8750-41 - Meals/Meetings | 1,045.02 | 911.98 | | 911.98 |
| 8810-41 - Dues & Subscriptions | 0.00 | 13.50 | | 13.50 |
| 8930-41 - Prior Period Adjustments | (2,035.00) | 0.00 | | 0.00 |
| 8990-41 - Allocated | 51,198.13 | 0.00 | | 53,233.17 |
| caje10 to allocate admin expense after all audit adjustments | | | 53,233.17 | |
| 300 Transportation Total | <u>202,780.21</u> | <u>148,234.53</u> | <u>63,777.52</u> | <u>212,012.05</u> |
| 400 Visitor Info. Center | | | | |
| 5000-42 - Salaries / Wages Other | 148,821.43 | 170,868.00 | | 167,830.70 |
| caje04 to reduce incentive accrual to actuals paid for FY 2016-17 | | | (3,037.30) | |
| 5020-42 - P/R - Tax Expense | 13,966.00 | 15,837.49 | | 15,837.49 |
| 5030-42 - P/R - Health Insurance Expense | 18,670.42 | 20,305.41 | | 20,436.29 |
| caje11 to reclassify portion of principal insurance to the correct account/department | | | 130.88 | |
| 5040-42 - P/R - Workmans Comp | 2,489.10 | 983.20 | | 346.70 |
| caje14 to move funds to acct due back to county (due to a refund) | | | (636.50) | |
| 5060-42 - 401 (k) | 5,462.36 | 6,161.86 | | 6,161.86 |
| 5070-42 - Other Benefits and Expenses | 577.82 | 553.76 | | 553.76 |
| 5100-42 - Rent - Other | 69,525.29 | 78,765.89 | | 76,965.89 |
| caje08 to reclassify Reno Envy rent space to appropriate account | | | (1,800.00) | |
| 5110-42 - Utilities | 6,210.95 | 6,242.84 | | 6,242.84 |
| 5115-42 - Freight and Shipping Costs | 1,591.65 | 2,333.15 | | 2,333.15 |
| 5140-42 - Repairs & Maintenance | 1,641.97 | 1,478.45 | | 1,478.45 |
| 5150-42 - Office - Cleaning | 1,462.16 | 1,894.32 | | 1,894.32 |
| 5320-42 - Telephone | 3,188.45 | 3,679.59 | | 3,679.59 |
| 5420-42 - Mail - USPS - Other | 161.24 | 229.06 | | 229.06 |
| 5470-42 - Mail - UPS | 270.03 | 50.00 | | 50.00 |
| 5480-42 - Mail - Fed Ex | 166.19 | 471.69 | | 471.69 |
| 5510-42 - Insurance/Bonding | 1,798.46 | 1,723.31 | | 1,723.31 |
| 5520-42 - Supplies | 0.00 | 3,164.22 | | 3,164.22 |
| 5521-42 - Supplies - Other | 2,895.25 | 0.00 | | 0.00 |
| 5525-42 - Supplies- Computer <\$1000 | 942.95 | 1,002.57 | | 926.60 |
| caje07 to reduce accrual for computers to | | | | |

North Lake Tahoe Resort Association
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| | <u>Adjusted Balance</u> <u>Jun 30, 2016</u> | <u>Unadjusted</u> <u>Jun 30, 2017</u> | <u>Adjusting AJE</u> | <u>Adjusted Balance</u> <u>Jun 30, 2017</u> |
|---|--|--|----------------------|--|
| actual | | | (75.97) | |
| 5530-42 - Visitor Communications - Other | 109.00 | (109.00) | | (109.00) |
| 5610-42 - Depreciation | 801.47 | 1,037.57 | | 1,037.57 |
| 5700-42 - Equipment Support & Maintenance | 2,099.77 | 2,246.55 | | 2,246.55 |
| 5710-42 - Taxes, Licenses & Fees | 431.30 | 154.27 | | 53.39 |
| caje12 to record refund check for overpayment of property tax | | | (100.88) | |
| 5740-42 - Equipment Rental/Leasing | 5,538.61 | 5,088.62 | | 5,088.62 |
| 5850-42 - Artist of Month - Commissions | 0.00 | 2,453.21 | | 2,453.21 |
| 5990-42 - POS Inventory Adjustments | (347.18) | 1,327.33 | | 1,327.33 |
| 6740-42 - Media/Collateral/Production | 0.00 | 99.00 | | 99.00 |
| 6742-42 - Non-NLT Co-Op Marketing Progr: | 7,021.86 | 0.00 | | 1,800.00 |
| caje08 to reclassify Reno Envyr rent space to appropriate account | | | 1,800.00 | |
| 8100-42 - Cost of Goods Sold - Other | 40,897.36 | 47,154.79 | | 47,154.79 |
| 8200-42 - Associate Relations | 188.44 | 355.19 | | 355.19 |
| 8500-42 - Credit Card Fees | 2,270.62 | 2,734.80 | | 2,734.80 |
| 8700-42 - Automobile Expenses | 780.81 | 1,060.21 | | 1,060.21 |
| 8750-42 - Meals/Meetings | 133.84 | 1,000.55 | | 1,000.55 |
| 8810-42 - Dues & Subscriptions | 539.91 | 647.76 | | 647.76 |
| 8910-42 - Travel | 20.00 | 213.48 | | 213.48 |
| 8930-42 - Prior Period Adjustments | (302.76) | 0.00 | | 0.00 |
| 8990-42 - Allocated | 46,543.75 | 0.00 | | 48,393.78 |
| caje10 to allocate admin expense after all audit adjustments | | | 48,393.78 | |
| 400 Visitor Info. Center Total | <u>386,568.52</u> | <u>381,209.14</u> | <u>44,674.01</u> | <u>425,883.15</u> |
| 500 Infrastructure | | | | |
| 5000-50 - Salaries / Wages Other | 75,173.55 | 86,020.76 | | 85,279.94 |
| caje04 to reduce incentive accrual to actuals paid for FY 2016-17 | | | (740.82) | |
| 5020-50 - P/R - Tax Expense | 6,326.40 | 6,086.56 | | 6,086.56 |
| 5030-50 - P/R - Health Insurance Expense | 3,647.01 | 5,519.12 | | 5,519.12 |
| 5040-50 - P/R - Workmans Comp | 1,310.10 | 310.47 | | 109.47 |
| caje14 to move funds to acct due back to county (due to a refund) | | | (201.00) | |
| 5060-50 - 401 (k) | 3,142.59 | 3,181.90 | | 3,181.90 |
| 5070-50 - Other Benefits and Expenses | 166.02 | 95.03 | | 95.03 |
| 5100-50 - Rent - Other | 6,611.44 | 4,393.49 | | 4,393.49 |
| 5110-50 - Utilities | 510.54 | 336.88 | | 336.88 |
| 5140-50 - Repairs & Maintenance | 421.15 | 543.81 | | 543.81 |
| 5150-50 - Office - Cleaning | 570.43 | 453.89 | | 453.89 |
| 5320-50 - Telephone | 2,120.55 | 2,314.30 | | 2,314.30 |
| 5420-50 - Mail - USPS - Other | 61.92 | 140.96 | | 140.96 |
| 5470-50 - Mail - UPS | 270.03 | 50.00 | | 50.00 |
| 5510-50 - Insurance/Bonding | 215.80 | 206.77 | | 206.77 |
| 5520-50 - Supplies | 0.00 | 154.38 | | 154.38 |
| 5521-50 - Supplies - Other | 610.14 | 0.00 | | 0.00 |
| 5525-50 - Supplies- Computer <\$1000 | 0.00 | 136.74 | | 136.74 |
| 5610-50 - Depreciation | 493.21 | 89.29 | | 89.29 |
| 5700-50 - Equipment Support & Maintenance | 403.92 | 296.50 | | 296.50 |
| 5710-50 - Taxes, Licenses & Fees | 83.89 | 94.93 | | 32.85 |
| caje12 to record refund check for overpayment of property tax | | | (62.08) | |

**North Lake Tahoe Resort Association
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| | Adjusted Balance Jun 30, 2016 | Unadjusted Jun 30, 2017 | Adjusting AJE | Adjusted Balance Jun 30, 2017 |
|--|----------------------------------|----------------------------|------------------|----------------------------------|
| 5740-50 - Equipment Rental/Leasing | 1,425.79 | 1,321.06 | | 1,321.06 |
| 5920-50 - Professional Fees - Accountant | 7,500.00 | 0.00 | | 0.00 |
| 5941-50 - Research & Planning | 35,836.57 | 6,166.55 | | 6,166.55 |
| 8200-50 - Associate Relations | 120.68 | 0.00 | | 0.00 |
| 8500-50 - Credit Card Fees | 22.50 | 22.50 | | 22.50 |
| 8700-50 - Automobile Expenses | 1,421.28 | 598.90 | | 598.90 |
| 8750-50 - Meals/Meetings | 191.24 | 395.63 | | 395.63 |
| 8810-50 - Dues & Subscriptions | 0.00 | 13.50 | | 13.50 |
| 8930-50 - Prior Period Adjustments | (2,035.00) | 0.00 | | 0.00 |
| 8990-50 - Allocated | 51,198.13 | 0.00 | | 53,233.16 |
| caje10 to allocate admin expense after all audit adjustments | | | 53,233.16 | |
| 500 Infrastructure Total | 197,819.88 | 118,943.92 | 52,229.26 | 171,173.18 |
| 600 Membership | | | | |
| 5000-60 - Salaries / Wages Other | 69,558.33 | 69,836.04 | | 65,893.17 |
| caje04 to reduce incentive accrual to actuals paid for FY 2016-17 | | | (3,942.87) | |
| 5001-60 - In-Market Administration | (14,500.00) | (16,500.00) | | (16,500.00) |
| 5020-60 - P/R - Tax Expense | 7,145.62 | 5,891.86 | | 5,891.86 |
| 5030-60 - P/R - Health Insurance Expense | 13,119.34 | 9,583.07 | | 9,745.15 |
| caje11 to reclassify portion of principal insurance to the correct account/department | | | 162.08 | |
| 5040-60 - P/R - Workmans Comp | 1,179.08 | 362.26 | | 127.76 |
| caje14 to move funds to acct due back to county (due to a refund) | | | (234.50) | |
| 5060-60 - 401 (k) | 594.91 | 1,485.86 | | 1,485.86 |
| 5070-60 - Other Benefits and Expenses | 1,759.14 | 136.63 | | 136.63 |
| 5100-60 - Rent - Other | 6,952.54 | 8,568.61 | | 8,568.61 |
| 5110-60 - Utilities | 534.09 | 544.90 | | 544.90 |
| 5115-60 - Freight and Shipping Costs | 17.96 | 0.00 | | 0.00 |
| 5140-60 - Repairs & Maintenance | 421.15 | 563.97 | | 563.97 |
| 5150-60 - Office - Cleaning | 605.61 | 794.21 | | 794.21 |
| 5200-60 - Bad debt expense | 33,595.00 | 0.00 | | 0.00 |
| 5320-60 - Telephone | 3,001.19 | 2,847.26 | | 2,847.26 |
| 5420-60 - Mail - USPS - Other | 298.11 | 590.96 | | 590.96 |
| 5470-60 - Mail - UPS | 2,375.22 | 400.00 | | 400.00 |
| 5510-60 - Insurance/Bonding | 647.43 | 620.40 | | 620.40 |
| 5520-60 - Supplies | 0.00 | 1,139.52 | | 1,139.52 |
| 5521-60 - Supplies - Other | 1,320.51 | 0.00 | | 0.00 |
| 5525-60 - Supplies- Computer <\$1000 | 85.30 | 621.22 | | 621.22 |
| 5530-60 - Visitor Communications - Other | 35.44 | 0.00 | | 0.00 |
| 5610-60 - Depreciation | 493.21 | 98.54 | | 98.54 |
| 5700-60 - Equipment Support & Maintenance | 454.87 | 1,243.47 | | 1,243.47 |
| 5710-60 - Taxes, Licenses & Fees | 83.89 | 95.93 | | 33.85 |
| caje12 to record refund check for overpayment of property tax | | | (62.08) | |
| 5740-60 - Equipment Rental/Leasing | 3,097.43 | 2,858.58 | | 2,858.58 |
| 5800-60 - Training Seminars | 2,141.20 | 892.11 | | 892.11 |
| 6423-60 - Membership Activities - Other | 16,263.64 | 7,335.24 | | 7,335.24 |
| 6432-60 - Membership - Newsletter | 4,503.41 | 2,001.24 | | 2,001.24 |
| 6434-60 - Community Awards Dinner | 16,414.45 | 21,651.45 | | 21,651.45 |
| 6436-60 - Membership - Wnt/Sum Rec Luncl | 64.83 | 996.71 | | 996.71 |
| 6437-60 - Tuesday Morning Breakfast Club | 4,964.00 | 6,088.50 | | 6,088.50 |

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| | Adjusted Balance Jun 30, 2016 | Unadjusted Jun 30, 2017 | Adjusting AJE | Adjusted Balance Jun 30, 2017 |
|--|----------------------------------|----------------------------|------------------|----------------------------------|
| 6441-60 - Membership - Miscellaneous Exp | 69.24 | 52.59 | | 52.59 |
| 6442-60 - Public Relations/Website | 3,920.50 | 81.00 | | 81.00 |
| 6443-60 - Membership - Bridal Faire | 3,269.86 | 75.63 | | 75.63 |
| 6444-60 - Trades | 0.00 | 1,190.00 | | 1,190.00 |
| 6490-60 - Classified Ads | 0.00 | 225.00 | | 225.00 |
| 8200-60 - Associate Relations | 462.38 | 0.00 | | 0.00 |
| 8500-60 - Credit Card Fees | 3,476.77 | 3,460.49 | | 3,460.49 |
| 8700-60 - Automobile Expenses | 533.94 | 907.22 | | 907.22 |
| 8750-60 - Meals/Meetings | 247.01 | 310.04 | | 310.04 |
| 8810-60 - Dues & Subscriptions | 2,210.88 | 1,945.94 | | 1,945.94 |
| 8910-60 - Travel | 1,131.62 | 0.00 | | 0.00 |
| 8920-60 - Bad Debt | 0.00 | 23,598.00 | | 23,598.00 |
| 8990-60 - Allocated | 41,889.37 | 0.00 | | 43,554.40 |
| caje10 to allocate admin expense after all audit adjustments | | | 43,554.40 | |
| 600 Membership Total | 234,438.47 | 162,594.45 | 39,477.03 | 202,071.48 |
| 700 Administration | | | | |
| 5000-70 - Salaries / Wages Other | 245,425.20 | 291,651.35 | | 285,765.68 |
| caje04 to reduce incentive accrual to actuals paid for FY 2016-17 | | | (11,549.34) | |
| caje20 to accrue incentive due to Al Priester | | | 5,663.67 | |
| 5020-70 - P/R - Tax Expense | 18,964.89 | 21,101.96 | | 22,372.26 |
| caje20 to accrue incentive due to Al Priester | | | 1,270.30 | |
| 5030-70 - P/R - Health Insurance Expense | 26,125.53 | 17,477.13 | | 17,477.13 |
| 5040-70 - P/R - Workmans Comp | 4,454.06 | 1,086.50 | | 383.00 |
| caje14 to move funds to acct due back to county (due to a refund) | | | (703.50) | |
| 5060-70 - 401 (k) | 8,306.77 | 4,230.56 | | 4,230.56 |
| 5070-70 - Other Benefits and Expenses | 880.06 | 743.69 | | 743.69 |
| 5100-70 - Rent - Other | 21,747.31 | 19,799.63 | | 19,799.63 |
| 5110-70 - Utilities | 1,752.00 | 1,226.19 | | 1,226.19 |
| 5140-70 - Repairs & Maintenance | 1,340.41 | 3,770.48 | | 3,770.48 |
| 5150-70 - Office - Cleaning | 1,659.95 | 1,824.25 | | 1,824.25 |
| 5320-70 - Telephone | 8,830.05 | 8,739.18 | | 8,739.18 |
| 5420-70 - Mail - USPS - Other | 160.35 | 776.98 | | 776.98 |
| 5470-70 - Mail - UPS | 1,621.80 | 250.00 | | 250.00 |
| 5480-70 - Mail - Fed Ex | 0.00 | 24.02 | | 24.02 |
| 5510-70 - Insurance/Bonding | 1,582.62 | 1,516.50 | | 1,516.50 |
| 5520-70 - Supplies | 0.00 | 5,232.53 | | 5,232.53 |
| 5521-70 - Supplies - Other | 6,647.70 | 0.00 | | 0.00 |
| 5525-70 - Supplies- Computer <\$1000 | 1,377.54 | 1,873.29 | | 1,841.39 |
| caje07 to reduce accrual for computers to actual | | | (31.90) | |
| 5610-70 - Depreciation | 1,541.46 | 689.36 | | 689.36 |
| 5700-70 - Equipment Support & Maintenance | 3,938.64 | 5,732.94 | | 5,732.94 |
| 5710-70 - Taxes, Licenses & Fees | 8,110.33 | 8,243.90 | | 8,049.90 |
| caje12 to record refund check for overpayment of property tax | | | (194.00) | |
| 5740-70 - Equipment Rental/Leasing | 2,009.38 | 1,874.56 | | 1,874.56 |
| 5800-70 - Training Seminars | 100.00 | 2,199.00 | | 2,199.00 |
| 5900-70 - Professional Fees | 0.00 | 1,250.00 | | 1,250.00 |

