

CLUB TAHOE RESORT OWNERS' ASSOCIATION, INC.
FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2025

CLUB TAHOE RESORT OWNERS' ASSOCIATION, INC.

DECEMBER 31, 2025

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INDEPENDENT AUDITORS' REPORT

To the Special Master and Members of
Club Tahoe Resort Owners' Association, Inc.
Incline Village, Nevada

Opinion

We have audited the accompanying financial statements of Club Tahoe Resort Owners' Association, Inc., which comprise the balance sheet as of December 31, 2025, and the related statements of revenues and expenses, and changes in fund balance and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Club Tahoe Resort Owners' Association, Inc. as of December 31, 2025, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Club Tahoe Resort Owners' Association, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. We have not applied procedures to determine whether the funds designated for future major repairs and replacements as discussed in Note 4 are adequate to meet such future costs because that determination is outside the scope of our audit. Our opinion on the financial statements is not modified with respect to this matter.

Responsibilities of Management 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, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Club Tahoe Resort Owners' Association, Inc. and Subsidiary's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Club Tahoe Resort Owners' Association, Inc. internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Club Tahoe Resort Owners' Association, Inc. ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedule of Reserve Analysis on page 11 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Club Tahoe Resort Owners' Association, Inc.
September 28, 2026
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Other Matters

The Schedule of Revenues and Expenses - Budget and Actual on page 12 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information, except for the portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Kasminoff & Associates, CPA

Las Vegas, Nevada
September 28, 2026

CLUB TAHOE RESORT OWNERS' ASSOCIATION, INC.
BALANCE SHEET
DECEMBER 31, 2025

ASSETS

	OPERATING FUND	RESERVE FUND	RENTAL TRUST FUND	TOTAL
Cash	\$ 346,193	\$ 2,370,032	\$ -	\$ 2,716,225
Assessments Receivable, Net of Allowance for Credit Losses of \$2,249,241	69,533	-	-	69,533
Other Receivable	1,222	-	-	1,222
Due from Operating Fund	-	468,525	-	468,525
Prepaid Expense	579	-	-	579
TOTAL ASSETS	\$ 417,527	\$ 2,838,557	\$ -	\$ 3,256,084

LIABILITIES AND FUND BALANCES

Accounts Payable	\$ 199,214	\$ -	\$ -	\$ 199,214
Due to Reserve Fund	468,525	-	-	468,525
Prepaid Assessments	136,079	-	-	136,079
Contract Liability	-	2,838,557	-	2,838,557
	803,818	2,838,557	-	3,642,375
FUND BALANCES (DEFICIT)	(386,291)	-	-	(386,291)
TOTAL LIABILITIES AND FUND BALANCES	\$ 417,527	\$ 2,838,557	\$ -	\$ 3,256,084

The accompanying notes are an integral part of these financial statements

CLUB TAHOE RESORT OWNERS' ASSOCIATION, INC.
STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2025

	OPERATING FUND	RESERVE FUND	RENTAL TRUST FUND	TOTAL
REVENUES				
Member Assessments	\$ 3,449,730	\$ 36,898	\$ -	\$ 3,486,628
Late Fees and Fines	6,685	-	-	6,685
Credit Losses	(590,048)	-	-	(590,048)
Interest Income	7,591	69,217	-	76,808
Rental Income	257,329	-	-	257,329
Clubhouse Revenue	25,081	-	-	25,081
Other Income	1,011	-	-	1,011
	<u>3,157,379</u>	<u>106,115</u>	<u>-</u>	<u>3,263,494</u>
EXPENSES				
Front Office Expenses	170,712	-	-	170,712
Housekeeping	674,499	-	-	674,499
Clubhouse Expense	68,993	-	-	68,993
Guest Activities	4,665	-	-	4,665
Administrative	131,796	753	-	132,549
Sales and Advertising	140,252	-	-	140,252
Repairs and Maintenance	446,499	105,362	-	551,861
Communication	91,194	-	-	91,194
Electricity and Natural Gas	142,743	-	-	142,743
Water and Sewer	172,415	-	-	172,415
Professional Services	392,090	-	-	392,090
Property Taxes	288,898	-	-	288,898
Insurance	408,332	-	-	408,332
	<u>3,133,088</u>	<u>106,115</u>	<u>-</u>	<u>3,239,203</u>
EXCESS OF REVENUES OVER EXPENSES	24,291	-	-	24,291
Fund Balances (Deficit) at Beginning of Year	(430,295)	-	19,713	(410,582)
Inter-Fund Transfers: Close Subsidiary Fund	<u>19,713</u>	<u>-</u>	<u>(19,713)</u>	<u>-</u>
FUND BALANCES (DEFICIT) AT END OF YEAR	<u>\$ (386,291)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (386,291)</u>

