



Passenger and Cargo Statistics Report

Reno-Tahoe International Airport
May 2015

U.S. DOMESTIC INDUSTRY OVERVIEW FOR MAY 2015

All RNO Carriers Domestic Systemwide – year over year comparison

Average Load Factor:	75.0% Down (1.0% pt.)
Number of Flights *:	Flat
Capacity of Seats *:	Up 4.9%
Crude Oil Average:	\$59.27 per barrel in May 2015 vs. \$102.18 per barrel in May 2014

RNO OVERVIEW FOR MAY 2015 – year over year comparison

Total Passengers:	Down (1.9%)
Year-to-Date Passengers:	Flat
Avg. Enplaned Load Factor:	Flat 78.0%
Actual Departures:	Up 1.9%
Actual Departing Seats:	Down (1.2%)
Total Cargo:	Up 1.8%
Year-to-Date Cargo:	Up 2.2%

Source: RNO Monthly Flight Activity Reports; * INNOVATA Flight Schedule via Diio

MAY 2015 SUMMARY

Reno-Tahoe International Airport (RNO) served 276,969 passengers in May 2015, which is down (1.9%) versus May 2014. In May 2015, Southwest Airlines, the largest airline at RNO, reported a decrease of (12.3%) in passenger traffic when compared to the same period last year. The loss of Seattle and Portland flights on Southwest Airlines decreased the scheduled monthly totals by 62 departures with 8,866 departing seats. Overall, Southwest's departures were down (8.5%) for the same period.

During the first five months of 2015, RNO served 1,292,603 passengers, representing a decrease of (0.3%) when compared to the same period last year.

RNO handled 10,459,643 pounds of cargo in May 2015, an increase of 1.8% when compared to May 2014. During the first five months of 2015, RNO handled 50,789,102 pounds of air cargo, an increase of 2.2% when compared to the same period last year.

In May 2015, RNO was served by nine airlines providing 56 peak daily departures to 16 non-stop destinations. Total departures at RNO were up 1.9%, while the seat capacity decreased (1.2%) when compared to May 2014. Airlines continue to adjust capacity in certain markets to match the current traffic demand.

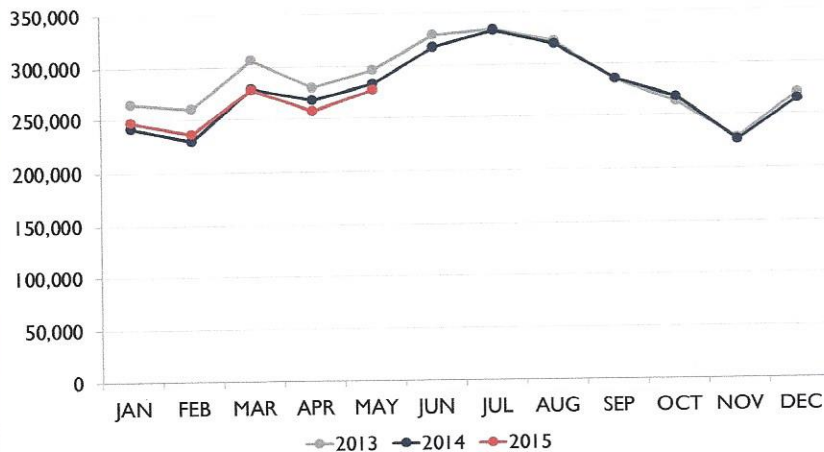
JetBlue Airways began non-stop daily flights between RNO and New York City (JFK) on May 28, 2015. The airline is utilizing an Airbus 320 aircraft with 150 seats on this route.



**Reno-Tahoe
Airport Authority**

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TOTAL PASSENGERS

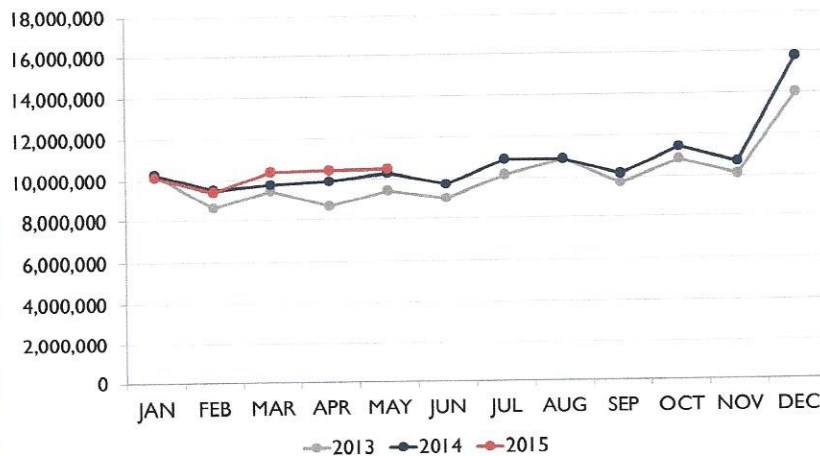


TOTAL PASSENGERS

RNO served 276,969 passengers in May 2015, which is down (1.9%) when compared to May 2014. At RNO, Alaska Airlines' passenger traffic increased 48.1%, Allegiant Air was up 27.9%, American Airlines/US Airways (combined) grew 3.3% and United Airlines recorded an increase of 0.9% over the same period.

In May 2015, Southwest Airlines carried 125,146 passengers, representing a (12.3%) decrease when compared to May 2014. Delta Air Lines posted a passenger decline of (17.0%) for the same period.