North Lake Tahoe Resort Association
Grouping Schedule Report
Leadsheet codes

| | <u>Adjusted Balance</u> <u>Jun 30, 2016</u> | <u>Unadjusted</u> <u>Jun 30, 2017</u> | <u>Adjusting AJE</u> | <u>Adjusted Balance</u> <u>Jun 30, 2017</u> |
|---|--|--|----------------------|--|
| 5901-70 - Professional Fees - Other | 312.50 | 0.00 | | 0.00 |
| 5910-70 - Professional Fees - Attorneys | 2,900.00 | 3,978.19 | | 3,978.19 |
| 5920-70 - Professional Fees - Accountant caje19 to record unrecorded tax expense & year end | 87,124.93 | 35,862.00 | 2,000.00 | 37,862.00 |
| 5921-70 - Professional Fees - Other | 0.00 | 36,837.71 | | 36,837.71 |
| 6421-70 - New Event Development | 0.00 | 50.00 | | 50.00 |
| 6423-70 - Membership Activities - Other | 0.00 | 33.65 | | 33.65 |
| 6490-70 - Classified Ads | 15.00 | 0.00 | | 0.00 |
| 6730-70 - Marketing Cooperative/Media | 15.00 | 0.00 | | 0.00 |
| 8200-70 - Associate Relations | 2,351.22 | 3,604.84 | | 3,604.84 |
| 8300-70 - Board Functions | 4,542.24 | 2,612.86 | | 2,612.86 |
| 8500-70 - Credit Card Fees | 387.87 | 384.05 | | 384.05 |
| 8700-70 - Automobile Expenses | 1,015.32 | 295.38 | | 295.38 |
| 8750-70 - Meals/Meetings | 1,192.78 | 520.31 | | 520.31 |
| 8810-70 - Dues & Subscriptions | 1,491.82 | 1,989.62 | | 1,989.62 |
| 8910-70 - Travel | 2,305.52 | 0.00 | | 0.00 |
| 8930-70 - Prior Period Adjustments | (4,792.74) | 0.00 | | 0.00 |
| 8990-70 - Allocated caje10 to allocate admin expense after all audit adjustments | (465,437.51) | 0.00 | (483,937.84) | (483,937.84) |
| 700 Administration Total | <u>0.00</u> | <u>487,482.61</u> | <u>(487,482.61)</u> | <u>0.00</u> |
| Operating Expenses Total | <u>3,790,563.11</u> | <u>3,988,592.64</u> | <u>(25,957.64)</u> | <u>3,962,635.00</u> |
| Expense Total | <u>3,790,563.11</u> | <u>3,988,592.64</u> | <u>(25,957.64)</u> | <u>3,962,635.00</u> |
| Leadsheet codes Total | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> |
| (Profit)/Loss | <u>33,438.55</u> | <u>(193,266.27)</u> | <u>211,306.79</u> | <u>18,040.52</u> |

**North Lake Tahoe Resort Association
Grouping Schedule Report
Unassigned Accounts**

**The Following Accounts Have Not Been Assigned
To Any Schedule**

| Account Number | Description | Adjusted Balance Jun 30, 2016 | Unadjusted Jun 30, 2017 | Adjusting AJE | Adjusted Balance Jun 30, 2017 |
|----------------|---------------------------------|----------------------------------|----------------------------|---------------|----------------------------------|
| 1050-00 | Beach Rental | 0.00 | 0.00 | | 0.00 |
| 1055-00 | Marketing Cooperative Cash | 0.00 | 0.00 | | 0.00 |
| 1061-00 | Cash - FSA Account | 0.00 | 0.00 | | 0.00 |
| 1073-00 | UBS Cash | 0.00 | 0.00 | | 0.00 |
| 1077-00 | Infrastructure Money Market | 0.00 | 0.00 | | 0.00 |
| 1079-00 | Citizens Bank CDs | 0.00 | 0.00 | | 0.00 |
| 1210-99 | AR Misc | 0.00 | 0.00 | | 0.00 |
| 1291-59 | AR TOT Infrastructure County | 0.00 | 0.00 | | 0.00 |
| 1292-49 | AR TOT Transp County Held | 0.00 | 0.00 | | 0.00 |
| 1293-59 | AR TOT Infra Maintenance County | 0.00 | 0.00 | | 0.00 |
| 1295-99 | Interest Receivable 10/11 | 0.00 | 0.00 | | 0.00 |
| 1401-00 | Recruitment Fees | 0.00 | 0.00 | | 0.00 |
| 1500-00 | Suspense* | 0.00 | 0.00 | | 0.00 |
| 1850-00 | Prepaid Rent - RTIA | 0.00 | 0.00 | | 0.00 |
| 2000-99 | Accounts Payable 2010/11 | 0.00 | 0.00 | | 0.00 |
| 2080-00 | Bank of the West - Master Cards | 0.00 | 0.00 | | 0.00 |
| 2110-00 | Direct Deposit Liabilities | 0.00 | 0.00 | | 0.00 |
| 2150-00 | State Taxes Payable | 0.00 | 0.00 | | 0.00 |
| 2160-00 | FUTA Taxes Payable | 0.00 | 0.00 | | 0.00 |
| 2170-00 | FSA Payable | 0.00 | 0.00 | | 0.00 |
| 2176-00 | 401k Profit Sharing | 0.00 | 0.00 | | 0.00 |
| 2181-00 | Health Benefits Payable | 0.00 | 0.00 | | 0.00 |
| 2200-20 | Ski Ticket suspense | 0.00 | 0.00 | | 0.00 |
| 2300-00 | Marketing Cooperative Liabili | 0.00 | 0.00 | | 0.00 |
| 2400-01 | AFW Suspense Account | 0.00 | 0.00 | | 0.00 |
| 2400-42 | Marketing Co-op | 0.00 | 0.00 | | 0.00 |
| 2401-00 | NLT Beach Center | 0.00 | 0.00 | | 0.00 |
| 2600-00 | Reserves | 0.00 | 0.00 | | 0.00 |
| 2652-00 | Deferred Revenue - VIC | 0.00 | 0.00 | | 0.00 |
| 2700-00 | Deferred Rev. County | 0.00 | 0.00 | | 0.00 |
| 2700-41 | Deferred Support-Trans NLTRA | 0.00 | 0.00 | | 0.00 |
| 2700-50 | Deferred Support - Infra County | 0.00 | 0.00 | | 0.00 |
| 2701-41 | Deferred Support - Trans County | 0.00 | 0.00 | | 0.00 |
| 2701-50 | Deferred Sup- Infra Maint. Res | 0.00 | 0.00 | | 0.00 |
| 2702-50 | Deferred Support Infra NLTRA | 0.00 | 0.00 | | 0.00 |
| 3000-00 | Opening Balance Equity | 0.00 | 0.00 | | 0.00 |
| 3010-00 | Fund Balance - General | 0.00 | 0.00 | | 0.00 |
| 3010-11 | Fund Balance - General -11 | 0.00 | 0.00 | | 0.00 |
| 3010-20 | Fund Balance - General -20 | 0.00 | 0.00 | | 0.00 |
| 3010-30 | Fund Balance - General -30 | 0.00 | 0.00 | | 0.00 |
| 3010-41 | Fund Balance - General -41 | 0.00 | 0.00 | | 0.00 |
| 3010-42 | Fund Balance - General -42 | 0.00 | 0.00 | | 0.00 |
| 3010-50 | Fund Balance - General -50 | 0.00 | 0.00 | | 0.00 |
| 3010-60 | Fund Balance - General -60 | 0.00 | 0.00 | | 0.00 |
| 3010-70 | Fund Balance - General -70 | 0.00 | 0.00 | | 0.00 |
| 3100-11 | Ski Marketing Reserve from STN | 0.00 | 0.00 | | 0.00 |
| 3100-50 | Temp. Restricted Net Assets 5 | 0.00 | 0.00 | | 0.00 |
| 3400-50 | Designated Infra Maint Reserve | 0.00 | 0.00 | | 0.00 |
| 4050-00 | County of Placer TOT Funding | 0.00 | 0.00 | | 0.00 |
| 4050-60 | County of Placer TOT Funding | 0.00 | 0.00 | | 0.00 |
| 4200-00 | Membership Dues | 0.00 | 0.00 | | 0.00 |
| 4200-11 | Membership Dues | 0.00 | 0.00 | | 0.00 |

**North Lake Tahoe Resort Association
Grouping Schedule Report
Unassigned Accounts**

**The Following Accounts Have Not Been Assigned
To Any Schedule**

| Account Number | Description | Adjusted Balance Jun 30, 2016 | Unadjusted Jun 30, 2017 | Adjusting AJE | Adjusted Balance Jun 30, 2017 |
|----------------|--------------------------------|----------------------------------|----------------------------|---------------|----------------------------------|
| 4200-41 | Membership Dues | 0.00 | 0.00 | | 0.00 |
| 4200-42 | Membership Dues | 0.00 | 0.00 | | 0.00 |
| 4200-50 | Membership Dues | 0.00 | 0.00 | | 0.00 |
| 4201-00 | New Member Fees | 0.00 | 0.00 | | 0.00 |
| 4201-11 | New Member Fees | 0.00 | 0.00 | | 0.00 |
| 4201-30 | New Member Fees | 0.00 | 0.00 | | 0.00 |
| 4201-41 | New Member Fees | 0.00 | 0.00 | | 0.00 |
| 4201-42 | New Member Fees | 0.00 | 0.00 | | 0.00 |
| 4201-50 | New Member Fees | 0.00 | 0.00 | | 0.00 |
| 4205-00 | Conference Dues | 0.00 | 0.00 | | 0.00 |
| 4205-11 | Conference Dues | 0.00 | 0.00 | | 0.00 |
| 4205-41 | Conference Dues | 0.00 | 0.00 | | 0.00 |
| 4205-42 | Conference Dues | 0.00 | 0.00 | | 0.00 |
| 4205-50 | Conference Dues | 0.00 | 0.00 | | 0.00 |
| 4205-60 | Conference Dues | 0.00 | 0.00 | | 0.00 |
| 4250-00 | Revenues-Membership Activities | 0.00 | 0.00 | | 0.00 |
| 4250-01 | Community Awards | 0.00 | 0.00 | | 0.00 |
| 4250-02 | Tourism Summit | 0.00 | 0.00 | | 0.00 |
| 4250-03 | Summer/Winter Rec Luncheon | 0.00 | 0.00 | | 0.00 |
| 4250-04 | Silent Auction | 0.00 | 0.00 | | 0.00 |
| 4250-05 | Sponsorships | 0.00 | 0.00 | | 0.00 |
| 4251-00 | Revenue-Tue AM Breakfast Club | 0.00 | 0.00 | | 0.00 |
| 4252-00 | Revenue - Sponsorships | 0.00 | 0.00 | | 0.00 |
| 4252-30 | Revenue - Sponsorships | 0.00 | 0.00 | | 0.00 |
| 4252-41 | Revenue - Sponsorships | 0.00 | 0.00 | | 0.00 |
| 4252-42 | Revenue - Sponsorships | 0.00 | 0.00 | | 0.00 |
| 4252-50 | Revenue - Sponsorships | 0.00 | 0.00 | | 0.00 |
| 4252-70 | Revenue - Sponsorships | 0.00 | 0.00 | | 0.00 |
| 4502-00 | Non-Retail VIC income | 0.00 | 0.00 | | 0.00 |
| 4502-30 | Non-retail VIC income | 0.00 | 0.00 | | 0.00 |
| 4502-41 | Non-retail VIC income | 0.00 | 0.00 | | 0.00 |
| 4502-50 | Non-retail VIC income | 0.00 | 0.00 | | 0.00 |
| 4502-70 | Non-retail VIC income | 0.00 | 0.00 | | 0.00 |
| 4600-00 | Commissions | 0.00 | 0.00 | | 0.00 |
| 4600-41 | Commissions | 0.00 | 0.00 | | 0.00 |
| 4600-42 | Commissions | 0.00 | 0.00 | | 0.00 |
| 4600-50 | Commissions | 0.00 | 0.00 | | 0.00 |
| 4600-60 | Commissions | 0.00 | 0.00 | | 0.00 |
| 4600-70 | Commissions | 0.00 | 0.00 | | 0.00 |
| 4601-00 | Commissions - South Shore | 0.00 | 0.00 | | 0.00 |
| 4601-41 | Commissions - South Shore | 0.00 | 0.00 | | 0.00 |
| 4601-42 | Commissions - South Shore | 0.00 | 0.00 | | 0.00 |
| 4601-50 | Commissions - South Shore | 0.00 | 0.00 | | 0.00 |
| 4601-60 | Commissions - South Shore | 0.00 | 0.00 | | 0.00 |
| 4601-70 | Commissions - South Shore | 0.00 | 0.00 | | 0.00 |
| 4602-30 | Merchandise Sales | 0.00 | 0.00 | | 0.00 |
| 4602-41 | Merchandise Sales | 0.00 | 0.00 | | 0.00 |
| 4602-50 | Merchandise Sales | 0.00 | 0.00 | | 0.00 |
| 4602-60 | Merchandise Sales | 0.00 | 0.00 | | 0.00 |
| 4602-70 | Merchandise Sales | 0.00 | 0.00 | | 0.00 |
| 5000-00 | Salaries & Wages | 0.00 | 0.00 | | 0.00 |
| 5000-01 | In-Market Administration | 0.00 | 0.00 | | 0.00 |

**North Lake Tahoe Resort Association
Grouping Schedule Report
Unassigned Accounts**

**The Following Accounts Have Not Been Assigned
To Any Schedule**

| Account Number | Description | Adjusted Balance Jun 30, 2016 | Unadjusted Jun 30, 2017 | Adjusting AJE | Adjusted Balance Jun 30, 2017 |
|----------------|---------------------------------|----------------------------------|----------------------------|---------------|----------------------------------|
| 5010-00 | Sales Commissions | 0.00 | 0.00 | | 0.00 |
| 5010-11 | Sales Commissions | 0.00 | 0.00 | | 0.00 |
| 5010-41 | Sales Commissions | 0.00 | 0.00 | | 0.00 |
| 5010-42 | Sales Commissions | 0.00 | 0.00 | | 0.00 |
| 5010-50 | Sales Commissions | 0.00 | 0.00 | | 0.00 |
| 5010-60 | Sales Commissions | 0.00 | 0.00 | | 0.00 |
| 5010-70 | Sales Commissions | 0.00 | 0.00 | | 0.00 |
| 5020-00 | P/R - Tax Expense | 0.00 | 0.00 | | 0.00 |
| 5030-00 | P/R - Health Insurance Expense | 0.00 | 0.00 | | 0.00 |
| 5040-00 | P/R - Workmans Comp | 0.00 | 0.00 | | 0.00 |
| 5060-00 | 401 (k) | 0.00 | 0.00 | | 0.00 |
| 5070-00 | Other Benefits and Expenses | 0.00 | 0.00 | | 0.00 |
| 5100-00 | Rent | 0.00 | 0.00 | | 0.00 |
| 5110-00 | Utilities | 0.00 | 0.00 | | 0.00 |
| 5140-00 | Repairs & Maintenance | 0.00 | 0.00 | | 0.00 |
| 5150-00 | Office - Cleaning | 0.00 | 0.00 | | 0.00 |
| 5250-00 | Purchase Discounts | 0.00 | 0.00 | | 0.00 |
| 5290-00 | Purchases - Resale Items | 0.00 | 0.00 | | 0.00 |
| 5290-30 | Purchases - Resale items | 0.00 | 0.00 | | 0.00 |
| 5290-41 | Purchases - Resale items | 0.00 | 0.00 | | 0.00 |
| 5290-50 | Purchases - Resale items | 0.00 | 0.00 | | 0.00 |
| 5290-60 | Purchases - Resale items | 0.00 | 0.00 | | 0.00 |
| 5290-70 | Purchases - Resale items | 0.00 | 0.00 | | 0.00 |
| 5320-00 | Telephone | 0.00 | 0.00 | | 0.00 |
| 5350-00 | Internet | 0.00 | 0.00 | | 0.00 |
| 5350-30 | Internet | 0.00 | 0.00 | | 0.00 |
| 5350-41 | Internet | 0.00 | 0.00 | | 0.00 |
| 5350-50 | Internet | 0.00 | 0.00 | | 0.00 |
| 5350-60 | Internet | 0.00 | 0.00 | | 0.00 |
| 5420-00 | Mail - USPS | 0.00 | 0.00 | | 0.00 |
| 5470-00 | Mail - UPS | 0.00 | 0.00 | | 0.00 |
| 5480-00 | Mail - Fed Ex | 0.00 | 0.00 | | 0.00 |
| 5480-41 | Mail - Fed Ex | 0.00 | 0.00 | | 0.00 |
| 5480-50 | Mail - Fed Ex | 0.00 | 0.00 | | 0.00 |
| 5480-60 | Mail - Fed Ex | 0.00 | 0.00 | | 0.00 |
| 5510-00 | Insurance/Bonding | 0.00 | 0.00 | | 0.00 |
| 5520-00 | Supplies | 0.00 | 0.00 | | 0.00 |
| 5525-00 | Supplies- Computer <\$1000 | 0.00 | 0.00 | | 0.00 |
| 5530-00 | Visitor Communications - Other | 0.00 | 0.00 | | 0.00 |
| 5530-11 | Visitor Communications - Other | 0.00 | 0.00 | | 0.00 |
| 5530-30 | Visitor Communications - Other | 0.00 | 0.00 | | 0.00 |
| 5530-41 | Visitor Communications - Other | 0.00 | 0.00 | | 0.00 |
| 5530-50 | Visitor Communications - Other | 0.00 | 0.00 | | 0.00 |
| 5530-70 | Visitor Communications - Other | 0.00 | 0.00 | | 0.00 |
| 5610-00 | Depreciation | 0.00 | 0.00 | | 0.00 |
| 5700-00 | Equipment Support & Maintenance | 0.00 | 0.00 | | 0.00 |
| 5710-00 | Taxes, Licenses & Fees | 0.00 | 0.00 | | 0.00 |
| 5740-00 | Equipment Rental/Leasing | 0.00 | 0.00 | | 0.00 |
| 5800-00 | Training Seminars | 0.00 | 0.00 | | 0.00 |
| 5800-30 | Training Seminars | 0.00 | 0.00 | | 0.00 |
| 5800-41 | Training Seminars | 0.00 | 0.00 | | 0.00 |
| 5800-50 | Training Seminars | 0.00 | 0.00 | | 0.00 |