The accompanying notes are an integral part of these financial statements

CLUB TAHOE RESORT OWNERS' ASSOCIATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

	OPERATING FUND	RESERVE FUND	RENTAL TRUST FUND	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES:				
Excess of Revenues over Expenses	\$ 24,291	\$ -	\$ -	\$ 24,291
ADJUSTMENTS TO RECONCILE EXCESS REVENUES TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Changes in:				
Assessments Receivable	(5,113)	-	-	(5,113)
Other Receivable	50,174	-	-	50,174
Due to/from Funds	307,158	(299,697)	(7,461)	-
Prepaid Expenses	125,059	-	-	125,059
Accounts Payable	(117,400)	-	-	(117,400)
Refundable Deposits	(24,476)	-	-	(24,476)
Prepaid Assessments	(285,501)	-	-	(285,501)
Contract Liability	-	108,100	-	108,100
	<u>49,901</u>	<u>(191,597)</u>	<u>(7,461)</u>	<u>(149,157)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	<u>74,192</u>	<u>(191,597)</u>	<u>(7,461)</u>	<u>(124,866)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Maturity of Certificate of Deposit	-	-	19,627	19,627
CASH FLOWS FROM FINANCING ACTIVITIES:				
Inter-Fund Transfers	<u>19,713</u>	<u>-</u>	<u>(19,713)</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH	93,905	(191,597)	(7,547)	(105,239)
Cash at Beginning of Year	<u>252,288</u>	<u>2,561,629</u>	<u>7,547</u>	<u>2,821,464</u>
CASH AT END OF YEAR	<u>\$ 346,193</u>	<u>\$ 2,370,032</u>	<u>\$ -</u>	<u>\$ 2,716,225</u>
SUPPLEMENTARY INFORMATION:				
Cash Paid for Federal Income Taxes	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

CLUB TAHOE RESORT OWNERS' ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

Club Tahoe Resort Owners' Association, Inc. was incorporated on September 19, 1978. The Association is a timeshare vacation plan development in Incline Village, Nevada, organized as a domestic non-profit corporation for purposes of maintaining and preserving the common property, and providing certain services and facilities for the use, benefit, and welfare of the owners and/or occupants of condominium units. The Association consists of 92 condominium suites equating to 4,692 one-week time share interests.

ACCOUNTING METHOD

Club Tahoe Resort Owners' Association, Inc. maintains its records on the accrual basis of accounting. Under this method of accounting, revenue is recognized when performance obligation is met, whether received or not, and expenses are recognized when goods or services are incurred, whether paid or not.

FUND ACCOUNTING

The Association uses fund accounting which requires funds, such as operating funds for day-to-day expenses, and reserve funds designated for future major repairs and replacements of the common property, to be classified separately for accounting and reporting purposes. Disbursements from the operating fund are made in accordance with an annual budget, or as approved by the Board of Directors. Disbursements from the reserve and other designated funds may be made only for their designated purposes.

MEMBER ASSESSMENTS

Association members are subject to annual assessments to provide funds for the Association operating expenses and future major repairs and replacements. The Association's ability to collect assessments is affected by a variety of factors, including general economic conditions and each individual owner's financial capability. Assessment revenue is recognized as the related performance obligations are satisfied at transaction amounts expected to be collected. The Association performance obligation related to its operating assessments is satisfied over time on a daily pro-rata basis using the input method. The performance obligation to the reserve fund assessments are satisfied when these funds are expended for their designated purpose.

Assessments receivable at the balance sheet date are stated at the amounts expected to be collected from outstanding assessments from members. Association policy is to assess late fees on assessments over 30 days past due, and place liens on the member interest of owners whose assessments are 90 days or more delinquent. The Association treats uncollectable assessments as credit losses. Methods, inputs, and assumptions used to evaluate when assessments are considered uncollectable include consideration of past experience and susceptibility to factors outside the Association's control. For the year ended December 31, 2025, variable consideration of \$590,048 was considered to be constrained and excluded from revenue. Assessments receivable at the balance sheet date represents amounts due from members for maintenance assessments, late fees, other fees, and fines, if any, due from owners, and are stated at the amounts expected to be collected. The balances of assessments receivable at the beginning and the end of 2025 were \$2,071,130 and \$2,318,774, respectively.