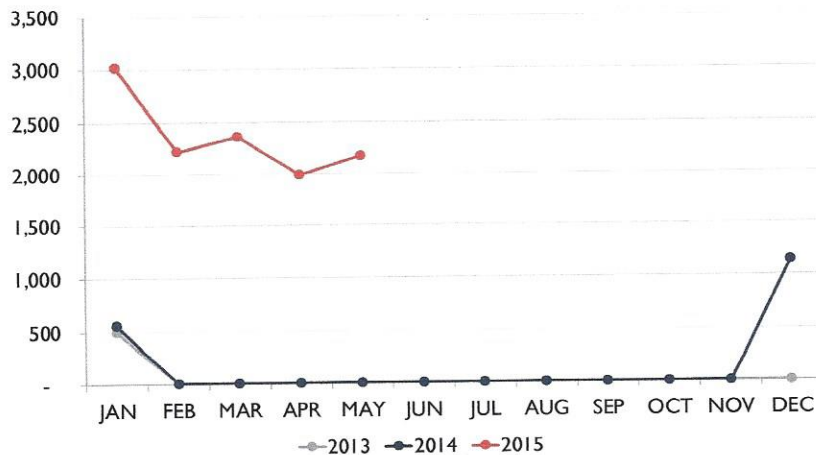
TOTAL CARGO



TOTAL CARGO

In May 2015, RNO handled 10,459,643 pounds of air cargo, an increase of 1.8% versus May 2014. The year-over-year cargo tonnage of Ameriflight increased 33.3%, FedEx was up 0.9% and UPS reported a decrease of (3.0%) over the same period.

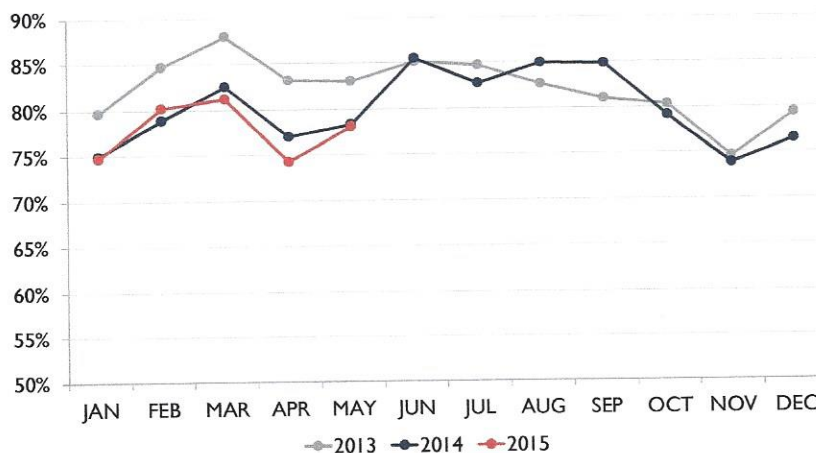
TOTAL INTERNATIONAL PASSENGERS



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In May 2015, RNO served a total of 2,170 international passengers. Volaris Airlines operated twice a week scheduled flights to Guadalajara, Mexico.

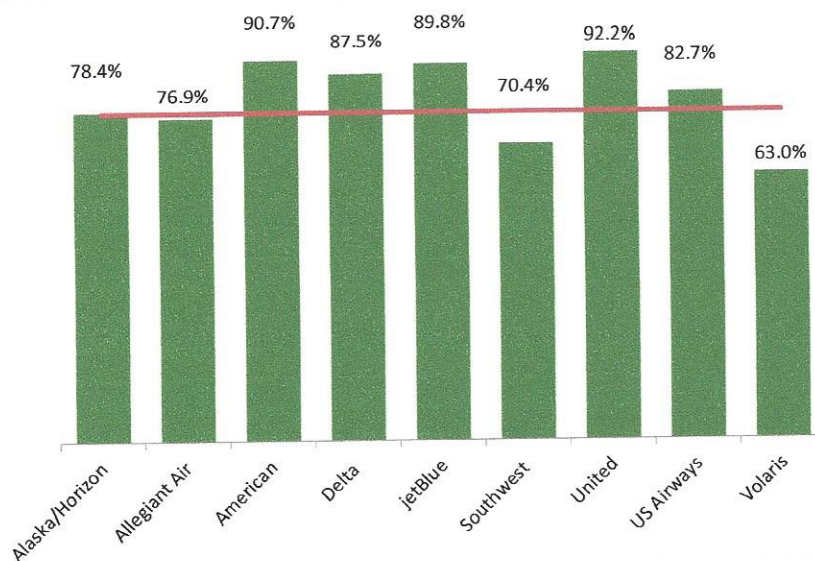
AVERAGE ENPLANED LOAD FACTOR



AVERAGE ENPLANED LOAD FACTOR

In May 2015, the average enplaned load factor at RNO was 78.1%, a decrease of (0.3 pt.) versus May 2014.

AVERAGE ENPLANED LOAD FACTOR BY AIRLINE



Load Factors May 2015

Airline	RNO	Network	Difference
Alaska	78.4%	84.5%	(6.1)
Allegiant Air	76.9%	86.0%	(9.1)
American	90.7%	82.8%	7.9
Delta	87.5%	85.4%	2.1
jetBlue	89.8%	85.7%	4.1
Southwest	70.4%	84.4%	(14.0)
United	92.2%	83.9%	8.3
US Airways	82.7%	82.8%	(0.1)
Volaris	63.0%		n/a

Source: Airline Performance Reports

American and US Airways reported combined operations
Volaris: Total load factor is 70.6% (enplaned and deplaned)