**North Lake Tahoe Resort Association
Grouping Schedule Report
Unassigned Accounts**

**The Following Accounts Have Not Been Assigned
To Any Schedule**

| Account Number | Description | Adjusted Balance Jun 30, 2016 | Unadjusted Jun 30, 2017 | Adjusting AJE | Adjusted Balance Jun 30, 2017 |
|----------------|--------------------------------|----------------------------------|----------------------------|---------------|----------------------------------|
| 5810-00 | Public Outreach | 0.00 | 0.00 | | 0.00 |
| 5810-30 | Public Outreach | 0.00 | 0.00 | | 0.00 |
| 5810-41 | Public Outreach | 0.00 | 0.00 | | 0.00 |
| 5810-42 | Public Outreach | 0.00 | 0.00 | | 0.00 |
| 5810-60 | Public Outreach | 0.00 | 0.00 | | 0.00 |
| 5810-70 | Public Outreach | 0.00 | 0.00 | | 0.00 |
| 5815-00 | Training Video Series | 0.00 | 0.00 | | 0.00 |
| 5815-30 | Training Video Series | 0.00 | 0.00 | | 0.00 |
| 5815-41 | Training Video Series | 0.00 | 0.00 | | 0.00 |
| 5815-42 | Training Video Series | 0.00 | 0.00 | | 0.00 |
| 5815-50 | Training Video Series | 0.00 | 0.00 | | 0.00 |
| 5815-60 | Training Video Series | 0.00 | 0.00 | | 0.00 |
| 5815-70 | Training Video Series | 0.00 | 0.00 | | 0.00 |
| 5820-00 | Sales CRM/CMS | 0.00 | 0.00 | | 0.00 |
| 5820-30 | Sales CRM/CMS | 0.00 | 0.00 | | 0.00 |
| 5820-41 | Sales CRM/CMS | 0.00 | 0.00 | | 0.00 |
| 5820-42 | Sales CRM/CMS | 0.00 | 0.00 | | 0.00 |
| 5820-50 | Sales CRM/CMS | 0.00 | 0.00 | | 0.00 |
| 5820-60 | Sales CRM/CMS | 0.00 | 0.00 | | 0.00 |
| 5820-70 | Sales CRM/CMS | 0.00 | 0.00 | | 0.00 |
| 5830-00 | Commission Due to Third Party | 0.00 | 0.00 | | 0.00 |
| 5830-11 | Commission Due to Third Party | 0.00 | 0.00 | | 0.00 |
| 5830-41 | Commission Due to Third Party | 0.00 | 0.00 | | 0.00 |
| 5830-42 | Commission Due to Third Party | 0.00 | 0.00 | | 0.00 |
| 5830-50 | Commission Due to Third Party | 0.00 | 0.00 | | 0.00 |
| 5830-60 | Commission Due to Third Party | 0.00 | 0.00 | | 0.00 |
| 5830-70 | Commission Due to Third Party | 0.00 | 0.00 | | 0.00 |
| 5850-00 | Artist of Month - Commissions | 0.00 | 0.00 | | 0.00 |
| 5850-11 | Artist of Month - Commissions | 0.00 | 0.00 | | 0.00 |
| 5850-30 | Artist of Month - Commissions | 0.00 | 0.00 | | 0.00 |
| 5850-41 | Artist of Month - Commissions | 0.00 | 0.00 | | 0.00 |
| 5850-50 | Artist of Month - Commissions | 0.00 | 0.00 | | 0.00 |
| 5850-60 | Artist of Month - Commissions | 0.00 | 0.00 | | 0.00 |
| 5850-70 | Artist of Month - Commissions | 0.00 | 0.00 | | 0.00 |
| 5900-00 | Professional Fees | 0.00 | 0.00 | | 0.00 |
| 5900-30 | Professional Fees | 0.00 | 0.00 | | 0.00 |
| 5900-41 | Professional Fees | 0.00 | 0.00 | | 0.00 |
| 5900-42 | Professional Fees | 0.00 | 0.00 | | 0.00 |
| 5900-50 | Professional Fees | 0.00 | 0.00 | | 0.00 |
| 5900-60 | Professional Fees | 0.00 | 0.00 | | 0.00 |
| 5910-00 | Professional Fees - Attorneys | 0.00 | 0.00 | | 0.00 |
| 5910-11 | Professional Fees - Attorneys | 0.00 | 0.00 | | 0.00 |
| 5910-30 | Professional Fees - Attorneys | 0.00 | 0.00 | | 0.00 |
| 5910-41 | Professional Fees - Attorneys | 0.00 | 0.00 | | 0.00 |
| 5910-42 | Professional Fees - Attorneys | 0.00 | 0.00 | | 0.00 |
| 5910-50 | Professional Fees - Attorneys | 0.00 | 0.00 | | 0.00 |
| 5910-60 | Professional Fees - Attorneys | 0.00 | 0.00 | | 0.00 |
| 5920-00 | Professional Fees - Accountant | 0.00 | 0.00 | | 0.00 |
| 5920-30 | Professional Fees - Accountant | 0.00 | 0.00 | | 0.00 |
| 5920-41 | Professional Fees - Accountant | 0.00 | 0.00 | | 0.00 |
| 5920-42 | Professional Fees - Accountant | 0.00 | 0.00 | | 0.00 |
| 5920-60 | Professional Fees - Accountant | 0.00 | 0.00 | | 0.00 |

**North Lake Tahoe Resort Association
Grouping Schedule Report
Unassigned Accounts**

**The Following Accounts Have Not Been Assigned
To Any Schedule**

| Account Number | Description | Adjusted Balance Jun 30, 2016 | Unadjusted Jun 30, 2017 | Adjusting AJE | Adjusted Balance Jun 30, 2017 |
|----------------|---------------------------------|----------------------------------|----------------------------|---------------|----------------------------------|
| 5921-00 | Professional Fees - Other | 0.00 | 0.00 | | 0.00 |
| 5921-11 | Professional Fees - Other | 0.00 | 0.00 | | 0.00 |
| 5921-30 | Professional Fees - Other | 0.00 | 0.00 | | 0.00 |
| 5921-41 | Professional Fees - Other | 0.00 | 0.00 | | 0.00 |
| 5921-42 | Professional Fees - Other | 0.00 | 0.00 | | 0.00 |
| 5921-50 | Professional Fees - Other | 0.00 | 0.00 | | 0.00 |
| 5921-60 | Professional Fees - Other | 0.00 | 0.00 | | 0.00 |
| 5940-00 | Research & Planning Membership | 0.00 | 0.00 | | 0.00 |
| 5940-11 | Research & Planning Membership | 0.00 | 0.00 | | 0.00 |
| 5940-30 | Research & Planning Membership | 0.00 | 0.00 | | 0.00 |
| 5940-42 | Research & Planning Membership | 0.00 | 0.00 | | 0.00 |
| 5940-50 | Research & Planning Membership | 0.00 | 0.00 | | 0.00 |
| 5940-60 | Research & Planning Membership | 0.00 | 0.00 | | 0.00 |
| 5940-70 | Research & Planning Membership | 0.00 | 0.00 | | 0.00 |
| 5941-00 | Research & Planning | 0.00 | 0.00 | | 0.00 |
| 5941-30 | Research & Planning | 0.00 | 0.00 | | 0.00 |
| 5941-42 | Research & Planning | 0.00 | 0.00 | | 0.00 |
| 5941-60 | Research & Planning | 0.00 | 0.00 | | 0.00 |
| 5941-70 | Research & Planning | 0.00 | 0.00 | | 0.00 |
| 5948-00 | Transportation Projects | 0.00 | 0.00 | | 0.00 |
| 5948-11 | Transportation Projects | 0.00 | 0.00 | | 0.00 |
| 5948-30 | Transportation Projects | 0.00 | 0.00 | | 0.00 |
| 5948-42 | Transportation Projects | 0.00 | 0.00 | | 0.00 |
| 5948-50 | Transportation Projects | 0.00 | 0.00 | | 0.00 |
| 5948-60 | Transportation Projects | 0.00 | 0.00 | | 0.00 |
| 5948-70 | Transportation Projects | 0.00 | 0.00 | | 0.00 |
| 5953-00 | Summer Traffic Management (S-2) | 0.00 | 0.00 | | 0.00 |
| 5953-11 | Summer Traffic Management (S-2) | 0.00 | 0.00 | | 0.00 |
| 5953-30 | Summer Traffic Management (S-2) | 0.00 | 0.00 | | 0.00 |
| 5953-42 | Summer Traffic Management (S-2) | 0.00 | 0.00 | | 0.00 |
| 5953-50 | Summer Traffic Management (S-2) | 0.00 | 0.00 | | 0.00 |
| 5953-60 | Summer Traffic Management (S-2) | 0.00 | 0.00 | | 0.00 |
| 5953-70 | Summer Traffic Management (S-2) | 0.00 | 0.00 | | 0.00 |
| 5990-00 | POS Inventory Adjustments | 0.00 | 0.00 | | 0.00 |
| 6015-00 | Cross Country | 0.00 | 0.00 | | 0.00 |
| 6016-00 | Special Event Partnership | 0.00 | 0.00 | | 0.00 |
| 6016-30 | Special Event Partnership | 0.00 | 0.00 | | 0.00 |
| 6016-41 | Special Event Partnership | 0.00 | 0.00 | | 0.00 |
| 6016-42 | Special Event Partnership | 0.00 | 0.00 | | 0.00 |
| 6016-50 | Special Event Partnership | 0.00 | 0.00 | | 0.00 |
| 6016-60 | Special Event Partnership | 0.00 | 0.00 | | 0.00 |
| 6016-70 | Special Event Partnership | 0.00 | 0.00 | | 0.00 |
| 6018-00 | Business Assoc. Grants | 0.00 | 0.00 | | 0.00 |
| 6018-30 | Business Assoc. Grants | 0.00 | 0.00 | | 0.00 |
| 6018-41 | Business Assoc. Grants | 0.00 | 0.00 | | 0.00 |
| 6018-42 | Business Assoc. Grants | 0.00 | 0.00 | | 0.00 |
| 6018-50 | Business Assoc. Grants | 0.00 | 0.00 | | 0.00 |
| 6018-60 | Business Assoc. Grants | 0.00 | 0.00 | | 0.00 |
| 6018-70 | Business Assoc. Grants | 0.00 | 0.00 | | 0.00 |
| 6424-00 | Event Operation Expenses | 0.00 | 0.00 | | 0.00 |
| 6426-00 | Dues & Subscriptions | 0.00 | 0.00 | | 0.00 |
| 6436-00 | Membership - Wnt/Sum Rec Lunch | 0.00 | 0.00 | | 0.00 |

**North Lake Tahoe Resort Association
Grouping Schedule Report
Unassigned Accounts**

**The Following Accounts Have Not Been Assigned
To Any Schedule**

| Account Number | Description | Adjusted Balance Jun 30, 2016 | Unadjusted Jun 30, 2017 | Adjusting AJE | Adjusted Balance Jun 30, 2017 |
|----------------|---------------------------------|----------------------------------|----------------------------|---------------|----------------------------------|
| 6437-00 | Tuesday Morning Breakfast Club | 0.00 | 0.00 | | 0.00 |
| 6441-00 | Membership - Miscellaneous Exp | 0.00 | 0.00 | | 0.00 |
| 6442-00 | Public Relations/Website | 0.00 | 0.00 | | 0.00 |
| 6443-00 | Membership - Bridal Faire | 0.00 | 0.00 | | 0.00 |
| 6444-00 | Trades | 0.00 | 0.00 | | 0.00 |
| 6490-00 | Classified Ads | 0.00 | 0.00 | | 0.00 |
| 6600-00 | Promotions/Giveaways | 0.00 | 0.00 | | 0.00 |
| 6701-00 | Market Study Reports/Research | 0.00 | 0.00 | | 0.00 |
| 6730-00 | Marketing Cooperative/Media | 0.00 | 0.00 | | 0.00 |
| 6740-00 | Media/Collateral/Production | 0.00 | 0.00 | | 0.00 |
| 6740-11 | Media/Collateral/Production | 0.00 | 0.00 | | 0.00 |
| 6742-00 | Non-NLT Co-Op Marketing Program | 0.00 | 0.00 | | 0.00 |
| 7500-00 | Trade Shows/Travel | 0.00 | 0.00 | | 0.00 |
| 8100-00 | Cost of Goods Sold | 0.00 | 0.00 | | 0.00 |
| 8200-00 | Associate Relations | 0.00 | 0.00 | | 0.00 |
| 8300-00 | Board Functions | 0.00 | 0.00 | | 0.00 |
| 8300-11 | Board Functions | 0.00 | 0.00 | | 0.00 |
| 8300-30 | Board Functions | 0.00 | 0.00 | | 0.00 |
| 8300-41 | Board Functions | 0.00 | 0.00 | | 0.00 |
| 8300-42 | Board Functions | 0.00 | 0.00 | | 0.00 |
| 8300-50 | Board Functions | 0.00 | 0.00 | | 0.00 |
| 8300-60 | Board Functions | 0.00 | 0.00 | | 0.00 |
| 8500-00 | Credit Card Fees | 0.00 | 0.00 | | 0.00 |
| 8700-00 | Automobile Expenses | 0.00 | 0.00 | | 0.00 |
| 8750-00 | Meals/Meetings | 0.00 | 0.00 | | 0.00 |
| 8810-00 | Dues & Subscriptions | 0.00 | 0.00 | | 0.00 |
| 8910-00 | Travel | 0.00 | 0.00 | | 0.00 |
| 8910-30 | Travel | 0.00 | 0.00 | | 0.00 |
| 8910-41 | Travel | 0.00 | 0.00 | | 0.00 |
| 8910-50 | Travel | 0.00 | 0.00 | | 0.00 |
| 8920-00 | Bad Debt | 0.00 | 0.00 | | 0.00 |
| 8920-11 | Bad Debt | 0.00 | 0.00 | | 0.00 |
| 8920-30 | Bad Debt | 0.00 | 0.00 | | 0.00 |
| 8920-41 | Bad Debt | 0.00 | 0.00 | | 0.00 |
| 8920-42 | Bad Debt | 0.00 | 0.00 | | 0.00 |
| 8920-50 | Bad Debt | 0.00 | 0.00 | | 0.00 |
| 8920-70 | Bad Debt | 0.00 | 0.00 | | 0.00 |
| 8990-00 | Allocated | 0.00 | 0.00 | | 0.00 |

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

Prepared by _____
Reviewed by _____

| Reference | Type | Date Account Number | Description | Debit | Credit | Net Income Effect | Workpaper | Misstatement |
|-----------|-----------|---------------------------|---|-----------|-----------|----------------------|-----------|--------------|
| 1 | Adjusting | 06/30/17 | | | | | | |
| | | 2000-00 | Accounts Payable | 9,263.83 | | | | |
| | | 1400-00 | Prepaid Expenses | | 9,263.83 | | | |
| | | | to reverse accrual of prepaid that wasnt paid in CY | | | 0.00 | L-10 | |
| 2 | Adjusting | 06/30/17 | | | | | | |
| | | 2400-60 | Deferred Revenue- Member | 14,855.00 | | | | |
| | | 1201-00 | WebLink Accounts Receiva | | 14,855.00 | | | |
| | | | to reverse accrual of deferred and AR | | | 0.00 | B-10 | |
| 3 | Adjusting | 06/30/17 | | | | | | |
| | | 2900-00 | Due To/From County of Pla | | 51,009.45 | | | |
| | | 4050-41 | County of Placer TOT Fund | 17,176.00 | | | | |
| | | 4050-50 | County of Placer TOT Fund | 33,833.45 | | | | |
| | | | to record funds not spent payable back to county (r&p) | | | (51,009.45) | PL-15 | |

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

Prepared by _____
Reviewed by _____

| Reference | Type | Date Account Number | Description | Debit | Credit | Net Income Effect | Workpaper | Misstatement |
|-----------|-----------|---------------------------|--|-----------|------------|----------------------|-----------|--------------|
| 4 | Adjusting | 06/30/17 | | | | | | |
| | | 2000-00 | Accounts Payable | 5,000.00 | | | | |
| | | 6421-14 | Tahoe Trail 100 | | 5,000.00 | | | |
| | | | to reverse accrual of Tahoe Trail event that occurred in 2017/18 | | | 5,000.00 | AA-20 | |
| 5 | Adjusting | 06/30/17 | | | | | | |
| | | 4050-11 | County of Placer TOT Fund | 62,743.76 | | | | |
| | | 4050-30 | County of Placer TOT Fund | 20,160.88 | | | | |
| | | 4050-42 | County of Placer TOT Fund | 24,135.72 | | | | |
| | | 4050-41 | County of Placer TOT Fund | 33,591.64 | | | | |
| | | 4050-50 | County of Placer TOT Fund | 20,246.28 | | | | |
| | | 2900-00 | Due To/From County of Pla | | 160,878.28 | | | |
| | | | to true up Placer revenue based on unused funds | | | (160,878.28) | PL-25 | |
| 6 | Adjusting | 06/30/17 | | | | | | |
| | | 3200-00 | Unrestricted Net Assets | 2,523.70 | | | | |
| | | 3300-11 | Designated Marketing Reser | | 2,523.70 | | | |
| | | | to increase designated marketing reserve to 10% of 3 year average mkt expenditures | | | 0.00 | TT-10 | |

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

Prepared by _____
Reviewed by _____

| Reference | Type | Date Account Number | Description | Debit | Credit | Net Income Effect | Workpaper | Misstatement |
|-----------|-----------|---------------------------|--|-----------|-----------|----------------------|-----------|--------------|
| 7 | Adjusting | 06/30/17 | | | | | | |
| | | 4050-11 | County of Placer TOT Fund | 33,498.74 | | | | |
| | | 4050-41 | County of Placer TOT Fund | 1,436.31 | | | | |
| | | 2900-00 | Due To/From County of Pla | | 34,935.05 | | | |
| | | 4050-50 | County of Placer TOT Fund | | 2,688.91 | | | |
| | | 2900-00 | Due To/From County of Pla | 2,688.91 | | | | |
| | | | to reduce revenues by unspent contract dollars | | | (32,246.14) | FS | |
| | Adjusting | 06/30/17 | | | | | | |
| | | 1741-00 | Accum. Depr. - Computer E | | | | | |
| | | 1740-00 | Computer Equipment | 35,330.53 | | | | |
| | | 1751-00 | Accum. Amort. - Software | | 35,330.53 | | | |
| | | 1750-00 | Computer Software | 18,559.60 | | | | |
| | | | to record fixed asset disposals | | | 0.00 | UV-20 | |
| caxe01 | Adjusting | 06/30/17 | | | | | | |
| | | 3200-00 | Unrestricted Net Assets | | | | | |
| | | 3301-00 | Cash Flow Reserve | 48.23 | | | | |
| | | 3300-11 | Designated Marketing Reser | | 48.23 | | | |
| | | 3302-00 | Marketing Cash Reserve | 18.09 | | | | |
| | | | to adjust fund balances to agree to PY financials | | | 0.00 | CAJEs | |