CLUB TAHOE RESORT OWNERS' ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PROPERTY AND EQUIPMENT

Common areas annexed to the Association by the developer are not capitalized on the Association's financial statements as owned by the individual owner interest. Common property, which consists of a recreation center, various structures, a pool and spa, sauna, racket ball and tennis courts, gates, asphalt, lighting, walls, building exteriors and interiors, roofing and various landscaping are restricted to use by the Association's members, their tenants, and guests. Such property provides no probable future economic benefit to the Association, and such ownership is only a legal formality that has no effect on the financial position of the Association. Replacements and improvements to the real property and common areas are also not capitalized.

Personal property purchased with Association funds, if any, to which the Association holds the title, is capitalized at cost, and depreciated over an estimated useful life using the straight-line method of depreciation.

LEASES

The Association follows policies and assumptions to evaluate leases, if applicable. The Association assesses contracts at inception to determine whether an arrangement is or includes a lease, which conveys the Association's right to control the use of an identified asset for a period of time in exchange for consideration. Operating lease right-of-use assets and associated liabilities are recognized at the commencement date and initially measured based on the present value of lease payments over the defined lease term. The Association has elected the practical expedient to not separate lease and non-lease components. The Association does not recognize leases with a contractual term of 12 months or less. Lease expense for these short-term leases is expensed over the lease term. The Association calculates the discount rate based on the discount rate implicit in the lease, or if the implicit rate is not readily determinable from the lease, then the Association uses the risk-free discount rate.

CONTRACT ASSETS AND LIABILITIES

Contract assets represent revenue recognized in excess of amounts billed. No such amounts are reported on the balance sheet as of December 31, 2025. Contract liabilities represent revenue collected in advance of the contract period or amount billed in excess of revenue recognized. These liabilities are reported on the balance sheet as a contract liability. The Association recognizes revenue from members as the related performance obligations are satisfied. A contract liability is recorded when the Association has the right to receive payment in advance of the satisfaction of performance obligation related to reserve assessments. The balances of contract liabilities as of the beginning and end of 2025 would have been \$2,730,457 and \$2,838,557, respectively.

REVENUE RECOGNITION

Effective January 1, 2024, the financials are presented under Accounting Standards Codification Topic 606, Revenue from Contracts with Customers. This topic requires the recognition of revenue when performance obligations under the terms of the contracts with customers are satisfied. Revenue is recognized in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. For purposes of this Association, the definition of customers includes the Association's members.

CLUB TAHOE RESORT OWNERS' ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

TIMESHARE INTEREST INVENTORY

The Association held 330 interval units as of December 31, 2025, which had been foreclosed on or deeded back. All of these units are unencumbered and held for sale. The value of these units has not been recorded on the balance sheet.

USE OF ESTIMATES

The preparation of financial statements, in conformity with U.S. generally accepted accounting principles, requires management to make certain estimates and assumptions that affect amounts reported in the statements and accompanying notes. Assets, liabilities, and contingency disclosures require estimates as of the date of the financial statements. Revenues and expenses require estimates during the reporting period. Actual results could differ from those estimates.

DATE OF MANAGEMENT'S REVIEW

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through the date of the independent auditors' report, which is the date the financial statements were issued.

CASH FLOW STATEMENT

For purposes of the Statement of Cash Flows, the Association considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents.

NOTE 2 - FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Association is accumulating funds for future major repairs and replacements. Accumulated funds, which aggregate \$2,838,557 at December 31, 2025, are presented on the accompanying balance sheet as a contract liability (assessments received in advance) and/or reserve fund equity is held in separate accounts and are generally not available for operating purposes.

The Association engaged an independent consultant who conducted a study in 2025 to estimate the remaining useful lives and the replacement costs of the common property components. The Association is funding for such major repairs and replacements over the estimated useful lives of the components based on the study's estimates of current replacement costs, considering amounts previously accumulated in the reserve fund. Actual expenditures, however, may vary from the estimated amounts and the variations may be material. Therefore, amounts accumulated in the reserve fund may not be adequate to meet future needs. If additional funds are needed, however, the Association has the right to increase the regular assessments or with membership approval to levy special assessments, or it may delay major repairs and replacements until funds are available. According to the reserve study, the recommended reserve contribution for 2025 was \$285,000. The Association assessed \$145,000 for reserve funding and recognized \$36,898 for reserve funding in 2025.