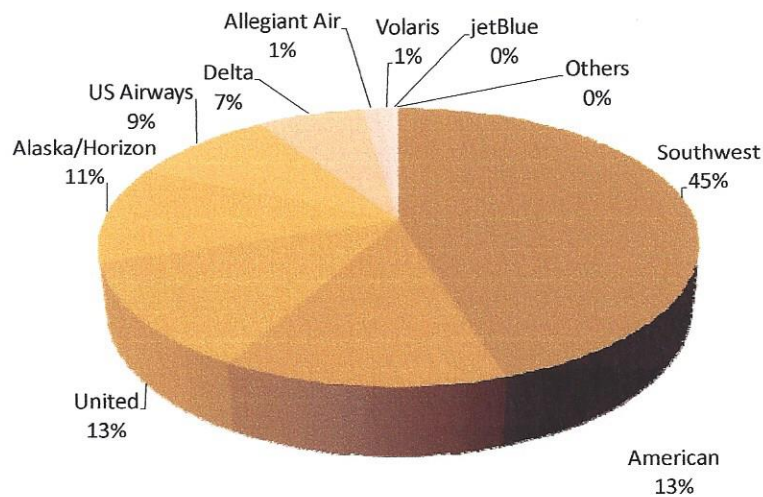
Reno-Tahoe
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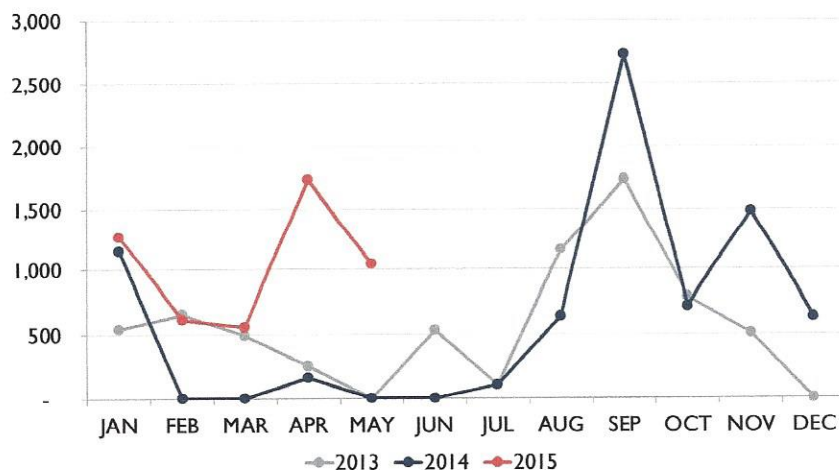
AIR CARRIER MARKET SHARE

	May-15	May-14	YOY Change
Alaska/Horizon	11.2%	7.4%	3.8
Allegiant Air	1.3%	1.0%	0.3
American	13.0%	12.2%	0.7
Delta	6.8%	8.0%	(1.2)
jetBlue	0.3%	n/a	n/a
Southwest	45.2%	50.5%	(5.4)
United	12.3%	12.0%	0.3
US Airways	9.2%	8.9%	0.4
Volaris	0.8%	n/a	n/a
Others	0.0%	0.0%	0.0

AIR CARRIER MARKET SHARE



TOTAL CHARTER PASSENGERS



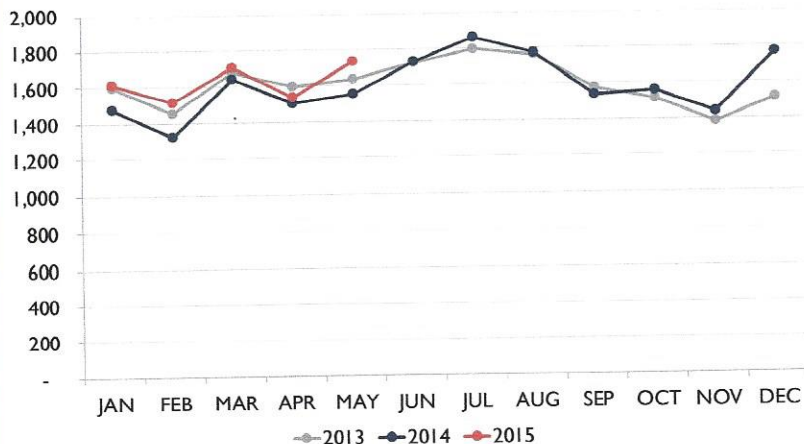
TOTAL CHARTER PASSENGERS

In May 2015, eight charter flights operated at RNO, carrying a total of 1,045 passengers. There were no charter flights in May 2014.

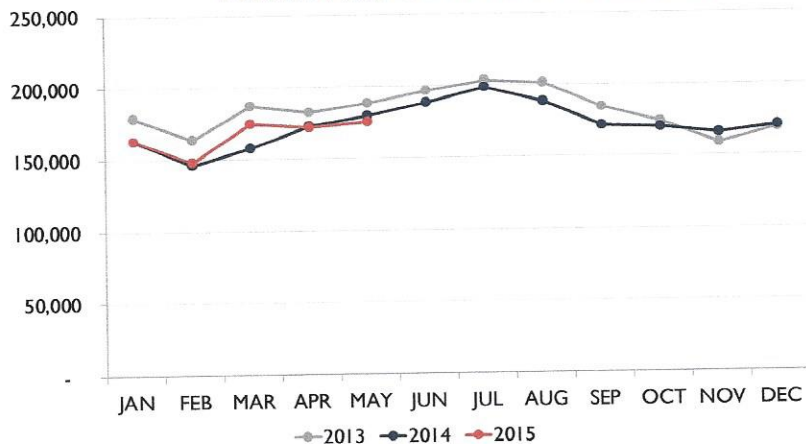


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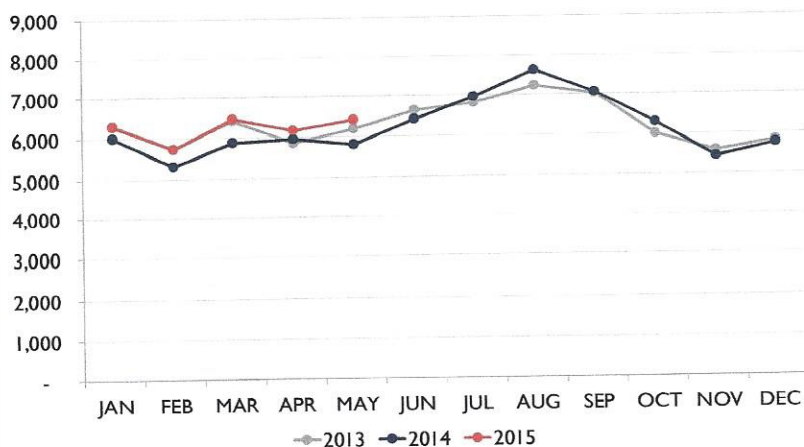
MONTHLY SCHEDULED DEPARTURES



MONTHLY SCHEDULED SEATS



TOTAL OPERATIONS



Flight Schedule Update

Alaska Airlines

- Reno – San Jose Flights: Starting July 1, 2015, Flight AS 2253 will depart Reno at 4:30 pm and arrive San Jose at 5:28 pm. Flight AS 2500 will depart San Jose at 6:00 pm and arrive Reno at 6:56 pm.