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

Prepared by _____
Reviewed by _____

| Reference | Type | Date Account Number | Description | Debit | Credit | Net Income Effect | Workpaper | Misstatement |
|-----------|-----------|---------------------------|---|-----------|-----------|----------------------|-----------|--------------|
| caje02 | Adjusting | 06/30/17 | | | | | | |
| | | 3302-00 | Marketing Cash Reserve | 75.08 | | | | |
| | | 4702-00 | Interest Income - MKT Re | | 75.08 | | | |
| | | 3301-00 | Cash Flow Reserve | 200.29 | | | | |
| | | 4701-00 | Interest Income - CF Reserv | | 200.29 | | | |
| | | | to reclassify revenue out of fund accounts | | | 275.37 | CAJE | |
| caje03 | Adjusting | 06/30/17 | | | | | | |
| | | 1200-00 | Quickbooks Accounts Recei | 1,045.87 | | | | |
| | | 4600-30 | Commissions | | 1,045.87 | | | |
| | | | to adjust commission revenue | | | 1,045.87 | CAJE | |
| caje04 | Adjusting | 06/30/17 | | | | | | |
| | | 2101-00 | Incentive Payable | 24,552.31 | | | | |
| | | 5000-11 | Salaries / Wages Other | | 4,079.68 | | | |
| | | 5000-30 | Salaries / Wages Other | | 461.48 | | | |
| | | 5000-41 | Salaries / Wages Other | | 740.82 | | | |
| | | 5000-42 | Salaries / Wages Other | | 3,037.30 | | | |
| | | 5000-50 | Salaries / Wages Other | | 740.82 | | | |
| | | 5000-60 | Salaries / Wages Other | | 3,942.87 | | | |
| | | 5000-70 | Salaries / Wages Other | | 11,549.34 | | | |
| | | | to reduce incentive accrual to actuals paid for FY 2016-17 | | | 24,552.31 | CAJE | |

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

Prepared by _____
Reviewed by _____

| Reference | Type | Date Account Number | Description | Debit | Credit | Net Income Effect | Workpaper | Misstatement |
|-----------|-----------|---------------------------|---|----------|----------|----------------------|-----------|--------------|
| caje05 | Adjusting | 06/30/17 | | | | | | |
| | | 1200-99 | AR Other | 15.64 | | | | |
| | | 5070-11 | Other Benefits and Expense | | 15.64 | 15.64 | CAJE | |
| | | | to move JTs Lifelock to the correct account | | | | | |
| caje06 | Adjusting | 06/30/17 | | | | | | |
| | | 6016-11 | Special Event Partnership | 4,000.00 | | | | |
| | | 2250-00 | Accrued Expenses | | 4,000.00 | (4,000.00) | CAJE | |
| | | | to accrue grant for Squaw Valley Half Marathon on 6/11/17 | | | | | |
| caje07 | Adjusting | 06/30/17 | | | | | | |
| | | 2250-00 | Accrued Expenses | 107.87 | | | | |
| | | 5525-70 | Supplies- Computer <\$1000 | | 31.90 | | | |
| | | 5525-42 | Supplies- Computer <\$1000 | | 75.97 | | | |
| | | | to reduce accrual for computers to actual | | | 107.87 | CAJE | |

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

Prepared by _____
Reviewed by _____

| Reference | Type | Date Account Number | Description | Debit | Credit | Net Income Effect | Workpaper | Misstatement |
|-----------|-----------|---------------------------|--|------------|------------|----------------------|-----------|--------------|
| caje08 | Adjusting | 06/30/17 | | | | | | |
| | | 5100-42 | Rent - Other | | 1,800.00 | | | |
| | | 6742-42 | Non-NLT Co-Op Marketing | 1,800.00 | | | | |
| | | | to reclassify Reno Envy rent space to appropriate account | | | 0.00 | CAJE | |
| caje09 | Adjusting | 06/30/17 | | | | | | |
| | | 5941-41 | Research & Planning | 14,940.00 | | | | |
| | | 2250-00 | Accrued Expenses | | 14,940.00 | | | |
| | | | to accrue expense in proper period | | | (14,940.00) | CAJE | |
| caje10 | Adjusting | 06/30/17 | | | | | | |
| | | 8990-70 | Allocated | | 483,937.84 | | | |
| | | 8990-11 | Allocated | 232,290.16 | | | | |
| | | 8990-30 | Allocated | 53,233.17 | | | | |
| | | 8990-41 | Allocated | 53,233.17 | | | | |
| | | 8990-42 | Allocated | 48,393.78 | | | | |
| | | 8990-50 | Allocated | 53,233.16 | | | | |
| | | 8990-60 | Allocated | 43,554.40 | | | | |
| | | | to allocate admin expense after all audit adjustments | | | 0.00 | CAJE | |

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

Prepared by _____
Reviewed by _____

| Reference | Type | Date Account Number | Description | Debit | Credit | Net Income Effect | Workpaper | Misstatement |
|-----------|-----------|---------------------------|---|----------|----------|----------------------|-----------|--------------|
| caje11 | Adjusting | 06/30/17 | | | | | | |
| | | 5030-11 | P/R - Health Insurance Expense | 4.00 | | | | |
| | | 5030-42 | P/R - Health Insurance Expense | 130.88 | | | | |
| | | 5030-60 | P/R - Health Insurance Expense | 162.08 | | | | |
| | | 2800-00 | Suspense | | 296.96 | | | |
| | | | to reclassify portion of principal insurance to the correct account/departments | | | (296.96) | | |
| caje12 | Adjusting | 06/30/17 | | | | | | |
| | | 2800-00 | Suspense | 776.00 | | | | |
| | | 5710-11 | Taxes, Licenses & Fees | | 194.00 | | | |
| | | 5710-30 | Taxes, Licenses & Fees | | 100.88 | | | |
| | | 5710-41 | Taxes, Licenses & Fees | | 62.08 | | | |
| | | 5710-42 | Taxes, Licenses & Fees | | 100.88 | | | |
| | | 5710-50 | Taxes, Licenses & Fees | | 62.08 | | | |
| | | 5710-60 | Taxes, Licenses & Fees | | 62.08 | | | |
| | | 5710-70 | Taxes, Licenses & Fees | | 194.00 | | | |
| | | | to record refund check for overpayment of property tax | | | 776.00 | | CAJE |
| caje13 | Adjusting | 06/30/17 | | | | | | |
| | | 5953-41 | Summer Traffic Management | 1,593.65 | | | | |
| | | 3200-00 | Unrestricted Net Assets | | 1,593.65 | | | |
| | | | | | | | | (1,593.65) |

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

Prepared by _____
Reviewed by _____

| Reference | Type | Date Account Number | Description | Debit | Credit | Net Income Effect | Workpaper | Misstatement |
|-----------|-----------|---------------------------|---|-----------|----------|----------------------|-----------|--------------|
| caje14 | Adjusting | 06/30/17 | to record PY CHP refund in the proper period | | | | CAJE | |
| | | 6746-11 | High Notes | | 8,015.00 | | | |
| | | 5040-11 | P/R - Workmans Comp | | 804.00 | | | |
| | | 5040-30 | P/R - Workmans Comp | | 569.50 | | | |
| | | 5040-41 | P/R - Workmans Comp | | 201.00 | | | |
| | | 5040-42 | P/R - Workmans Comp | | 636.50 | | | |
| | | 5040-50 | P/R - Workmans Comp | | 201.00 | | | |
| | | 5040-60 | P/R - Workmans Comp | | 234.50 | | | |
| | | 5040-70 | P/R - Workmans Comp | | 703.50 | | | |
| | | 6742-11 | Non-NLT Co-Op Marketing | | 1,795.00 | | | |
| | | 2900-00 | Due To/From County of Pla | 13,160.00 | | | | |
| | | | to move funds to acct due back to county (due to a refund) | | | 13,160.00 | CAJE | |
| caje15 | Adjusting | 06/30/17 | | | | | | |
| | | 1400-00 | Prepaid Expenses | | | | | |
| | | 6742-11 | Non-NLT Co-Op Marketing | 7,125.00 | 7,125.00 | | | |
| | | | to remove from expense to prepaid to be amortized over the period 7/1/17-12/31/19 | | | 7,125.00 | CAJE | |

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

Prepared by _____
Reviewed by _____

| Reference | Type | Date Account Number | Description | Debit | Credit | Net Income Effect | Workpaper | Misstatement |
|-----------|-----------|---------------------------|---|-----------|-----------|----------------------|-----------|--------------|
| caje16 | Adjusting | 06/30/17 | | | | | | |
| | | 4600-30 | Commissions | 2,555.00 | | | | |
| | | 4600-30 | Commissions | 2,430.40 | | | | |
| | | 5830-30 | Commission Due to Third P | | 2,555.00 | | | |
| | | 5830-30 | Commission Due to Third P | | 2,430.40 | | | |
| | | | to adjust commission revenue | | | 0.00 | CAJE | |
| caje17 | Adjusting | 06/30/17 | | | | | | |
| | | 4600-30 | Commissions | 1,837.40 | | | | |
| | | 1200-00 | Quickbooks Accounts Recei | | 1,837.40 | | | |
| | | | to reverse duplicate commissions recorded | | | (1,837.40) | CAJE | |
| caje18 | Adjusting | 06/30/17 | | | | | | |
| | | 3200-00 | Unrestricted Net Assets | 12,371.00 | | | | |
| | | 4050-11 | County of Placer TOT Fund | | 12,371.00 | | | |
| | | | to record additional revenue per the 6th amendment | | | 12,371.00 | CAJE | |

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

Prepared by _____
Reviewed by _____

| Reference | Type | Date Account Number | Description | Debit | Credit | Net Income Effect | Workpaper | Misstatement |
|-----------|-----------|---------------------------|---|-------------------|-------------------|----------------------|-----------|--------------|
| caje19 | Adjusting | 06/30/17 | | | | | | |
| | | 5920-70 | Professional Fees - Account | 2,000.00 | | | | |
| | | 2000-00 | Accounts Payable | | 2,000.00 | | | |
| | | | to record unrecorded tax expense at year end | | | (2,000.00) | CAJE | |
| caje20 | Adjusting | 06/30/17 | | | | | | |
| | | 5020-70 | P/R - Tax Expense | 1,270.30 | | | | |
| | | 5000-70 | Salaries / Wages Other | 5,663.67 | | | | |
| | | 2101-00 | Incentive Payable | | 6,933.97 | | | |
| | | | to accrue incentive due to Al Priester | | | (6,933.97) | CAJE | |
| | | TOTAL | | <u>916,864.95</u> | <u>916,864.95</u> | <u>(211,306.79)</u> | | |

NORTH LAKE TAHOE RESORT ASSOCIATION, INC.

Tahoe City, California

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

June 30, 2017 and 2016

NORTH LAKE TAHOE RESORT ASSOCIATION, INC.

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| Exhibit B STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS | 4 |
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DRAFT

M^cCLINTOCK ACCOUNTANCY CORPORATION

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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, 2017 and 2016, 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, 2017 and 2016, 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
November 14, 2017

DRAFT

STATEMENTS OF FINANCIAL POSITION

June 30, 2017 and 2016

| | <u>2017</u> | <u>2016</u> |
|---|---------------------|-------------------|
| ASSETS | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 949,616 | \$ 626,330 |
| Restricted TOT cash reserve (Note 6) | 100,249 | 100,048 |
| Accounts receivable, net of allowance for doubtful accounts of \$3,343 and \$36,595 in 2017 and 2016 | 29,564 | 110,926 |
| Prepaid expenses | 14,799 | 8,876 |
| Inventories | 31,787 | 32,408 |
| | <u>1,126,015</u> | <u>878,588</u> |
| Noncurrent Assets: | | |
| Property and equipment, net of accumulated depreciation (Note 7) | 5,586 | 2,964 |
| | <u>5,586</u> | <u>2,964</u> |
| Total Assets | <u>\$ 1,131,601</u> | <u>\$ 881,552</u> |
| LIABILITIES AND NET ASSETS | | |
| LIABILITIES | | |
| Current Liabilities: | | |
| Accounts payable | \$ 225,507 | \$ 182,993 |
| Placer County payable | 231,039 | 23,941 |
| Accrued liabilities | 224,477 | 171,526 |
| Deferred revenue - membership dues | 52,435 | 69,550 |
| Total Liabilities (all current) | <u>733,458</u> | <u>448,010</u> |
| NET ASSETS (Note 2) | | |
| Unrestricted | | |
| Invested in property and equipment | 5,586 | 2,964 |
| Designated marketing reserve (Note 3) | 306,848 | 304,324 |
| Undesignated | (14,540) | 26,206 |
| Total Unrestricted | <u>297,894</u> | <u>333,494</u> |
| Temporarily Restricted (Note 6) | 100,249 | 100,048 |
| Total Net Assets | <u>398,143</u> | <u>433,542</u> |
| Total Liabilities and Net Assets | <u>\$ 1,131,601</u> | <u>\$ 881,552</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, 2017 and 2016

| | <u>2017</u> | <u>2016</u> |
|--|--------------------------|--------------------------|
| CHANGES IN NET ASSETS: | | |
| Revenue and other support: | | |
| Placer County grant revenue | \$ 3,373,049 | \$ 3,041,943 |
| Placer County infrastructure grant revenue | 171,173 | 197,820 |
| Commissions and booking fees | 109,912 | 188,358 |
| Member dues | 146,839 | 135,527 |
| Member services and special events | 44,892 | 114,546 |
| Retail sales and other | 98,454 | 78,865 |
| Interest income | <u>275</u> | <u>66</u> |
| Total revenue and other support | <u>3,944,594</u> | <u>3,757,125</u> |
| Expenses and losses: | | |
| Program services: | | |
| Marketing | 2,311,532 | 2,154,120 |
| Group sales and conferences | 354,440 | 340,228 |
| Visitor support and transportation | 158,779 | 151,582 |
| Visitor information | 377,489 | 340,025 |
| North Lake Tahoe Chamber of Commerce | 158,516 | 192,549 |
| Infrastructure | <u>117,940</u> | <u>146,622</u> |
| | <u>3,478,696</u> | <u>3,325,126</u> |
| Supporting services: | | |
| General and administrative | <u>483,938</u> | <u>465,439</u> |
| Total expenses | <u>3,962,634</u> | <u>3,790,565</u> |
| Decrease in Net Assets | (18,040) | (33,440) |
| NET ASSETS | | |
| Net assets distributed to Placer County | <u>(17,359)</u> | <u>(564,037)</u> |
| Beginning of Year | <u>433,542</u> | <u>1,031,019</u> |
| End of Year | <u><u>\$ 398,143</u></u> | <u><u>\$ 433,542</u></u> |

The accompanying notes are an integral part of these statements.

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NORTH LAKE TAHOE RESORT ASSOCIATION, INC.

Exhibit C

STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2017 and 2016

| | <u>2017</u> | <u>2016</u> |
|---|---------------------|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Decrease in unrestricted net assets | \$ (18,040) | \$ (33,441) |
| Reconciliation of change in net assets to cash (used) provided by operating activities | | |
| Depreciation | 2,464 | 6,164 |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | 81,361 | (19,779) |
| Placer County receivable/payable | 207,099 | 629,050 |
| Prepaid expenses | (5,923) | 114,373 |
| Inventories | 621 | (2,898) |
| Accounts payable | 42,514 | 70,347 |
| Accrued liabilities | 52,951 | (1,385) |
| Deferred revenue - membership dues | (17,115) | 10,319 |
| Deferred revenue - other | -0- | (14,760) |
| Net Cash Provided by Operating Activities | <u>345,932</u> | <u>757,990</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property and equipment | <u>(5,086)</u> | <u>(1,120)</u> |
| Net Cash Used by Investing Activities | <u>(5,086)</u> | <u>(1,120)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Net assets distributed to Placer County | <u>(17,359)</u> | <u>(564,037)</u> |
| | <u>(17,359)</u> | <u>(564,037)</u> |
| Net Increase in Cash and Cash Equivalents | 323,487 | 192,833 |
| Cash and Cash Equivalents, Beginning of Year | <u>726,378</u> | <u>533,545</u> |
| Cash and Cash Equivalents, End of Year | <u>\$ 1,049,865</u> | <u>\$ 726,378</u> |
| Cash and Cash Equivalent Analysis: | | |
| Cash and cash equivalents | \$ 949,616 | \$ 626,330 |
| Restricted TOT cash reserve | <u>100,249</u> | <u>100,048</u> |
| Net Cash and Cash Equivalents | <u>\$ 1,049,865</u> | <u>\$ 726,378</u> |

The accompanying notes are an integral part of these statements.

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NORTH LAKE TAHOE RESORT ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2017 and 2016

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 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.

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, 2017 and 2016, there were no temporarily restricted or 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, 2017 and 2016

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 \$1,277,371 and \$1,089,500 for the years ended June 30, 2017 and 2016, 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.

Unrestricted Net Assets

All net asset balances are classified as unrestricted, excluding the 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, 2017 and 2016

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 \$- at June 30, 2017 and 2016. During 2016, the Association remitted to Placer County the balance of the designated visitor support and transportation net asset balance. The payments were requested by Placer County and approved by the Association's board of directors.