CLUB TAHOE RESORT OWNERS' ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 3 - CASH

Cash at December 31, 2025, as represented on the balance sheet is detailed as follows:

	OPERATING FUND	RESERVE FUND	TRUST FUND
Petty Cash	\$ 2,028	\$ -	\$ -
Change Banks	600	-	-
Alliance Association Bank:			
Checking Account	20,094	-	-
Money Market Account	244,817	-	-
Lockbox Checking Account	24,551	-	-
Checking Account	42,932	-	-
Rental Checking Account	1,011	-	-
Rental Savings Account	527	-	-
Checking Account	-	24,257	-
Money Market Account	-	2,345,775	-
Columbia Bank:			
Checking Account	9,433	-	-
Savings Account	200	-	-
	\$ 346,193	\$ 2,370,032	\$ -

NOTE 4 - OFF-BALANCE SHEET RISK AND CONCENTRATIONS OF RISK

The Association has a potential concentration of credit risk in that it maintains deposits with Alliance Association Bank in excess of amounts insured by FDIC. At December 31, 2025, this institution reported deposits before outstanding checks of \$2,724,573 of which \$250,000 was insured by FDIC, resulting in an uninsured cash balance of \$2,474,573.

NOTE 5 - FEDERAL INCOME TAXES

For the year ended December 31, 2025, the Association elected to file as a corporation in accordance with Internal Revenue Code Section 277. Under that section, the Association qualifies as a tax-exempt association for all income and expenses related to its membership activities which are the management, maintenance, and care of Association common area property. The net non-membership income from earned interest is taxed at 21%. For 2025, the Association did not incur federal income tax. Federal tax filings are subject to audit by the Internal Revenue service. Tax years open under the statute of limitations are 2023, 2024, and 2025.

NOTE 6 – OTHER MATTERS/SUBSEQUENT EVENT

In April 2026, pursuant to Court Order, a Special Master was appointed to manage the Association, to maintain the status quo and to facilitate a rule complaint Annual Meeting and Board Election. The Association is managed and operated through an agreement with Grand Pacific Resorts.

In addition, the Association is a defendant in two active legal proceedings both pending in the Second Judicial District Court of the State of Nevada, Washoe County. The cases are Lawrence Garvey and Robert Payton v Club Tahoe Resort Owners' Association Inc. and Tricor Mgmt LLC v Club Tahoe Resort Owners' Association. Management cannot provide a likelihood of an adverse outcome resulting in a material financial loss and an estimate of the financial effect cannot be made at this time. Other than these matters, the Association is not involved in any pending or threatened litigation that would require accrual of disclose in the financial statements under U.S. GAAP.

SUPPLEMENTARY FINANCIAL INFORMATION

CLUB TAHOE RESORT OWNERS' ASSOCIATION, INC.
SCHEDULE OF RESERVE ANALYSIS
DECEMBER 31, 2025

(UNAUDITED)

The Association engaged an independent specialist to conduct a Reserve Study in 2025 to estimate the remaining useful lives and the replacement costs of the common property components. Replacement cost projections are based on future estimated replacement costs. The study uses the full funding method, which funds the reserve by attaining and maintaining the cumulative reserve at or near the full funding goal.

MAJOR COMPONENT	ESTIMATED REMAINING USEFUL LIFE	ESTIMATED FUTURE REPLACE MENT COST
Concrete/Painting/Roofing/Lighting/Flooring/Asphalt/HVAC	0 - 18	\$ 2,897,314
Pool and Spa Area/Sauna/Tennis Racquetball Courts/Furnishings	0 - 9	206,366
Unit Interiors	0 - 28	4,397,786
Unit Exteriors	0 - 3	1,092,589
Common Area Equipment/Vehicles	0 - 8	243,474
		\$ <u>8,837,529</u>

(See Independent Auditors' Report)