American Airlines

- The 3rd non-stop daily flight between Reno and Dallas began on June 5, 2015. This flight will operate as a red-eye flight from July 6 thru August 4, 2015.
- The 5th non-stop daily flight between Reno and Los Angeles began on June 4, 2015.
- The 2nd non-stop flight between Reno and Chicago began on June 4, 2015.

Delta Air Lines

- The non-stop seasonal flight to Minneapolis returned as a Saturday only flight on May 23, 2015.

United Airlines

- The non-stop flight to Houston returned on June 6, 2015, as Saturday and Sunday service.
- The 6th non-stop flight between Reno and San Francisco began on June 4, 2015.
- The 4th non-stop flight to Denver begins on July 2, 2015.

US Airways

- The 5th non-stop flight between Reno and Phoenix began on June 11, 2015.

Southwest Airlines

- The 2nd non-stop flight between Reno and Chicago Midway began on June 13, 2015. The additional flight will operate on Saturdays only.

TOTAL OPERATIONS

A total of 6,428 operations occurred at RNO in May 2015, an increase of 10.6% when compared to May 2014. Total operations include: Air Carrier, Air Taxi, General Aviation and Military operations as reported by the FAA.



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Reno-Tahoe International Airport

Total Passengers May-15					
	Passengers		% Diff.	Passengers	
	2013	2014		2015	% Diff.
JAN	264,265	241,181	-8.7%	246,571	2.2%
FEB	259,299	228,035	-12.1%	234,763	3.0%
MAR	306,139	278,172	-9.1%	277,477	-0.2%
1st Quarter	829,703	747,388	-9.9%	758,811	1.5%
APR	279,418	266,800	-4.5%	256,823	-3.7%
MAY	295,494	282,277	-4.5%	276,969	-1.9%
JUN	328,755	316,720	-3.7%		
2nd Quarter	903,667	865,797	-4.2%		
JUL	333,321	332,242	-0.3%		
AUG	322,083	318,965	-1.0%		
SEP	283,800	284,931	0.4%		
3rd Quarter	939,204	936,138	-0.3%		
OCT	262,473	266,701	1.6%		
NOV	227,213	225,384	-0.8%		
DEC	270,051	263,682	-2.4%		
4th Quarter	759,737	749,592	-1.3%		
TOTAL	3,432,311	3,298,915	-3.9%		
YTD Total		1,296,465		1,292,603	-0.3%

Total Cargo May-15						
	2013	2014	% Diff.	2015		% Diff.
	Cargo in Pounds			Pounds	Metric	
JAN	10,269,546	10,303,380	0.3%	10,113,421	4,587	-1.8%
FEB	8,635,807	9,486,697	9.9%	9,418,781	4,272	-0.7%
MAR	9,457,376	9,758,391	3.2%	10,381,009	4,708	6.4%
1st Quarter	28,362,729	29,548,468	4.2%	29,913,211	13,566	1.2%
APR	8,639,232	9,876,465	14.3%	10,416,248	4,724	5.5%
MAY	9,398,212	10,269,963	9.3%	10,459,643	4,744	1.8%
JUN	9,001,339	9,679,744	7.5%			
2nd Quarter	27,038,783	29,826,172	10.3%			
JUL	10,149,807	10,863,843	7.0%			
AUG	10,859,694	10,853,726	-0.1%			
SEP	9,689,115	10,127,014	4.5%			
3rd Quarter	30,698,616	31,844,583	3.7%			
OCT	10,834,930	11,429,538	5.5%			
NOV	10,099,499	10,664,398	5.6%			
DEC	13,998,438	15,776,073	12.7%			
4th Quarter	34,932,867	37,870,009	8.4%			
TOTAL	121,032,995	129,089,232	6.7%			
YTD Total		49,694,896		50,789,102	23,034	2.2%

NOTE: Volaris' enplaned load factor for May 2015 is 63%. Total load factor for the airline is 70.6%.

Total Enplaned Passengers May-15				
Month	2013	2014	2015	% Diff.
JAN	133,686	121,700	124,505	2.3%
FEB	129,283	113,777	117,750	3.5%
MAR	154,633	142,542	141,314	-0.9%
APR	140,153	132,183	128,088	-3.1%
MAY	146,562	139,349	137,132	-1.6%
JUN	162,824	158,827		
JUL	165,268	162,090		
AUG	160,570	159,664		
SEP	145,740	147,458		
OCT	132,741	134,946		
NOV	114,162	112,573		
DEC	131,328	128,295		
TOTAL	1,716,950	1,653,404		
YTD Total		649,551	648,789	-0.1%

Total Deplaned Passengers				
Month	2013	2014	2015	% Diff.
JAN	130,579	119,481	122,066	2.2%
FEB	130,016	114,258	117,013	2.4%
MAR	151,506	135,630	136,163	0.4%
APR	139,265	134,617	128,735	-4.4%
MAY	148,932	142,928	139,837	-2.2%
JUN	165,931	157,893		
JUL	168,053	170,152		
AUG	161,513	159,307		
SEP	138,060	137,480		
OCT	129,739	131,755		
NOV	113,051	112,811		
DEC	138,723	135,387		
TOTAL	1,715,368	1,651,699		
YTD Total		646,914	643,814	-0.5%