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 transit 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 annual marketing, conference and visitor information center expenditures. The designated marketing reserve totaled \$306,848 and \$304,324 at June 30, 2017 and 2016 respectively.

NORTH LAKE TAHOE RESORT ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2017 and 2016

4. Concentration of Credit Risk

The Association maintains its cash accounts at a local bank. At June 30, 2017 and 2016, the aggregate balance of these accounts exceeded the federally insured (FDIC) limits by \$762,613 and \$229,613 respectively.

5. Concentration of Revenue

Support from Placer County in the form of contract grants contributed to 90% and 86% of the Association's total revenues and support for the years ended June 30, 2017 and 2016, respectively. The Association's contract with Placer County is renewed annually. At June 30, 2017 and 2016, the Association owed Placer County \$231,039 and \$23,941, respectively.

6. Restricted Cash and Investments

Restrictions on Association cash and investment balances at June 30, 2017 and 2016, consist of the following:

| | 2017 | 2016 |
|------------------|------------|------------|
| TOT cash reserve | \$ 100,249 | \$ 100,048 |
| | \$ 100,249 | \$ 100,048 |

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, 2017 and 2016, consists of the following:

| | 2017 | 2016 |
|-------------------------------|-----------|-----------|
| Furniture and fixtures | \$ 68,768 | \$ 68,768 |
| Computer equipment | 8,436 | 43,766 |
| Computer software | 21,520 | 34,995 |
| Leasehold improvements | 24,284 | 24,284 |
| | 123,008 | 171,813 |
| Less accumulated depreciation | (117,422) | (168,849) |
| Net property and equipment | \$ 5,586 | \$ 2,964 |

NORTH LAKE TAHOE RESORT ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2017 and 2016

Depreciation expense was \$2,464 and \$6,164 for the years ended June 30, 2017 and 2016 respectively.

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 \$148,032 in 2017 and \$140,716 in 2016. Minimum lease payments are subject to escalation clauses and options to renew. At June 30, 2017, future minimum lease payments under such leases to the end of the contract are as follows:

| <u>Year Ending June 30</u> | |
|----------------------------|-------------------|
| 2018 | \$ 114,000 |
| 2019 | 114,000 |
| 2020 | 114,000 |
| 2021 | 114,000 |
| 2022 | 95,000 |
| Total | <u>\$ 551,000</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 \$34,643 and \$35,995 for the years ended June 30, 2017 and 2016, respectively.

10. Subsequent Events

Subsequent events have been evaluated by management through, November 14, 2017, the date that the statements were available for issuance.

NLTRA 2017/2018 BUDGET

Mod Trans & Infra, G&A incrsd 3%, excl Sal & Rent

| | | | Marketing | Conference | VIC | Transportation | Infrastructure | Membership | Administration | Total |
|--|----------------|-----------|------------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|
| Ordinary Income/Expense | 16-17 | 3,775,985 | 2,665,682 | 289,600 | 333,923 | 264,212 | 222,568 | | | |
| Income | 17-18 (+ 3%) | 3,889,265 | 2,745,652 | 298,288 | 343,941 | 272,138 | 229,245 | | | 3,889,265 |
| Placer County TOT | Mod Trans & In | 3,747,600 | 2,960,158 | 303,176 | 389,733 | 32,537 | 61,996 | | | 3,747,600 |
| Special Events | Proof | 0 | | | | | | | | |
| Membership | | | | 7,690 | | | | 135,000 | | 142,690 |
| Commissions | | | | 101,067 | | | | | | 101,067 |
| Non-Retail VIC Sales | | | | | 6,000 | | | | | 6,000 |
| Visitor Guide Income | | | | | 3,000 | | | | | 3,000 |
| Merchandise Sales | | | | | 90,000 | | | | | 90,000 |
| New Member Fees | | | | | | | | 225 | | 225 |
| Membership Activities | | | | | | | | 44,000 | | 44,000 |
| Tuesday Morning Breakfast Club | | | | | | | | 8,000 | | 8,000 |
| Sponsorships | | | | | | | | 9,000 | | 9,000 |
| Total Income | | | 2,960,158 | 411,933 | 488,733 | 32,537 | 61,996 | 196,225 | 0 | 4,151,582 |
| Cost of Goods Sold | | | | | 45,000 | | | | | 45,000 |
| Gross Margin | | | 2,960,158 | 411,933 | 443,733 | 32,537 | 61,996 | 196,225 | 0 | 4,106,582 |
| Expense | | | | | | | | | | - |
| Total 5000-00 - Salaries & Wages | | 824,178 | 378,814 | 210,001 | 235,363 | 17,560 | 35,944 | 113,076 | 481,549 | 1,472,307 |
| Attachment C Personnel | 1,060,948 | 17,560 | | | | | | | | |
| | 1,092,776 | 35,944 | | | | | | | | |
| 5100-00 - Rent | | 877,681 | | | | | | | | |
| Total 5100-00 - Rent | | | 28,969 | 14,484 | 101,391 | 1,211 | 2,297 | 11,225 | 28,720 | 188,297 |
| 5310-00 - Telephone | 1.03 | | 5,459 | 3,164 | 3,605 | 285 | 571 | 2,850 | 12,611 | 28,545 |
| 5420-00 - Mail - USPS | | | 773 | 309 | 515 | | | 1,000 | 721 | 3,318 |
| 5510-00 - Insurance/Bonding | | | 2,060 | 1,442 | 2,060 | 309 | 309 | 745 | 1,751 | 8,676 |
| 5520-00 - Supplies | | | 3,090 | 510 | 4,120 | 309 | 309 | 2,000 | 7,210 | 17,548 |
| Visitor Communications Other | | | | | 460 | | | | | 460 |
| 5700-00 - Equipment Support & Maint. | | 553,727 | 3,844 | 1,100 | 2,163 | 494 | 680 | 1,325 | 3,840 | 13,446 |
| 5710-00 - Taxes, Licenses & Fees | | 570,339 | 515 | 206 | 309 | 124 | 383 | 200 | 8,240 | 9,977 |
| 5740-00 - Equipment Rental/Leasing | | 769,576 | 2,060 | 1,660 | 6,106 | 330 | 2,629 | 2,990 | 2,575 | 18,349 |
| Attachment C G & A | 696,037 | 716,918 | | | | | | | | |
| 5800-00 - Training Sem. | 807,855 | 67,956 | 8,461 | | 3,090 | | | 1,545 | 6,180 | 19,276 |
| 5900-00 - Prof. Fees (5850 Artist of Mth) | | 12,602 | | | | | | | 25,750 | 25,750 |
| 6490-00 - Classified Ads | | 76,333 | | | | | | | 773 | 773 |
| Media/Collateral/Production | | 78,623 | | | 5,000 | | | | | 5,000 |
| Conference PUD | | 25,677 | | | | | | | | |
| Marketing Projects: | | 807,855 | | | | | | | | |
| Training Video Series | | | 15,000 | | 5,000 | | | | | 20,000 |
| Sales CRM/CMS | | | 10,000 | | | | | | | 10,000 |
| Community Marketing Programs | | | 80,000 | | | | | | | 80,000 |
| Special Events/Sponsorships | | | 524,000 | | | | | | | 524,000 |
| Marketing Cooperative Media | | | 1,301,821 | 110,000 | | | | | | 1,411,821 |
| Other Programs | | | 84,000 | | | | | | | 84,000 |
| 6743 BACC Marketing Programs | | | 80,000 | | | | | | | 80,000 |
| Infrastructure Projects: | | | | | | | | | | |
| Public Outreach | | | | | | | | | 773 | 773 |
| Research & Planning | | | | | | | 375 | | | 375 |
| Transportation Projects: | | | | | | | | | | |
| Public Outreach | | | | | | | | | | |
| Research & Planning Dues | | | | | | | | | | |
| Research & Planning | | | | | | | 2,375 | | | 2,375 |
| Traffic Management | | | | | | | | | | |
| Membership Activities | | | | | | | | 44,805 | | 44,805 |
| Tuesday Morning Breakfast Club | | | | | | | | | | 0 |
| 8200-00 - Employee Relations | | | 618 | 515 | 515 | | | 275 | 2,266 | 4,189 |
| 8300-00 - Board Functions | | | | | | | | | 9,888 | 9,888 |
| 8500-00 - Credit Card Fees | | | | | 3,708 | | | 3,605 | | 7,313 |
| 8700-00 - Automobile Expenses | | | 2,060 | 412 | 1,236 | | | 1,025 | 1,030 | 5,763 |
| 8750-00 - Meals/Meetings | | | 3,605 | 412 | 1,107 | | | 440 | 1,391 | 6,955 |
| 8810-00 - Dues & Subscriptions | | | 5,150 | 1,201 | 1,648 | 3,090 | | 1,380 | 1,648 | 14,117 |
| 8910-00 - Travel | | | 7,820 | | 5,045 | | | | 3,502 | 16,367 |
| Research & Planning (Member Bad Debt) | | | 7,250 | | | | | 10,300 | | 17,550 |
| Depreciation | | | 1,159 | 249 | 1,049 | 426 | 426 | 300 | 2,018 | 5,627 |
| Total Expense | | | 2,556,527 | 345,666 | 383,489 | 26,513 | 43,923 | 199,087 | 602,434 | 4,157,638 |
| Net Ordinary Income | | | 403,631 | 66,267 | 60,243 | 6,024 | 18,073 | -2,862 | -602,434 | -51,056 |
| Other Income/Expense/Additions | | | | | | | | | | 0 |
| Additions to Marketing Reserve (Admin Bal Adjust.) | | | | | | | | | | |
| 8990-00 - Allocated | | | 403,631 | 66,268 | 60,243 | 6,024 | 18,073 | 48,195 | -602,434 | 0 |
| Net Income | | | -0 | -0 | -0 | 0 | 0 | -51,056 | 0 | -51,056 |
| Proof | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Allocation ratio based on Ttl Exp | | | 71.909% | 9.723% | 10.787% | 0.746% | 1.235% | 5.600% | | 100.000% |
| A-1 | | 2750 | | | | 2375 | 375 | | | |
| Proof | | | | | | | | | | |
| A-2 | | 2,222,071 | 2,102,071 | 110,000 | 10,000 | | | | | |
| Proof | | | 0 | 0 | 0 | | | | | |

| Pro-Forma July '17 thru Jun '18 Attachment C | Aug '17 thru Jan '18 | | | | July '17 | | | | Feb '18 thru Jun '18 (Annual - Jul thru Jan) | | | | Annual | | | |
|--|----------------------|----------|----------|-------------|-----------|----------|----------|-----------|--|---------|----------|-------------|-------------|----------|----------|-------------|
| | Marketing | Trans. | Infra. | Total | Marketing | Trans. | Infra. | Total | Marketing | Trans. | Infra. | Total | Marketing | Trans. | Infra. | Total |
| ① Personnel/Overhead Cap - Direct Costs | \$403,839 | \$6,659 | \$16,616 | \$427,114 | \$65,457 | \$8,245 | \$8,245 | \$81,947 | \$354,882 | \$2,656 | \$11,082 | \$368,620 | \$824,178 | \$17,560 | \$35,944 | \$877,681 |
| ② G & A Cap - Indirect Costs | 384,788 | 6,301 | 12,838 | 403,927 | 41,037 | 4,826 | 4,814 | 50,677 | 343,751 | 1,475 | 8,024 | 353,250 | 769,576 | 12,602 | 25,677 | 807,855 |
| ③ Research and Planning | 5,000 | 2,000 | | 7,000 | 375 | 375 | 375 | 750 | 2,250 | 0 | 0 | 2,250 | 7,250 | 2,375 | 375 | 10,000 |
| ④ Direct Marketing Programs | 864,856 | | | 864,856 | 328,825 | | | 328,825 | 941,140 | | | 941,140 | 2,134,821 | | | 2,134,821 |
| ⑤ Community Marketing Fund | 10,000 | | | 10,000 | | | | | 20,000 | | | 20,000 | 30,000 | | | 30,000 |
| ⑥ Special Events Marketing Fund | 50,000 | | | 50,000 | | | | | | | | | 50,000 | | | 50,000 |
| Subtotal - Resort Assoc Contract | \$1,718,483 | \$14,960 | \$29,455 | \$1,762,897 | \$435,319 | \$13,446 | \$13,434 | \$462,199 | \$1,662,023 | \$4,131 | \$19,107 | \$1,685,261 | \$3,815,824 | \$32,537 | \$61,996 | \$3,910,357 |

| | | | | | | | |
|-------|---------|--|-------------------------|-----------|--|---------------------|-----------|
| Proof | 929,856 | | Sum of U6-10 | 2,222,071 | | Less: Other Revenue | 162,757 |
| | | | Agrees to TTL & Summary | 3,747,600 | | | 3,747,600 |

KEY METRICS FOR October 31, 2017 FINANCIAL STATEMENTS

| Total District 5 TOT Collections by Quarter 2010 - 2017 (as reported thru Oct 2017) | | | | | | |
|---|----------------|----------------|----------------|----------------|---------------|--|
| Fiscal Year | Q1 (Jul - Sep) | Q2 (Oct - Dec) | Q3 (Jan - Mar) | Q4 (Apr - Jun) | Total | |
| 2010 - 2011 | 3,242,663 | 2,107,554 | 3,776,990 | 1,361,343 | \$ 10,488,550 | |
| 2011 - 2012 | 3,683,345 | 1,794,633 | 3,159,674 | 1,554,224 | \$ 10,191,876 | |
| 2012 - 2013 | 3,882,952 | 2,106,483 | 4,263,868 | 1,447,976 | \$ 11,701,279 | |
| 2013 - 2014 | 4,525,882 | 2,145,655 | 3,569,347 | 1,751,001 | \$ 11,991,885 | |
| 2014 - 2015 | 4,693,908 | 2,527,485 | 3,513,547 | 1,868,362 | \$ 12,603,302 | |
| 2015 - 2016 | 4,872,022 | 3,875,134 | 5,421,915 | 2,345,879 | \$ 16,514,950 | |
| 2016 - 2017 | 5,502,162 | 3,350,880 | 6,119,926 | 3,320,993 | \$ 18,293,961 | |
| 2017 - 2018 | 4,598,473 | - | - | - | \$ 4,598,473 | |

updated

| Visitor Information Comparative Statistics For FYTD 2014 - 2017 (thru Oct 2017) | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|
| Referrals - Tahoe City: | 2014-2015 | 2015-2016 | 2016-2017 | 2017-2018 | YOY % Change |
| Walk In | 24,204 | 23,429 | 20,967 | 21,533 | 2.70% |
| Phone | 1,153 | 1,084 | 1,104 | 1,027 | -6.97% |
| Email | 6,500 | 63 | 151 | 163 | 7.95% |
| Kings Beach (Walk In) | | 8,609 | 3,926 | 7,883 | 100.79% |
| NLT - Event Traffic | | 1,531 | 4,150 | 2,837 | -31.64% |
| Total | 31,857 | 34,716 | 30,298 | 33,443 | 10.38% |

| Sales Tax Revenue by Calendar Year Quarterly - North Lake Tahoe (as of Aug 2017, 6 mth lag) | | | | | |
|---|---------------------|---------------------|---------------------|---------------------|--------------|
| Quarter | 2013 | 2014 | 2015 | 2016 | YOY % Change |
| First (Jan - Mar) | \$ 724,645 | \$ 589,226 | \$ 573,778 | \$ 699,157 | 21.85% |
| Second (Apr - May) | \$ 488,100 | \$ 521,965 | \$ 495,699 | \$ 558,566 | 12.68% |
| Third (Jun - Aug) | \$ 861,729 | \$ 885,368 | \$ 875,768 | \$ 905,415 | 3.39% |
| Fourth (Sep - Dec) | \$ 538,613 | \$ 557,614 | \$ 596,985 | \$ 624,683 | 4.64% |
| Total | \$ 2,613,087 | \$ 2,554,173 | \$ 2,542,230 | \$ 2,787,821 | 9.66% |