Enplaned Passengers & Load Factor				
Airline	Enplaned PAX	May-15	May-14	Diff.
Alaska/Horizon	15,791	78.4%	81.1%	-2.7
Allegiant Air	1,659	76.9%	92.8%	-16.0
American	18,119	90.7%	88.9%	1.8
Delta	9,512	87.5%	86.0%	1.5
jetBlue	404	89.8%	n/a	n/a
Southwest	61,413	70.4%	72.1%	-1.8
United	17,028	92.2%	90.8%	1.4
US Airways	12,239	82.7%	79.0%	3.7
Volaris	967	63.0%	n/a	n/a

Source: RNO Monthly Flight Activity Reports



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Executive Director Report
Activities Report
July 15th, 2015

- OPERATIONS
 - Held staff meeting on July 1st with all staff members
 - Met with Andy Perwin on Health Benefit renewal for August 1st, 2015
 - Holding individual meetings with staff on new operation procedures
- ACCOUNTING
 - Developing monthly budget reporting processes
 - Finalizing FY 2014/15 Year end preliminary report
 - Worked with DiPetro & Thornton on additional Audit bid estimate
- MERCHANDISE/CONCIERGE SALES
 - Thunderbird Lodge Concierge services in full summer operation
 - Conducted FYE 2014/15 Inventory
- REGIONAL AIR SERVICE CORPORATION (RASC)
 - Working with agency partner on year-end financial review
 - Participating in board strategy workshop
- NORTH LAKE TAHOE MARKETING COOPERATIVE
 - Finalizing FY 2014/15 Year End budget report
 - Worked with JT Thompson on FY 2015/16 Budget
 - Met with Abbi Agency on FY 2015/16 Program of Work
 - Launched new consumer website on June 22nd
 - Met with SOT and TAA in weekly agency coordination meetings
 - Worked with JT Thompson on SOT agency retainer FY 2015/16 plan
- PROJECTS
 - Attended meeting regarding NLT Wedding Coop Program
 - Volunteer Course Marshal for USA Cycling National Championships
 - Met with Kelly Houston on Activity Tickets site revamp project
 - Coordinated meeting with IVGID and North Lake Tahoe Express for possible IVGID participation
 - Working with Travel Nevada on GravelNevada Bike tour project
- MEETINGS
 - Met with Heather Segale on UC Davis ESC Projects
 - Attended NLTE Business Plan Project Meeting
 - Attended NLT Coop Quarterly Meeting
 - Attended NLT Group Sales Meeting
 - Presented at the Tahoe Business Exchange July Meeting
 - Attended TTD July Meeting
 - Attended NLTE Board Meeting
 - Attending IVGID Diamond Peak Master Plan Meeting

V.e.1

INCLINE VILLAGE CRYSTAL BAY VISITORS BUREAU

Profit & Loss Prev Year Comparison

July 2014 through June 2015

Accrual Basis

	Jul '14 - Jun 15	Jul '13 - Jun 14	\$ Change	% Change
Ordinary Income/Expense				
Income				
46000 · Merchandise Sales	11,196.16	0.00	11,196.16	100.0%
R250 · Fund Transfers	1,155,832.80	1,027,623.34	128,209.46	12.5%
R252 · Interest Income	145.62	137.83	7.79	5.7%
R269 · On Hold Messaging	400.00	300.00	100.00	33.3%
R270 · Miscellaneous Revenue	1,954.12	2,750.89	-796.77	-29.0%
R271 · Concierge Service	78.00	0.00	78.00	100.0%
R273 · Marketing Reimbursements (MILO NLTCM)	4,325.94	10,483.13	-6,157.19	-58.7%
R274 · Grants	10,000.00	5,352.00	4,648.00	86.9%
R275 · Merchandise Revenue	15,884.48	51,341.81	-35,457.33	-69.1%
R277 · Concierge	352,900.25	299,707.07	53,193.18	17.8%
R290 · Consignment Sales				
R291 · Consignment Payments	-243.95	0.00	-243.95	-100.0%
R290 · Consignment Sales - Other	287.00	0.00	287.00	100.0%
Total R290 · Consignment Sales	43.05	0.00	43.05	100.0%
Total Income	1,552,760.42	1,397,696.07	155,064.35	11.1%
Cost of Goods Sold				
50000 · Cost of Goods Sold (Costs of items purchased and then sold to custo...	2,678.71	0.00	2,678.71	100.0%
Total COGS	2,678.71	0.00	2,678.71	100.0%
Gross Profit	1,550,081.71	1,397,696.07	152,385.64	10.9%
Expense				
0305 · Payroll	279,547.22	245,781.66	33,765.56	13.7%
0313 · Employers Insurance of Nevada	323.73	2,254.00	-1,930.27	-85.6%
0314 · State Employment	930.71	899.62	31.09	3.5%
0315 · Federal Unemployment	331.73	916.38	-584.65	-63.8%
0316 · Public Employees Retirement Sys	57,022.86	59,234.21	-2,211.35	-3.7%
0319 · Employer Fica/Medicare	8,041.86	3,563.88	4,477.98	125.7%
0320 · Health Insurance	28,577.11	33,182.97	-4,605.86	-13.9%
0321 · Employee Training	85.00	0.00	85.00	100.0%
0401 · Utilities- Electric	2,168.75	2,173.38	-4.63	-0.2%
0402 · Utilities-Gas & Heat	1,712.79	1,778.83	-66.04	-3.7%
0403 · Utilities- Water	3,876.76	3,483.88	392.88	11.3%
0405 · Bank & Cr Card Charges	17,414.02	13,102.82	4,311.20	32.9%
0410 · Office Supplies & Expenses	5,135.63	9,989.62	-4,853.99	-48.6%
0411 · Maintenance/Janitorial	13,148.98	13,529.08	-380.10	-2.8%
0420 · Postage & Freight	2,276.74	3,835.28	-1,558.54	-40.6%
0421 · Communications	9,653.36	11,969.97	-2,316.61	-19.4%
0422 · Printing Expenses	830.63	696.90	133.73	19.2%
0430 · Building Repairs & Insurance	4,032.80	5,274.79	-1,241.99	-23.6%
0451 · Legal & Accounting Services	41,654.50	36,712.75	4,941.75	13.5%
0460 · Contract Services	689.47	1,521.46	-831.99	-54.7%
0461 · Remote Offices				
461.1 · Contract Fees - Remote Office	24,000.00	24,000.00	0.00	0.0%
461.2 · Reimbursements - Remote Office	468.20	1,912.28	-1,444.08	-75.5%
461 · Remote Offices - Other	0.00	15,000.00	-15,000.00	-100.0%
Total 0461 · Remote Offices	24,468.20	40,912.28	-16,444.08	-40.2%
0462 · Equipment Lease & Maint.	2,136.82	4,042.51	-1,905.69	-47.1%
0470 · Misc. Expenses	2,499.50	2,453.00	46.50	1.9%
0473 · Dues & Subscriptions	285.00	5,788.00	-5,503.00	-95.1%
0474 · License & Fees	224.00	294.13	-70.13	-23.8%
0501 · Travel & Lodging	2,586.39	6,007.19	-3,420.80	-57.0%
0504 · Registrations	395.00	8,410.86	-8,015.86	-95.3%
0505 · Local Transportation/Car	638.20	312.55	325.65	104.2%
0507 · Meeting Expenses	4,841.43	2,018.76	2,822.67	139.8%
0601 · Hospitality in Market	13,140.44	8,957.24	4,183.20	46.7%
0622 · Advertising Co-op	471,999.00	361,781.00	110,218.00	30.5%
0650 · Payroll Expense	1,279.00	1,302.00	-23.00	-1.8%
0689 · WEB Development	7,000.00	7,239.90	-239.90	-3.3%
0690 · Sponsorship	50,000.00	30,750.00	19,250.00	62.6%
0691 · Shuttle Subsidy/Sponsorship	22,500.00	22,000.00	500.00	2.3%
0725 · Uniforms	23.40	0.00	23.40	100.0%
0730 · Special Promotional Items	1,613.84	642.50	971.34	151.2%
0733 · On-Hold Messaging	1,143.04	1,308.36	-165.32	-12.6%
0750 · Merchandise Expenses	5,726.30	13,901.54	-8,175.24	-58.8%
0751 · Concierge Expense	311,736.83	296,040.62	15,696.21	5.3%
0800 · Grant Expenses	10,000.00	5,352.00	4,648.00	86.9%