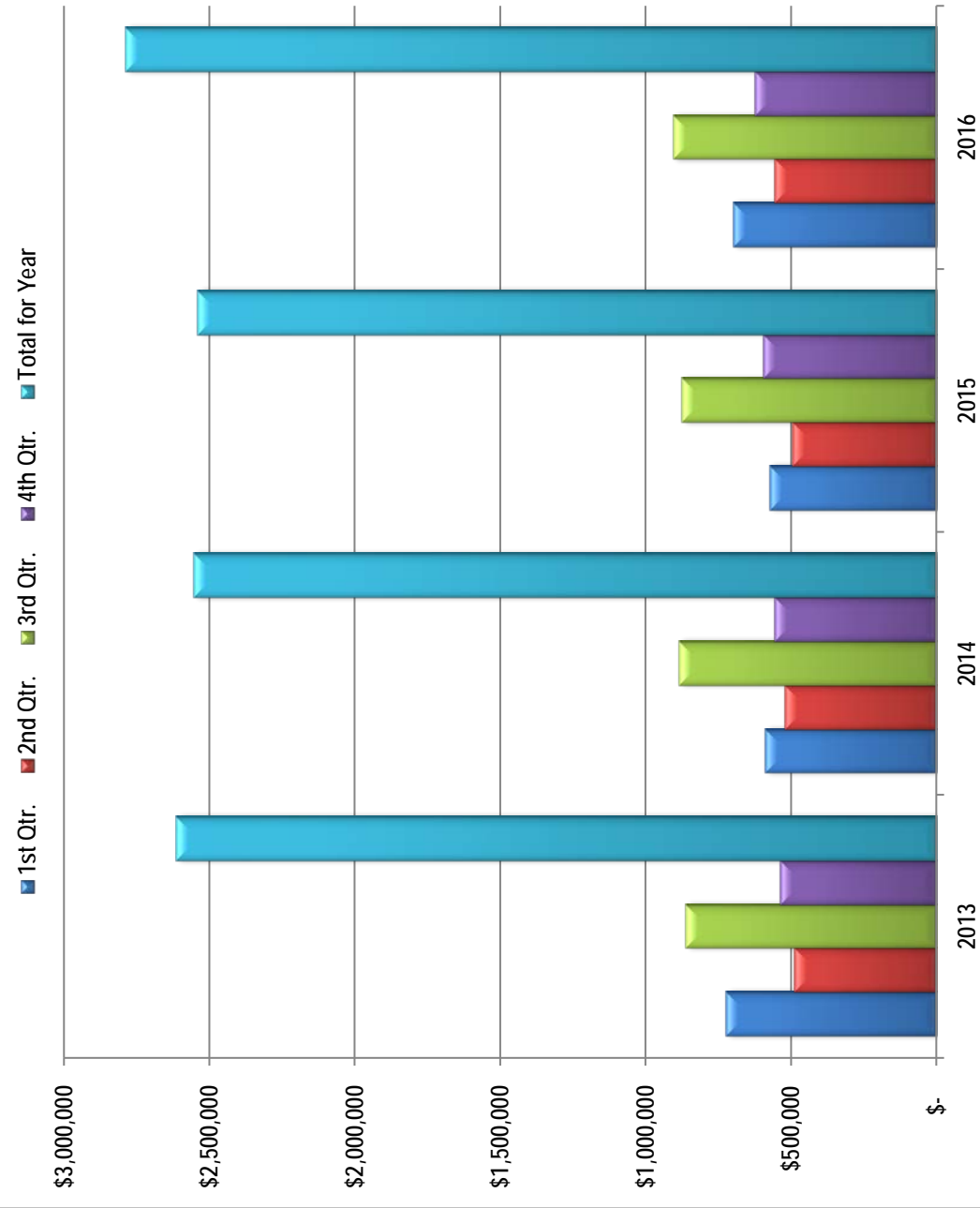
| Unemployment Rates - EDD | | | | | |
|------------------------------|-----------|-----------|----------|----------|--|
| Location | June 2014 | July 2015 | Aug 2016 | Oct 2017 | |
| California (pop. 38,332,521) | 7.1% | 6.7% | 5.5% | 4.9% | |
| Placer County (367,309) | 6.0% | 5.2% | 4.7% | 3.5% | |
| Dollar Point (1,215) | 7.1% | 6.1% | 1.1% | 1.6% | |
| Kings Beach (3,893) | 6.0% | 6.8% | 6.1% | 5.8% | |
| Sunnyside/Tahoe City (1,557) | 7.0% | 5.7% | 5.1% | 4.5% | |
| Tahoe Vista (1,433) | 10.1% | 8.9% | 4.3% | 4.1% | |

| Destimetrics Reservations Activity | | | | | |
|------------------------------------|------------|------------|--------------|--|--------------|
| | FYTD 16/17 | FYTD 17/18 | YOY % Change | | YOY % Change |
| Occupancy | 33.0% | 37.9% | 14.8% | | |
| ADR (Average Daily Rate) | \$ 209 | \$ 197 | -5.3% | | |
| RevPAR (Rev per Available Room) | \$ 69 | \$ 75 | 8.7% | | |
| Occupancy 1 Mth Forecast | 24.2% | 23.7% | -2.0% | | |
| ADR 1 Mth Forecast | \$ 204 | \$ 216 | 5.8% | | |
| RevPAR 1 Mth Forecast | \$ 49 | \$ 51 | 3.7% | | |
| Occupancy (prior 6 months) | 53.4% | 53.3% | -0.1% | | |
| ADR (prior 6 months) | \$ 291 | \$ 306 | 5.4% | | |
| RevPAR (prior 6 months) | \$ 155 | \$ 163 | 5.3% | | |
| Occupancy (next 6 months) | 17.3% | 18.0% | 3.9% | | |
| ADR (next 6 months) | \$ 312 | \$ 328 | 5.1% | | |
| RevPAR (next 6 months) | \$ 54 | \$ 59 | 9.2% | | |

| Infrastructure Fund Balances Held by Placer County as of 6/30/17 (Reported Quarterly) | | |
|---|---------------------|------------|
| | June 2014 | June 2015 |
| FY 2015-16 Contract | \$ 4,260,134 | 457 |
| FY 2016-17 Contract | 2,526,980 | 474 |
| Total Fund Balances | \$ 6,787,115 | 508 |
| | June 2017 | 424 |
| | Oct 2017 | 409 |

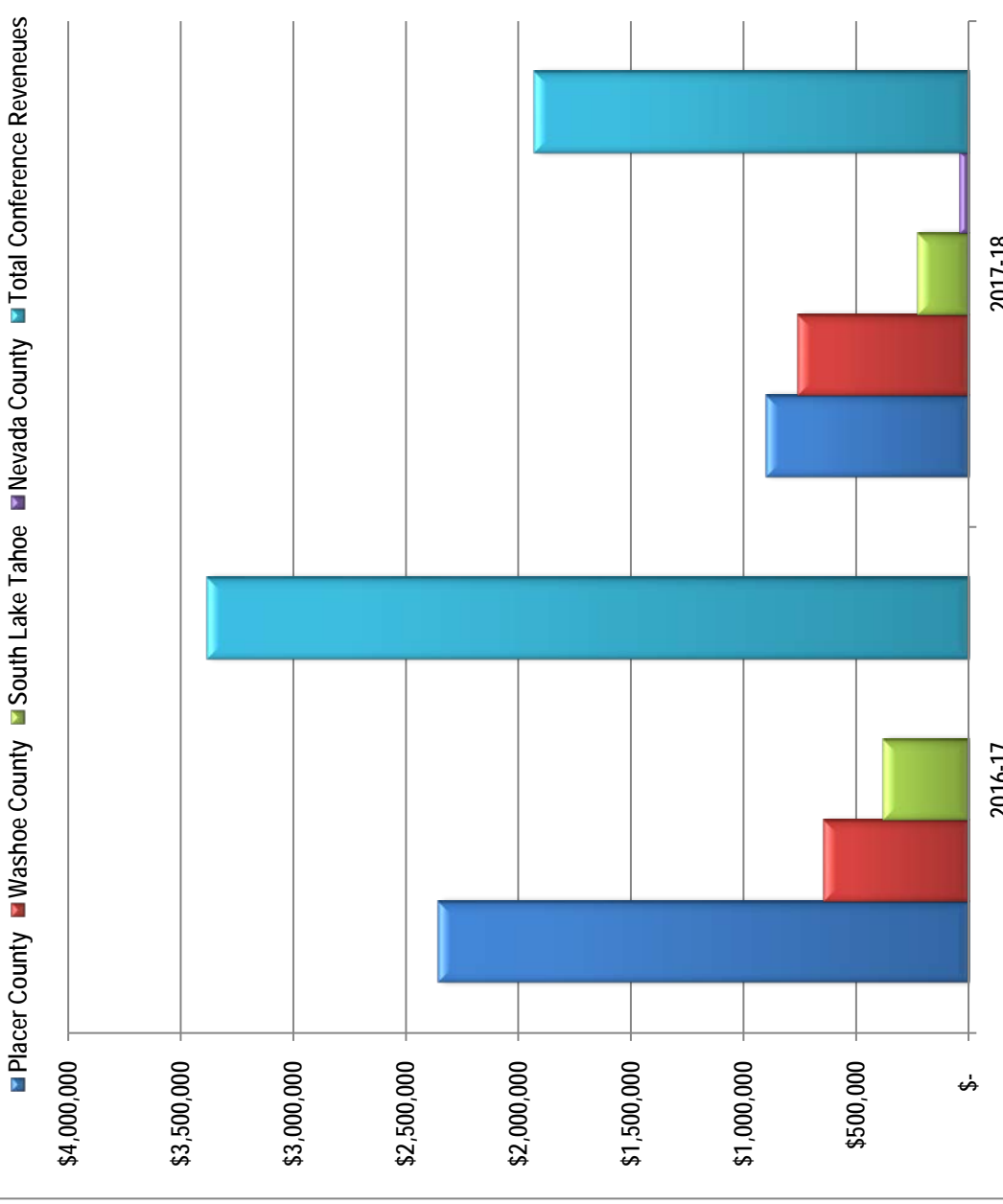
| Conference Revenue Statistics Comparison FYTD 16/17 vs. FYTD 17/18 at 10/31/20 | | | |
|--|--------------|--------------|--------------------------------------|
| | 2016-17 | 2016-17 | 2017-18 |
| | Actuals | Forecasted | Forecasted |
| FORWARD LOOKING | | | |
| Total Revenue Booked | \$ 3,964,368 | \$ 3,385,074 | \$ 1,930,483 |
| Commission for this Revenue | \$ 129,375 | \$ 105,016 | \$ 56,151 |
| Number of Room Nights | 21,352 | 19,668 | 10,321 |
| Number of Bookings | 79 | 56 | 38 |
| Conference Revenue And Percentage by County: | | | |
| | 16-17 | 17-18 | |
| Placer | 70% | 47% | \$ 2,506,277 \$ 2,354,342 \$ 902,580 |
| Washoe | 19% | 39% | \$ 764,192 \$ 646,844 \$ 760,368 |
| South Lake | 11% | 12% | \$ 411,781 \$ 381,611 \$ 225,961 |
| Nevada | 0% | 2% | \$ 12,118 \$ 2,277 \$ 41,574 |
| Total Conference Revenue | 100% | 100% | \$ 3,385,074 \$ 1,930,483 |
| CURRENT | | | |
| NLT - Annual Revenue Goal | | | \$ 3,000,000 \$ 2,500,000 |
| Annual Commission Goal | | | \$ 135,000 \$ 70,000 |

Annual Sales Tax Revenue - Lake Tahoe (Now on Fiscal Year Basis)



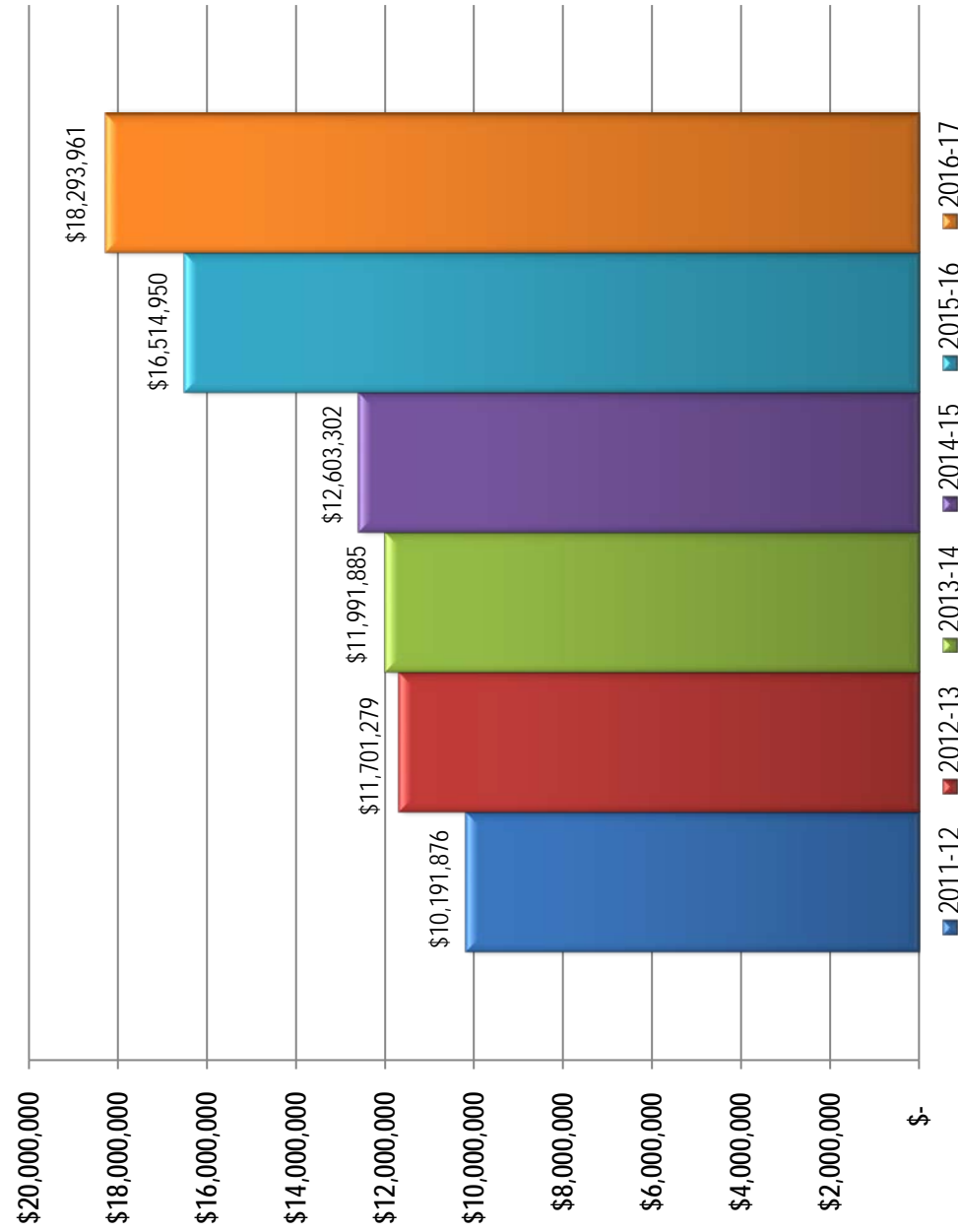
| Sales Tax Revenue by Calendar Year Quarterly - North Lake Tahoe (as of Aug 2017, 6 mth lag) | | | | | |
|---|---------------------|---------------------|---------------------|---------------------|--------------|
| Quarter | 2013 | 2014 | 2015 | 2016 | YOY % Change |
| First (Jan - Mar) | \$ 724,645 | \$ 589,226 | \$ 573,778 | \$ 699,157 | 21.85% |
| Second (Apr - May) | \$ 488,100 | \$ 521,965 | \$ 495,699 | \$ 558,566 | 12.68% |
| Third (Jun - Aug) | \$ 861,729 | \$ 885,368 | \$ 875,768 | \$ 905,415 | 3.39% |
| Fourth (Sep - Dec) | \$ 538,613 | \$ 557,614 | \$ 596,985 | \$ 624,683 | 4.64% |
| Total | \$ 2,613,087 | \$ 2,554,173 | \$ 2,542,230 | \$ 2,787,821 | 9.66% |

Conference Revenue Statistics & Revenue Share by County



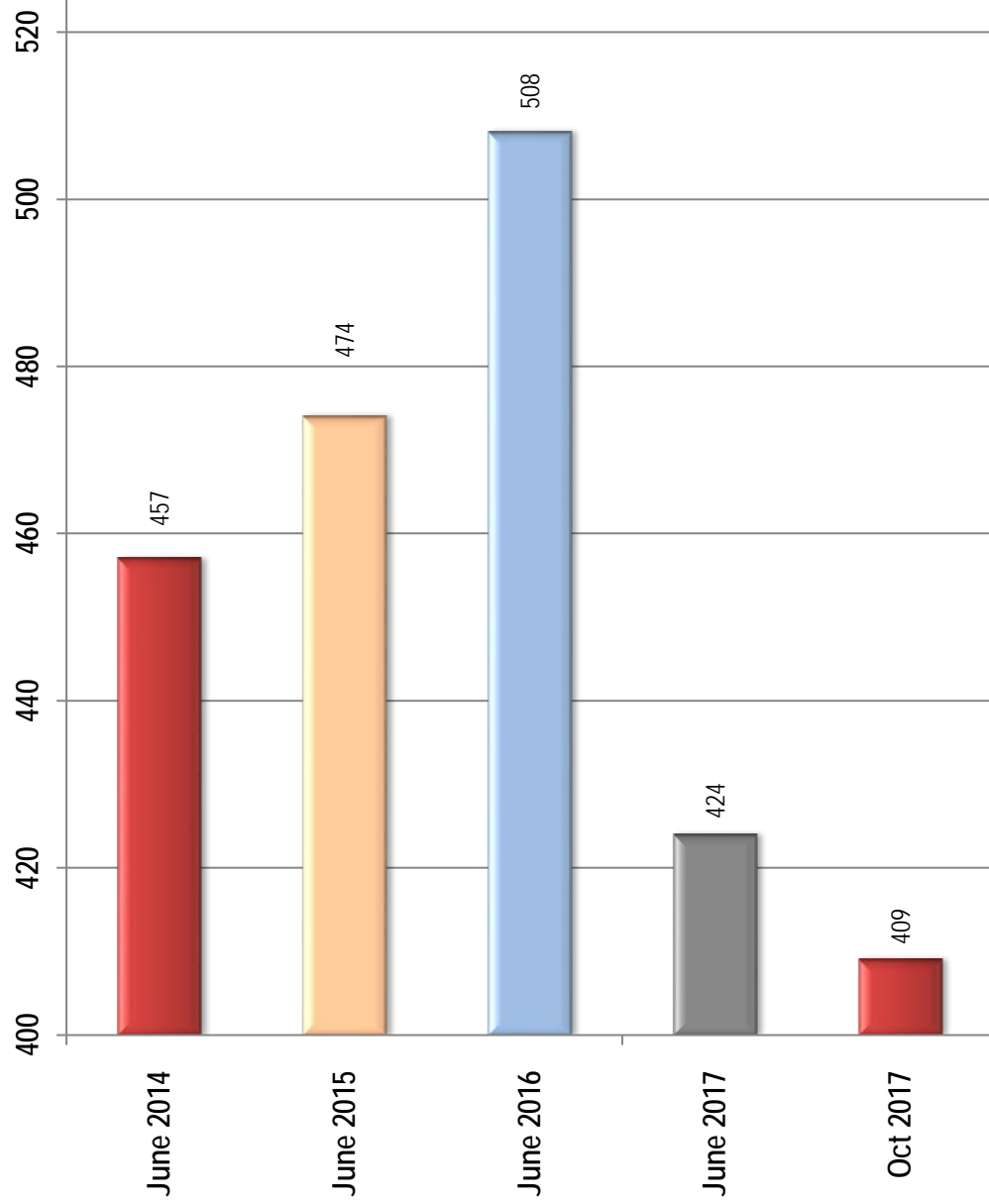
| Conference Revenue Statistics Comparison FYTD 16/17 vs. FYTD 17/18 at 10/31/2017 | | | | |
|--|---------------------|---------------------|---------------------|----------------|
| | 2016-17 | 2017-18 | Forecasted | YOY % Change |
| FORWARD LOOKING | | | | |
| Total Revenue Booked | \$ 3,385,074 | \$ 1,930,483 | \$ 1,930,483 | -42.97% |
| Commission for this Revenue | 105,016 | 56,151 | 56,151 | -46.53% |
| Number of Room Nights | 19,668 | 10,321 | 10,321 | -47.52% |
| Number of Bookings | 56 | 38 | 38 | -32.14% |
| CURRENT | | | | |
| NLT - Annual Revenue Goal | \$ 3,000,000 | \$ 2,500,000 | \$ 2,500,000 | -16.67% |
| Annual Commission Goal | \$ 135,000 | \$ 70,000 | \$ 70,000 | -48.15% |
| Conference Revenue And Percentage by County: | | | | |
| Placer | \$ 2,354,342 | \$ 902,580 | \$ 902,580 | -61.66% |
| Washoe | \$ 646,844 | \$ 760,368 | \$ 760,368 | 17.55% |
| South Lake | \$ 381,611 | \$ 225,961 | \$ 225,961 | -40.79% |
| Nevada | \$ 2,277 | \$ 41,574 | \$ 41,574 | 1725.82% |
| Total Conference Revenue | \$ 3,385,074 | \$ 1,930,483 | \$ 1,930,483 | -42.97% |