VI. a-1

07/13/15

Profit & Loss Prev Year Comparison

Accrual Basis

July 2014 through June 2015

	Jul '14 - Jun 15	Jul '13 - Jun 14	\$ Change	% Change
0990 · Depreciation Expense	0.00	2,360.00	-2,360.00	-100.0%
59900 · POS Inventory Adj -Merchandise	2,230.61	0.00	2,230.61	100.0%
Total Expense	1,413,921.65	1,271,775.92	142,145.73	11.2%
Net Ordinary Income	136,160.06	125,920.15	10,239.91	8.1%
Net Income	136,160.06	125,920.15	10,239.91	8.1%

VI.9-2

Lake Tahoe

VI. a-3

0403 - Utilities - Water			3,877		3,200	(677)	17.5%
0405 - Bank & Credit Card Charges			17,414		11,000	(6,414)	36.8%
0410 - Office Supplies/Equipment			5,136		4,000	(1,136)	22.1%
0411 - Maintenance/Janitorial Services			13,149		12,000	(1,149)	8.7%
0415 - Miscellaneous Supplies			0		1,000	1,000	
0420 - Postage & Freight			2,277		6,500	4,223	-185.5%
0421 - Communications			9,653		11,000	1,347	-14.0%
0422 - Printing Expenses			831		2,000	1,169	-140.8%
0430 - Building Repairs & Insurance			4,033		10,000	5,967	-148.0%
0451 - Prof. Services - Acct. & Legal			41,655		40,000	(1,655)	4.0%
0460 - Contract Services & Commissions			689		1,500	811	-117.6%
0461 - Remote Offices			24,468		30,000	5,532	-22.6%
0462 - Equipment Lease & Maintenance			2,137		4,500	2,363	-110.6%
0470 - Misc. Expenses			2,500		6,000	3,501	-140.0%
0473 - Dues & Subscriptions			285		5,500	5,215	-1829.8%
0474 - Licenses & Fees			224		400	176	-78.6%
0501 - Travel & Lodging			2,586		5,000	2,414	-93.3%
0504 - Registrations			395		5,000	4,605	-1165.8%
0505 - Local Transport/Car Allowance			638		1,000	362	-56.7%
0507 - Meeting Expenses			4,841		3,000	(1,841)	38.0%
0601 - Hospitality-in-Market			13,140		5,000	(8,140)	61.9%
0622 - Advertising - Co-op			471,999		472,070	71	0.0%
0650 - Payroll Services			1,279		1,500	221	-17.3%
0689 - Web Development			7,000		7,500	500	-7.1%
0690 - Sponsorship			50,000		47,000	(3,000)	6.0%
0691 - Shuttle Subsidy			22,500		22,000	(500)	2.2%
0730 - Special Promotional Items			1,614		1,000	(614)	38.0%
0733 - On-hold Messaging			1,143		1,000	(143)	12.5%
0750 - Merchandise Expense			5,726		0	(5,726)	
0751 - Concierge Expense			311,737		230,000	(81,737)	26.2%
0800 - Grant Expenditures			10,000		10,000	0	0.0%
599900 - POS Inventory adj.			2,231		0	(2,231)	
0990 - Depreciation Expense			4,270		0	(4,270)	
TOTAL EXPENSES			1,437,167		1,333,615	(103,552)	
Variance			115,594		0		
Ending Funding Equity			425,594		310,000		