5-Year Annual TOT Collections (Fiscal Year Basis)



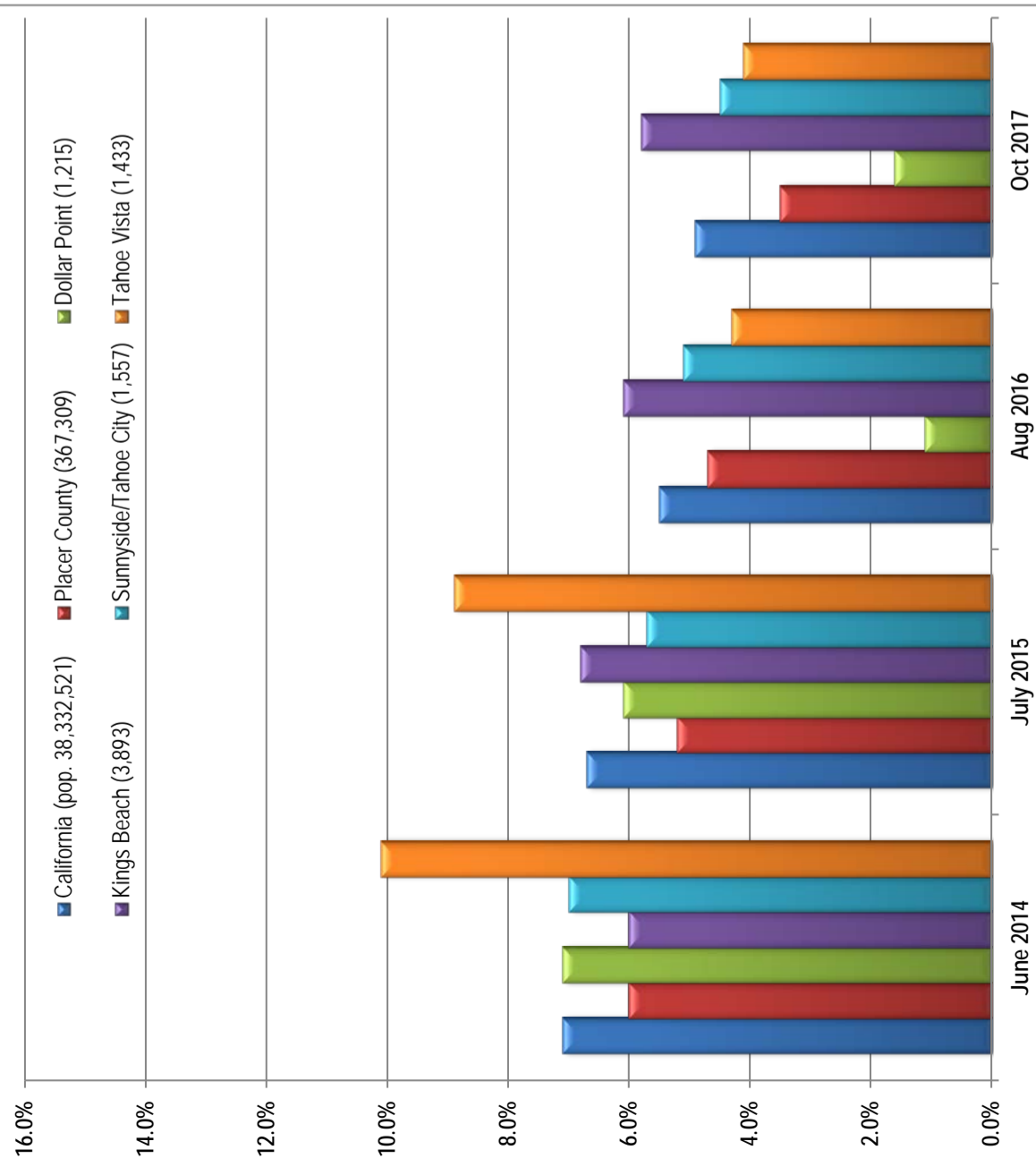
| Total District 5 TOT Collections by Quarter 2010 - 2017 (as reported thru Oct 2017) | | | | | |
|---|----------------|----------------|----------------|----------------|---------------|
| Fiscal Year | Q1 (Jul - Sep) | Q2 (Oct - Dec) | Q3 (Jan - Mar) | Q4 (Apr - Jun) | Total |
| 2011 - 2012 | \$ 3,683,345 | \$ 1,794,633 | \$ 3,159,674 | \$ 1,554,224 | \$ 10,191,876 |
| 2012 - 2013 | \$ 3,882,952 | \$ 2,106,483 | \$ 4,263,868 | \$ 1,447,976 | \$ 11,701,279 |
| 2013 - 2014 | \$ 4,525,882 | \$ 2,145,655 | \$ 3,569,347 | \$ 1,751,001 | \$ 11,991,885 |
| 2014 - 2015 | \$ 4,693,908 | \$ 2,527,485 | \$ 3,513,547 | \$ 1,868,362 | \$ 12,603,302 |
| 2015 - 2016 | \$ 4,872,022 | \$ 3,875,134 | \$ 5,421,915 | \$ 2,345,879 | \$ 16,514,950 |
| 2016 - 2017 | \$ 5,502,162 | \$ 3,350,880 | \$ 6,119,926 | \$ 3,320,993 | \$ 18,293,961 |
| 2017 - 2018 | \$ 4,598,473 | \$ - | \$ - | \$ - | \$ 4,598,473 |

Chamber Membership (# of Members)



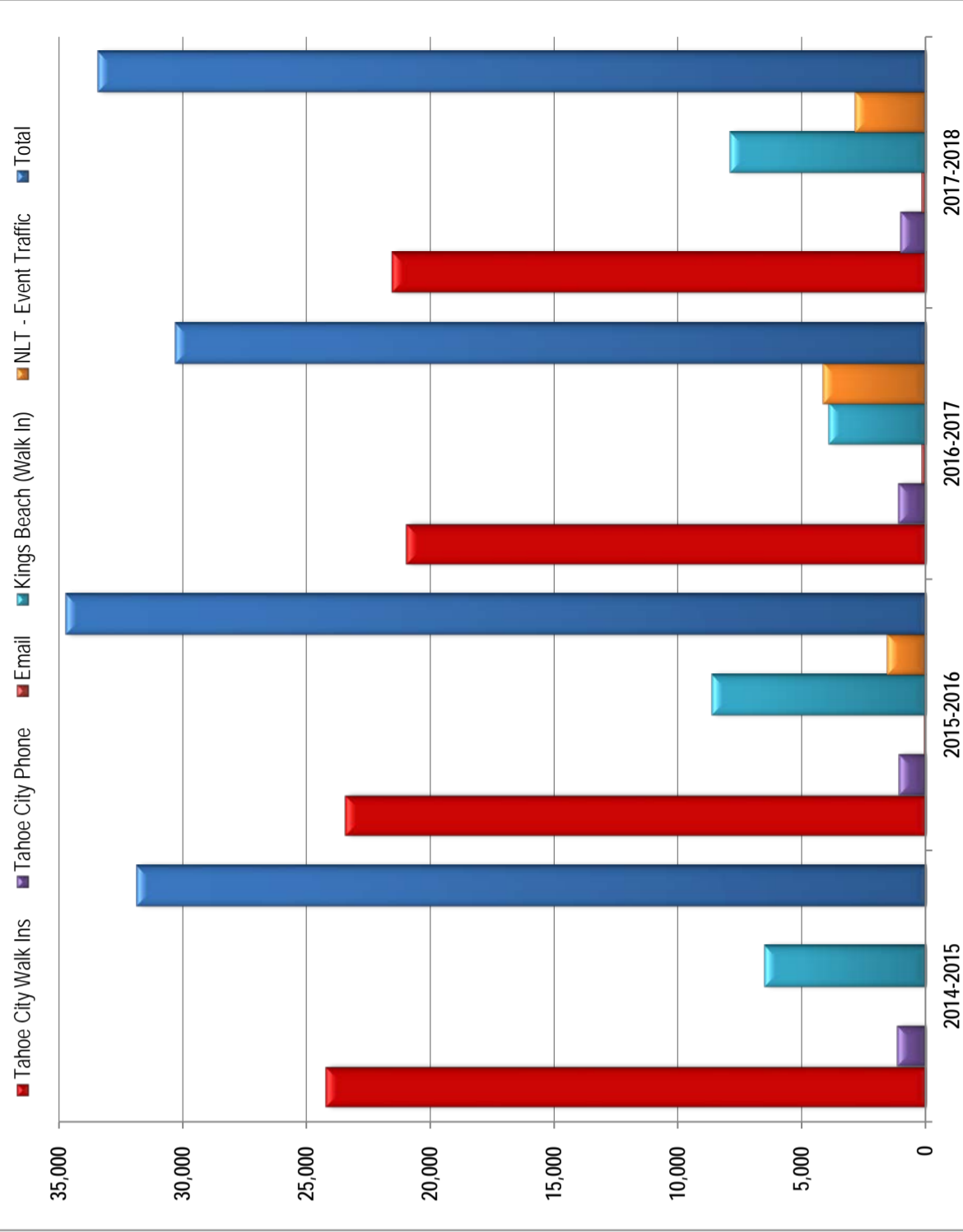
| Chamber Of Commerce Total Membership | |
|--------------------------------------|------------|
| June 2014 | 457 |
| June 2015 | 474 |
| June 2016 | 508 |
| June 2017 | 424 |
| Oct 2017 | 409 |

Unemployment Rates by Region



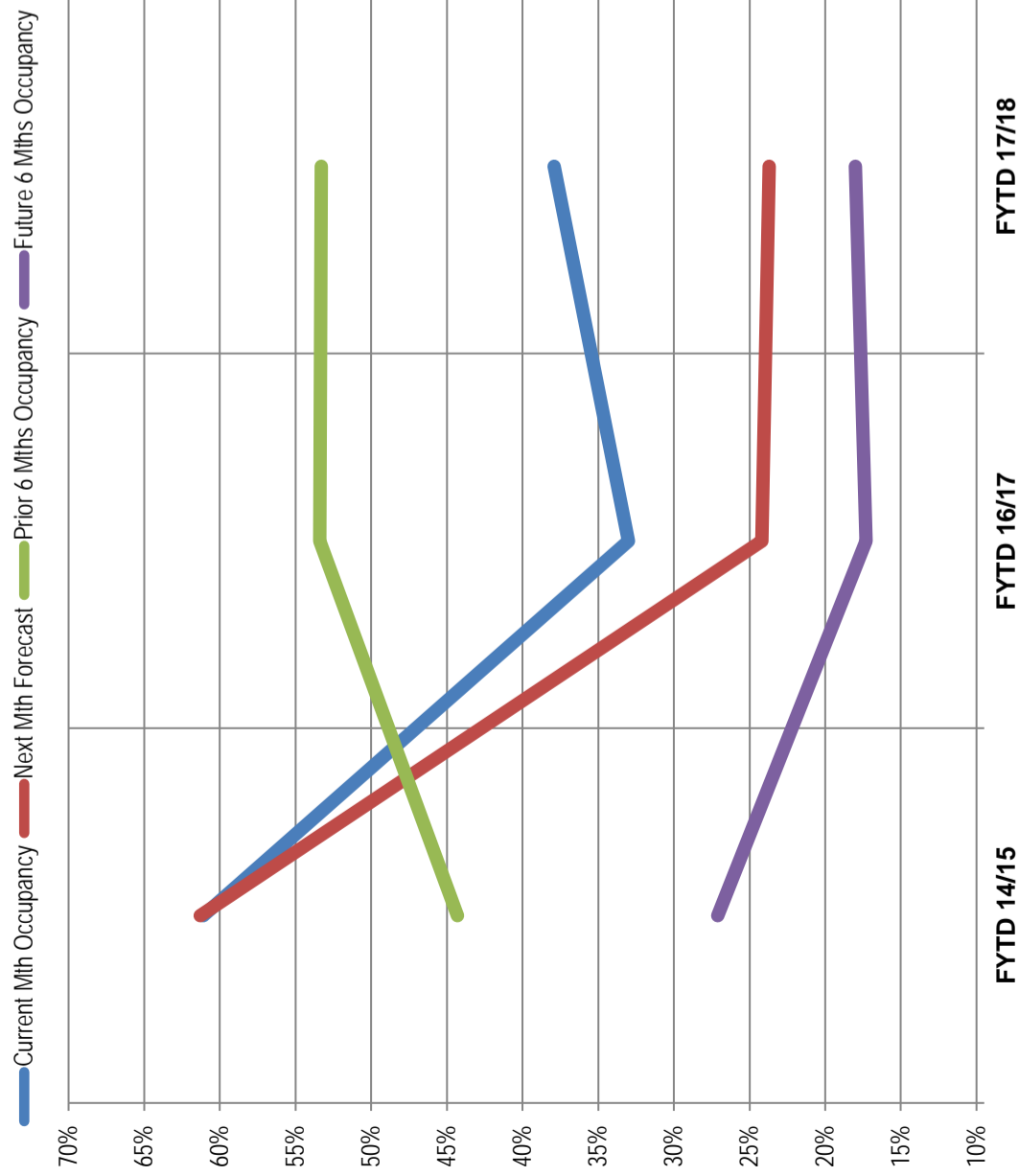
| Unemployment Rates - EDD | | | | | | | | |
|------------------------------|-----------|-----------|-----------|-----------|----------|----------|----------|----------|
| Region | June 2014 | July 2014 | June 2015 | July 2015 | Aug 2015 | Aug 2016 | Oct 2016 | Oct 2017 |
| California (pop. 38,332,521) | 7.1% | 6.0% | 7.1% | 6.7% | 6.7% | 5.5% | 4.9% | 4.9% |
| Placer County (367,309) | 6.0% | 7.1% | 6.0% | 5.2% | 4.7% | 4.7% | 3.5% | 3.5% |
| Dollar Point (1,215) | 6.0% | 7.1% | 6.0% | 6.1% | 1.1% | 1.1% | 1.6% | 1.6% |
| Kings Beach (3,893) | 7.0% | 6.0% | 6.0% | 6.8% | 6.1% | 6.1% | 5.8% | 5.8% |
| Sunnyside/Tahoe City (1,557) | 10.1% | 7.0% | 10.1% | 5.7% | 5.1% | 5.1% | 4.5% | 4.5% |
| Tahoe Vista (1,433) | 10.1% | 7.0% | 10.1% | 8.9% | 4.3% | 4.3% | 4.1% | 4.1% |