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A Proposal for the Audit of the
Financial Statements of

**INCLINE VILLAGE CRYSTAL BAY
VISITORS BUREAU**

For the Year Ended
June 30, 2015

Prepared by:

Kohn & Company LLP
Certified Public Accountants and Management Consultants

Date: June 16, 2015

Contact person:

Connie Christiansen, CPA, CFE, CGMA
Kohn & Company LLP

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Reno, Nevada 89511
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"Kohn & Company LLP: Solutions for Today; Strategies for Tomorrow"®

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June 16, 2015

Andy Chapman, President/CEO
Incline Village Crystal Bay Visitors Bureau
969 Tahoe Boulevard
Incline Village, Nevada 89451

Kohn & Company LLP is pleased to submit a proposal to perform the audit of the financial statements of the Incline Village Crystal Bay Visitors Bureau (Bureau) as of and for the year ended June 30, 2015. The terms of this proposal may be renewed annually, thereafter. Our experience with audits of nonprofit entities similar to yours will allow Kohn & Company's professional staff to conduct a quality audit at a competitive fee.

BUSINESS PROFILE

My partners, Beth Kohn-Cole, Beth Farley and I share over 60 years of combined public accounting experience and recognize the profession's need for refined audit and accounting services. We would bring to the Bureau a combination of proven and innovative accounting and management advice.

Our firm was established August 1, 2013, however, the other partners and I have worked together in the same Reno office, which was established as part of Kohn Colodny LLP, for over 15 years. Our office consists of, three partners, eight professional staff at varying levels in their careers and two support staff. Also, because of the size of our staff, we are able to rotate staff members that assist in the procedures to help bring a fresh perspective to each engagement while maintaining the benefits of our experience. You can be assured that our internal practices of brainstorming and consulting with one another, as well as our vast experience with other organizations, ensure that we approach each engagement with a fresh perspective.

Auditing services are the distinctive service of a public accounting firm and the primary service we perform. In addition, we perform other accounting services such as monthly bookkeeping services, compilation and review services for various industries. Tax preparation services are the long-standing service provided by accounting firms and ours is no exception. We also provide a wide range of management services including arbitration support services, internal audit services, internal control reviews, forensic accounting, training and consultation regarding accounting procedures, and many other management advisory services. However, we are ever mindful of any conflicts that may arise and refrain from providing services that may impair our independence with respect to audit engagements.

One of the distinguishing characteristics of Kohn & Company LLP is that our professional staff, including the partners, actively rather than passively work with clients to address their needs. We will personally visit you to answer questions and offer advice regarding accounting and management issues. We are available year round to help and support our clients, and we do not charge additional costs for these services. For the sake of our clients and our profession, we believe it is essential to be proactive in dealing with accounting issues, so we are continually enhancing our accounting practices and application of business technologies. We will not be more than a phone call away from providing information that is based on our long-standing experience with nonprofit agencies.

Our firm is very committed to maintaining quality staff. As such, we provide excellent benefits, flexible work schedules and a comfortable work environment. We are progressive when it comes to providing the tools that our staff needs to get the job done.

Kohn & Company LLP's policies and procedures of checking each other's work, sharing perspectives, and discussing issues as they arise with management will insure we provide excellent service. We understand the value of being acquainted with our clients and their needs. Our CPAs regularly consult a variety of on-line resources for technical advice and information regarding industry changes and we utilize the latest technologies to streamline our services and control costs. Kohn & Company LLP's policies and procedures of checking each other's work, sharing perspectives, and discussing issues as they arise with management will insure we provide excellent service.

All partners in the firm are properly licensed to practice public accounting in the state of Nevada and California and our firm follows strict independence rules as required by the American Institute of CPAs.

QUALIFICATIONS

The key personnel to be assigned to this project include Connie Christiansen, CPA, CFE, CGMA and Beth Farley, CPA, CGMA in addition to other staff accountants. As part of our firm's commitment to technical excellence, the professional staff attends at least 80 hours of continuing professional education (CPE) bi-annually. The Bureau will also benefit from our extensive experience providing various management consulting services, which include review of local governments budgets, arbitration services, internal control reviews and recommendations, training and transition assistance, fraud examinations, merger consulting, and interim financial reviews.

Our firm has a peer review every three years and in our most recent peer review, we received an unmodified, clean, opinion with no letter of comments.

We believe that Kohn & Company LLP is the right choice for the Bureau because:

- Our extensive experience with nonprofit organizations.
- The team assigned to your engagement is dedicated to providing ongoing continuity throughout the engagement which will reduce your staff's time on future engagements.
- Our firm provides quality, timely services by active participants in the engagement.
- Our staff is always available to assist your staff in technical matters at any time throughout the year.

References from other clients are available upon request.

AUDIT PLAN, APPROACH, AND TECHNOLOGY

If selected, our firm will perform the audit of the Bureau's statements for the year ended June 30, 2015. We understand your CPA will draft the financial statements to be audited and prepare all tax returns.

Prior to commencing fieldwork, we will provide you with a list of schedules and workpapers for you to compile to facilitate the audit process. Our audits are designed using a risk based approach. Accordingly, our planning procedures include inquiries of various staff and board members in order to gain an understanding of your systems and the overall business environment in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control. We will keep you informed of the status of our audit throughout the engagement and discuss any issues that impact our reports or the scope of the audit as they arise in order to ensure the most cost effective audit.

Our audit will be conducted in accordance with U.S. generally accepted auditing standards. Our audit will include tests of your accounting records and other procedures we consider necessary to enable us to express an opinion on your financial statements, provide reasonable assurance on the Bureau's compliance with laws and regulations material to the financial statements and major programs and related internal control over such compliance. Such procedures may include direct confirmation of certain balances or transactions with banks, grantors, vendors, attorneys or other third parties. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report as a result of the engagement.