Visitor Information - FYTD YOY



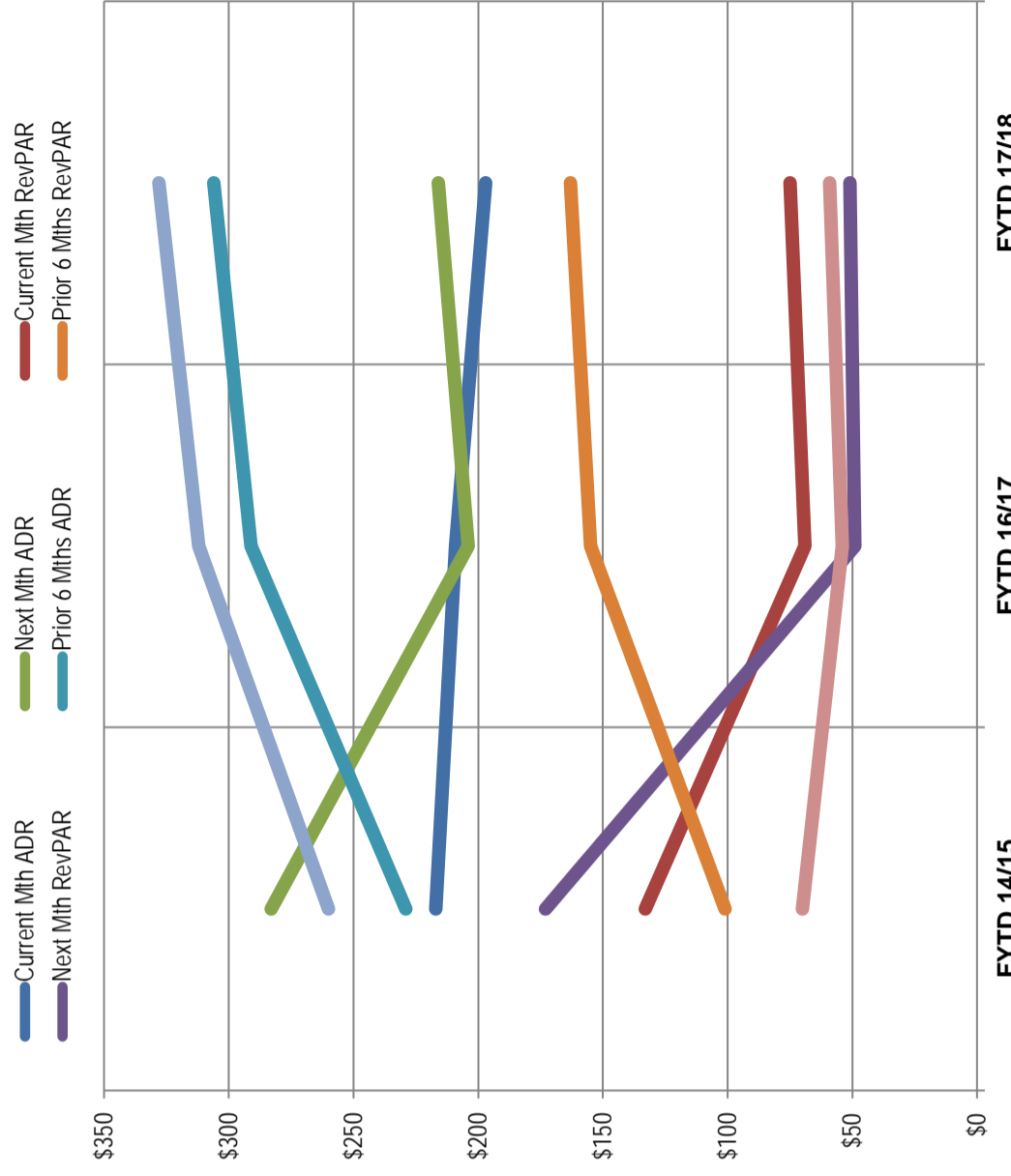
| Visitor Information Comparative Statistics For FYTD 2014 - 2017 (thru Oct 2017) | | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| Referrals - | 2014-2015 | 2015-2016 | 2016-2017 | 2017-2018 | YOY % Change | YOY % Change |
| Tahoe City: | | | | | | |
| Walk In | 24,204 | 23,429 | 20,967 | 21,533 | 2.70% | 2.70% |
| Phone | 1,153 | 1,084 | 1,104 | 1,027 | -6.97% | -6.97% |
| Email | - | 63 | 151 | 163 | 7.95% | 7.95% |
| Kings Beach (Walk In) | 6,500 | 8,609 | 3,926 | 7,883 | 100.79% | 100.79% |
| NLT - Event Traffic | - | 1,531 | 4,150 | 2,837 | -31.64% | -31.64% |
| Total | 31,857 | 34,716 | 30,298 | 33,443 | 10.38% | 10.38% |

Destimetrics Occupancy in NLT Comparisons



| Destimetrics Reservations Activity | FYTD 14/15 | FYTD 16/17 | FYTD 17/18 | Y-O-Y Change |
|------------------------------------|------------|------------|------------|--------------|
| Occupancy | 61.1% | 33.0% | 37.9% | 14.8% |
| Occupancy 1 Mth Forecast | 61.3% | 24.2% | 23.7% | -2.0% |
| Occupancy (prior 6 months) | 44.3% | 53.4% | 53.3% | -0.1% |
| Occupancy (next 6 months) | 27.1% | 17.3% | 18.0% | 3.9% |

Destimetrics RevPAR in NLT Comparisons



| Destimetrics Reservations Activity | FYTD 14/15 | FYTD 16/17 | FYTD 17/18 | Y-O-Y Change |
|------------------------------------|------------|------------|------------|--------------|
| ADR (Average Daily Rate) | \$217 | \$209 | \$197 | -5.3% |
| RevPAR (Rev per Available Room) | \$133 | \$69 | \$75 | 8.7% |
| ADR 1 Mth Forecast | \$283 | \$204 | \$216 | 5.8% |
| RevPAR 1 Mth Forecast | \$173 | \$49 | \$51 | 3.7% |
| ADR (prior 6 months) | \$229 | \$291 | \$306 | 5.4% |
| RevPAR (prior 6 months) | \$101 | \$155 | \$163 | 5.3% |
| ADR (next 6 months) | \$260 | \$312 | \$328 | 5.1% |
| RevPAR (next 6 months) | \$70 | \$54 | \$59 | 9.2% |

NORTH LAKE TAHOE RESORT ASSOCIATION (NLTRA)

Employee Expense Report

Month Yr: October 2017
 Employee: Cindy Gustafson

| POSTING DATE | DOC REF | VENDOR | RECEIPT OR INVOICE # | PURPOSE | PAID BY CC | OUT OF POCKET | BUDGET CODE |
|--|----------|---------------|----------------------|--|------------|---------------|----------------|
| 10/9/2017 | A | Ace Parking | 990023 | Parking in Sacramento 10/6/17 WACE Training Session | 28.00 | | 8700-00-70 ✓ |
| 10/12/2017 | B | Tahoe House | 24053 | 3 gift cards for birthdays: Anna, Amber, Emily (3@25.00) | 75.00 | | 8200-A100 ✓ |
| 10/12/2017 | C | Wolfdales | 76950 | 1 gift card for birthday: Dawn | 25.00 | | 8200-00-70 ✓ |
| 10/16/2017 | D | Northstar | NLTRA 2017 | Board Retreat lunch and room | 842.00 | | 8300-00-70 ✓ |
| 10/24/2017 | E | Spindleshanks | | Coffee with Robert Weygandt, Shanti Landon, Samir Tuma, Andy Chapman, & CG | inc below | | |
| 10/24/2017 | F | Spindleshanks | 03490 | Lunch with Kirk Uhler, Samir Tuma, Andy Chapman, & CG | 86.29 | | 8750-00-70 ✓ |
| | | | | | | | |
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| | Y | | | | | | |
| | Z | | | | | | |
| MILEAGE REIMBURSEMENT | | | | | | | |
| | Attach 1 | | Mileage | See Attached Mileage Report | | 175.48 | 8700-00-A100 ✓ |
| | | | | Mileage Reimbursed Through Payroll | | | |
| TOTAL - CREDIT CARD EXPENSES | | | | | 1,056.29 | | |
| TOTAL - EXPENSES TO BE REIMBURSED (OUT OF POCKET) | | | | | | 175.48 | |

Signed By: Cindy Gustafson
 Date: 11/3/17

Approved By: _____
 Date: _____

| | |
|-------------------------------------|---|
| ACCOUNTING | |
| DATE RECEIVED NOV 03 2017 | DATE ENTERED NOV 10 2017 |
| CFO APPROVAL <i>AGD</i> | CFO APPROVAL DATE NOV 15 2017 |
| DATE SCANNED | |



BANKCARD CENTER
PO BOX 84043
COLUMBUS GA 31908-4043

MEMO STATEMENT

Account Number XXXX-XXXX-0100-8709
Statement Date OCT 28, 2017
Total Activity \$1,056.29

**** MEMO STATEMENT ONLY **
DO NOT REMIT PAYMENT**

CINDY M GUSTAFSON
N LAKE TAHOE RESORT
PO BOX 5459
TAHOE CITY CA 96145

ACCOUNT SUMMARY

| | | | | | | | |
|--|---|----------|--------------------------|----------|----------------|----------|---------------------------|
| CINDY M GUSTAFSON XXXX-XXXX-0100-8709 | Purchases & Other Debits | + | Cash Advances | - | Credits | = | Total Activity |
| Account Total | \$1,056.29 | | \$0.00 | | \$0.00 | | \$1,056.29 |

ACCOUNT ACTIVITY

| Posting Date | Transaction Date | Reference Number | Transaction Description | Amount |
|--------------|------------------|-------------------------|--|--------|
| 10-09 | 10-06 | 55480777280207099600312 | ACE PARKING 3109 SACRAMENTO CA Tax ID: 953131447 Mer Ref: 09960031 Mer Zip: 95814 Origin Zip: 95814 Dest Ctry: USA | 28.00 |
| 10-12 | 10-11 | 55432867284200514173142 | SQU*SQ *TAHOE HOUSE BA Tahoe City CA Tran: 00011529215077855 Tax ID: 800429876 Mer Ref: 00011529215077855 Mer Zip: 96145 Origin Zip: 96145 Dest Zip: 96145 Dest Ctry: USA Product Code: 099 Desc: Square Purchase Qty: 1 Unit: NMB Disc: N Ext Item Amt: 75.00 | 75.00 |
| 10-12 | 10-11 | 05314617285500182317665 | WOLFDALES CUISINE UNI TAHOE CITY CA Tax ID: 680013011 Mer Zip: 96145 | 25.00 |
| 10-16 | 10-13 | 55541867286004028015260 | NORTHSTAR@TAHOE LIFT T TRUCKEE CA Tax ID: 941640750 Mer Zip: 96161 Origin Zip: 96161 | 842.00 |
| 10-24 | 10-23 | 25247807296003952035918 | SPINDLESHANKSAMERICAN KINGS BEACH CA Tax ID: 300346317 Mer Zip: 96143 | 86.29 |

A
B
C
D
E

| | | | |
|--|--|---------------------------|-------------------|
| For Customer Service, Call: 1-866-432-8161 | Account Number XXXX-XXXX-0100-8709 | Account Summary | |
| | Statement Date OCT 28, 2017 | Purchases & Other Charges | \$1,056.29 |
| Send Billing Inquiries to: BANKCARD CENTER PO BOX 84043 COLUMBUS GA 31908-4043 | Credit Limit \$50,000 | Cash Advances | \$0.00 |
| | Disputed Amount \$0.00 | Fees | \$0.00 |
| | | Credits | \$0.00 |
| | | Payments | \$0.00 |
| | | Total Activity | \$1,056.29 |

Tahoe House Bakery & Gourmet

625 West Lake Blvd Oct 11, 2017
Tahoe City, CA 96145 10:02 AM
(530) 583-1377 Jamie
www.tahoe-house.com

Authorization 024853 MasterCard 8709
Receipt wzTY

MASTERCARD
AID A0 00 00 00 04 10 10

Gift Card 6820 \$25.00
Gift Card 6982 \$25.00
Gift Card 5723 \$25.00

Total \$75.00
MasterCard 8709 (Chip) \$75.00

Cindy Gustafson
BIRTHDAYS

(B)

0200-00/11 \$50.00 (ANNA + AMBER)
0200-00/42 \$25.00 (EMILY)

WOLFDAL'S
CUISINE UNIQUE

10/11/17 20:15
Check 40001
Type Sale
Terminal 4
Hostess/Host STACY

Swiped
Acct GUSTAFSON/CINDY
Card Typ XXXXXXXXXXXX8709
Auth Mastercard
Trans ID 076950
 19

Sale 25.00

Tip \$.....

Total \$.....

I AGREE TO PAY TOTAL AMOUNT
ACCORDING TO CARD ISSUER AGMT
(MERCHANT AGMT IF CREDIT VCHR)

Customer Copy

BIRTHDAY GIFT CARD

(C)

0200-00/70 (DAWN)

NORTHSTAR

GROUP BANQUET FOOD & BEVERAGE ADDENDUM

MEETING/BANQUET SPACE

| Day | Date | Function | Time | # of PPL | Room Setup | Estimated Fees |
|--------|-------|------------------------------|----------|----------|------------|---|
| Monday | 10/16 | NLTRA Board Strategy Retreat | 11am-5pm | 16 | TBD | <p>\$400 meeting room rental fee will be covered by Northstar California for the purpose of community relations.</p> <p>\$32 per person (plus 25% per person if they are a group of less than 20) for Vegetarian Chili and Salad Bar with Iced Tea and Lemonade plus taxes and a fees. \$842 including taxes and fees.</p> |

Meeting Room Rental Fees

Our daily meeting room rental is \$400 plus 9.65% in taxes and fees. In the event the group utilizes the same meeting room setup on subsequent days, meeting room rental will drop down to \$300 per day plus taxes and fees. Our sliding scale for a per-room, per-day reduction in rental charges is as follows:

Food & Beverage Only
 \$1,500 - 1,999 = 25% reduction
 \$2,000 - 2,499 = 50% reduction
 \$2,500 - 2,999 = 75% reduction
 \$3,000+ = 100% reduction

To view space options go to:

<http://www.northstarcalifornia.com/groups-and-meetings/meeting-space.aspx>

BANQUET FOOD AND BEVERAGE POLICIES

- MENU SELECTION.** A menu selection and number of attendees for all Food and Beverage functions is required thirty (30) days prior to date of function. Northstar Resort must provide all food, liquor, beer and wine. Children 12 yrs or younger are at 50% of listed banquet entrée prices. **No outside food or beverage of any nature may be brought into Northstar's function space with the exception of wedding cake and wine for a corkage fee. In the event that outside food or beverage is brought into the function space a cleaning fee, based on the cleaning needs will be charged along with \$25 per person penalty.** Table decorations and settings must allow 12" X 15" area(s) for platters if Family Style service is selected.
 _____ (initial here)
- All Menus and Food & Beverage pricing are subject to change.
- DEPOSIT.** A check or credit card deposit in the amount of 50% of estimated total is required to secure the dates and space. Balance of estimated food and beverage charges (based on menu selection multiplied by anticipated guests) is due thirty (30) days prior to the date of group arrival date. Any remaining balance will be

billed after the event. Group agrees to pay a late charge rate equal to the legal maximum, currently 18% annually, on the unpaid balance remaining thirty (30) days from the statement close date until the amount is paid in full. Group also agrees to pay reasonable attorney fees or other costs incurred for collection. Food and Beverage minimums do NOT include taxes and service charge.
 _____ (initial here)

| Food & Beverage Deposit Schedule | DEPOSIT | ESTIMATED TOTAL |
|----------------------------------|---------|-----------------|
| DEPOSIT DUE: | \$842 | |
| ESTIMATED TOTAL: | | \$842 |

4. **GUARANTEED COUNT.** The guaranteed count (minimum number charge regardless of actual attendees per function) is due no later than ten (10) days prior to date of function. Food and Beverage will be prepared to accommodate five percent (5%) more than the guaranteed count. If a guaranteed count is not received on time, the expected number of persons will be considered your guaranteed count. Charges will be based upon the greater number of Group's guaranteed attendance or the actual attendance.
5. **SERVICE CHARGE.** A twenty percent (20%) service charge will be charged on all service-related Food & Beverage functions. Service charges are subject to sales tax.
6. **RESORT FEE.** A two percent (2.00%) "Resort Fee" will be charged on all retail purchases and/or food and beverage functions taking place in the Village at Northstar™.
7. **TAX.** Appropriate sales tax will be charged on all function totals. Presently, sales tax rates are between 7.5% and 7.65%.
8. **GROUP CHARGES.** Unless paid in cash, money order, or other guaranteed form of payment, all charges for the Event must be paid by credit card or company check, in which case a credit card number is required prior to the execution of the Agreement as a guarantee of payment. When using a credit card, the Resort credit card authorization form must be filled out, signed and returned prior to the execution of the Agreement. In order for any charges to be billed to the Master Account, Group must complete and submit to the Resort the direct bill/credit application at least 30 days prior to the start date of the Group's event.

Group must have a minimum of \$5,000 in billed expenditures to apply for direct billing. Resort reserves the right to re-check Group's credit worthiness at any time after execution of this Agreement and prior to Group's arrival. If credit is not requested, is not approved, or Resort determines in good faith and in its sole discretion that there has been a material adverse change to Group's financial condition at any time after execution of this Agreement and prior to Group's event, pre-payment of 100% of Group's total estimated program will be due prior to arrival, in accordance with a schedule to be determined by Resort in its sole discretion. Failure to remit the required pre-payment on a timely basis will be considered a cancellation by Group, and Group will be liable for cancellation fees as described in the cancellation provisions of this Agreement.

A final statement will be mailed to Group within 30 days of Group's departure. For all direct bill approved accounts, the Master Account charges are due and payable within 30 days of the date of the invoice. For non-direct bill approved accounts, pre-pay accounts and accounts under \$5,000, the **Group's credit card on file will be charged upon departure.** All undisputed charges not paid when due will bear interest at the rate of 1.5% per month until paid in full. If Resort deems collection action is necessary with regard to any outstanding balances, all costs associated with such collection action, including attorneys' fees and expenses, will be the Group's responsibility and may be posted to the Master Account.

Group elects to use the following form of payment:

- Credit card (Please fill out the attached credit card authorization form and submit with signed contract)
- Company check or Electronic Funds Transfer
- Other agreed upon alternative

D-1

SPINDLESHANKS
 400 Brassie Ave.
 Kings Beach, CA 96143
 (530)-546-2191

SERVER: VASI P
 TABLE: 37
 TICKET #: 83496 10/23/2017 10:36
 GUESTS: 4

| | |
|------------------|-------|
| COFFE | 3.00 |
| COFFE | 3.00 |
| COFFE | 3.00 |
| COFFE | 3.00 |
| SODA WATER | 2.75 |
| SPECIAL SANDWICH | 26.00 |
| Qty: 2 @13.00 Ea | |
| CESAR W/ CHIX | 13.50 |
| EGGS BEN | 10.00 |
| HALF | |
| ICE TEA | 3.00 |
| <hr/> | |
| SUB TOTAL: | 67.25 |
| SALES TAX: | 5.04 |
| <hr/> | |
| TOTAL: | 72.29 |

We serve
 BREAKFAST LUNCH
 and DINNER
 Happy Hour 4 to 6 pm
 All night Happy Hour on Tuesday

Lunch with:
 Samir Andy
 Kirk Uhler

coffee with
 Robert Weyganett
 field side
 Samir Andy
 Cindy

(E)

SPINDLESHANKS AMERICAN BISTRO
 400 BRASSIE AVE
 KINGS BEACH CA 96143
 530-546-2191

Terminal ID: 01545524 3551
 10/23/17 2:32 PM
 SERVER #: 74
 MASTERCARD - SWIPE
 ACCT #: *****8709

CREDIT SALE
 UID: 729620325960 REF #: 5789
 BATCH #: 102 AUTH #: 023011
 AMOUNT \$72.29
 TIP \$ 14-
 TOTAL \$ 86.29

APPROVED
 CUSTOMER COPY

(E1)