Prior to the issuance of the audit, we will hold an exit conference in which we will review a draft of the audit and the management letter with management and representatives of the Board of Directors to ensure the completeness and the accuracy of the statements and reports.

We expect the fieldwork, including onsite planning, to encompass approximately one week. We believe that completing the audit fieldwork onsite, is the most efficient way to complete the audit and maintain the availability of records for your staff. We understand that an audit places demands on your personnel and we make every effort to minimize the impact of our presence. Also, because of the emphasis on transparency and the fiduciary responsibilities of boards, we make inquiries of a key board member during the planning phase and present the final financial statements to the Audit Committee or Board of Directors. The inquiries of a key board member are usually performed over the phone and the presentation is a brief overview of the audit highlights. We understand that Board members volunteer their time, but we also feel that the Board members need to clearly understand the results of the audit. In connection with the field work, we will request system narratives from the Bureau documenting the internal control.



control system. These narratives will be the initial basis for our understanding of the internal control processes for all aspects of the operations. We will make inquiries of staff to further understand the operations and may prepare a walk through in the first year of the audit to further understand the system. Any management comments noted are discussed first with management prior to being presented to the Board of Directors.

We will perform the audit utilizing paperless engagement software. Our staff will utilize their own laptops and programs. We do request to receive documentation in the form of PDF, Excel or Word whenever possible in order to allow for a more efficient audit process.

Our philosophy on staffing is to provide on-going continuity every year on the engagement. We will do the best we can to staff with the same personnel unless unforeseen circumstances occur such as illness or termination of employment.

The fee to perform the audit for 2015 is estimated to be \$8,500. The initial year will incur additional time in order to gain an understanding of the system. Our firm will incur those costs during the initial year and will not bill for this additional time. We believe these upfront costs will benefit future services we are available to perform for the Bureau. This fee estimate is based upon an anticipated discount of approximately 20% from our standard rates based upon the timing of the audit fieldwork beginning at a mutually agreed upon time in October or later. We will issue our audit report within eight weeks of the fieldwork and present the audit reports to the Board of Directors at no additional charge.

These fees are based on the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary we will discuss it with you and arrive at a new fee estimate before our firm incurs the additional costs. Our fees are billed semi-monthly as work progresses and are payable upon presentation. There have been only rare circumstances in which we have increased our bills for clients over and above the fees proposed initially. The circumstances would include a complete disarray of the records or fraud. During the year we expect to have inquiries and calls from our clients. We do not bill for responses to such inquiries and questions. If it is necessary for us to research an issue or prepare an analysis or review of information, we will bill for those services but will always discuss any such billings and services prior to incurring the costs.

OTHER STAFF AND GENERAL QUALIFICATIONS

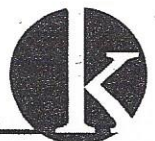
If you have any questions, please call me at (775) 828-7300. Thank you in advance for your consideration, and we hope to see you soon.

Sincerely,

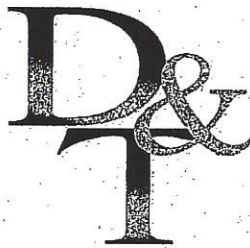
KOHN & COMPANY LLP



Connie Christiansen, CPA, CFE, CGMA



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DiPietro & Thornton

CERTIFIED PUBLIC ACCOUNTANTS

John F. DiPietro, CPA • john@di Pietro-thornton.com

Randall D. Thornton, CPA • randy@di Pietro-thornton.com

June 7, 2015

Incline Village-Crystal Bay Visitors & Convention Bureau

RE: Audit Preparation
June 30, 2015

Dear Members of the Board:

We are pleased to offer our proposal to provide audit services for Incline Village-Crystal Bay Visitors & Convention Bureau. Our services would include the audit of the balance sheet of Incline Village-Crystal Bay Visitors & Convention Bureau as of June 30, 2015, and the related statements financial position, and cash flows for the period then ended.

The objective of our audit is the expression of an opinion about whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion.

Our audit procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and direct confirmation of certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Since our founding in 1988, DiPietro and Thornton have provided quality accounting and tax services to companies in Nevada. The firm has over 27 years of experience in public accounting, including extensive experience in the audits of financial statements. The firm is registered to practice public accounting by the Nevada State Board of Accountancy.

Randall Thornton, CPA will serve as the Engagement Team Principal. Mr. Thornton's responsibilities will include signing engagement letters, management letters, and final reports. He will also be responsible for the overall supervision and management of the audit engagement. Mr. Thornton graduated from University of Nevada with a Bachelor of Science in Accountancy. Mr. Thornton has over 39 years of experience in public

accounting and auditing. Mr. Thornton is a licensed CPA by the state of Nevada. Mr. Thornton has been with the firm since its founding in 1988. Mr. Thornton is a member of the American Institute of Certified Public Accountants and the Nevada Society of Certified Public Accountants.

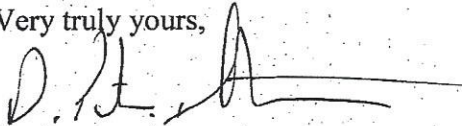
Joseph Costanza, CPA, will serve as the Senior Auditor on the engagement. Mr. Costanza's responsibilities will be to work with Mr. Thornton in the planning and performing of auditing procedures. Mr. Costanza graduated from Providence College with a Bachelor of Science in Accountancy. Mr. Costanza has over 16 years of experience in public accounting and auditing. Mr. Costanza is a licensed CPA by the state of Nevada. Mr. Costanza has been with the firm for 7 years.

Our professional fees for this audit engagement will be \$3,800. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We appreciate the opportunity to submit this quote. If the terms of this proposal are acceptable we will prepare an engagement letter for your signature.

If you have any questions please call our office.

Very truly yours,

A handwritten signature in dark ink, appearing to read 'D. H. Thornton', with a long horizontal flourish extending to the right.

DiPietro & Thornton