CLUB TAHOE RESORT OWNERS' ASSOCIATION, INC.
SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>ACTUAL</u>	<u>BUDGET</u>	VARIANCE FAVORABLE/ (UNFAVORABLE)
		(UNAUDITED)	(UNAUDITED)
<u>OPERATING FUND</u>			
REVENUES			
Member Assessments	\$ 3,449,730	\$ 3,449,730	\$ -
Late Fees and Fines	6,685	28,500	(21,815)
Credit Losses	(590,048)	(461,700)	(128,348)
Interest Income	7,591	1,250	6,341
Rental Income	257,329	343,000	(85,671)
Clubhouse Revenue	25,081	56,950	(31,869)
Other Income	1,011	26,020	(25,009)
	<u>3,157,379</u>	<u>3,443,750</u>	<u>(286,371)</u>
EXPENSES			
Front Office Expenses	170,712	201,973	31,261
Housekeeping	674,499	781,197	106,698
Clubhouse Expense	68,993	115,300	46,307
Guest Activities	4,665	-	(4,665)
Administrative	131,796	230,695	98,899
Sales and Advertising	140,252	137,510	(2,742)
Repairs and Maintenance	446,499	507,176	60,677
Communication	91,194	88,208	(2,986)
Electricity and Natural Gas	142,743	291,122	148,379
Water and Sewer	172,415	130,179	(42,236)
Professional Services	392,090	275,200	(116,890)
Property Taxes	288,898	272,814	(16,084)
Insurance	408,332	412,376	4,044
	<u>3,133,088</u>	<u>3,443,750</u>	<u>310,662</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 24,291</u>	<u>\$ -</u>	<u>\$ 24,291</u>
<u>RESERVE FUND</u>			
REVENUES			
Member Assessments	\$ 36,898	\$ 145,000	\$ (108,102) *
Interest Income	69,217	75,000	(5,783)
	<u>106,115</u>	<u>220,000</u>	<u>(113,885)</u>
EXPENSES			
Bank Fees	753	-	(753)
Common Area Repairs	105,362	419,992	314,630
	<u>106,115</u>	<u>419,992</u>	<u>313,877</u>
EXCESS OF EXPENSES OVER REVENUES	<u>\$ -</u>	<u>\$ (199,992)</u>	<u>\$ (427,762)</u>

*Reserve assessments were billed in 2025 in accordance with budget. Assessments are recognized when performance takes place.

(See Independent Auditors' Report)



KASMINOFF & ASSOCIATES

CPA

9555 S. Eastern Ave. STE #210
Las Vegas, NV 89123

September 28, 2026

To the Special Master of
Club Tahoe Resort Owners' Association, Inc.

We have audited the financial statements of Club Tahoe Resort Owners' Association, Inc. for the year ended December 31, 2025, and have issued our report thereon dated September 28, 2026. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter dated June 23, 2026. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Club Tahoe Resort Owners' Association, Inc. are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during 2025. We noted no transactions entered into by the Association during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of the allowance for credit losses is based on historical revenue, historical loss levels, and an analysis of the collectability of individual accounts. We evaluated the key factors and assumptions used to develop the allowance for credit losses in determining that it is reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The adjusting journal entries presented in the financial statement package show material misstatements detected as a result of audit procedures and will be corrected by management when approved.

Disagreements with Management

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, which could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 28, 2026.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Company's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Supplementary Information Accompanying the Audited Financial Statement

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Required Supplementary Information

With respect to the supplementary information required by the Financial Accounting Standards Board, we applied certain limited procedures to the information, including inquiring of management about their methods of preparing the information; comparing the information for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements; and obtaining certain representations from management, including about whether the required supplementary information is measured and presented in accordance with prescribed guidelines.

Other Audit Findings or Issues

During our audit, we have not become aware of any matters that are opportunities for strengthening operating efficiencies. This letter does not affect our audit report on the financial statements of Club Tahoe Resort Owners' Association, Inc.

Money should be distributed between financial institutions so that no one particular banking institution has more the \$250,000 (FDIC insurable amount).

At December 31, 2025, the operating fund owed the reserve fund a significant amount of \$468,525. The Association may need to take an aggressive approach to generate cash flow to fund the reserve for these past assessments via upcoming budgets, passing a reserve assessment and cost cutting measures. Amounts due from operating to reserve should be addressed on the annual budget owner disclosure with a plan of how the funds will be paid to the reserve.

At December 31, 2025, the Association had an operating fund deficit. The Association may have to increase the monthly assessment in order to pay operating expenses on a timely basis or look at operating cost reductions.

This information is intended solely for the use of the Special Master and management of Club Tahoe Resort Owners' Association, Inc. and is not intended to be and should not be used by anyone other than those specified parties. We at Kasminoff & Associates, CPA would like to take this time to thank you for letting us provide professional services to your Company and look forward to any services we may provide in the future. If you have any questions, please do not hesitate to contact us.

Respectfully,

Kasminoff & Associates, CPA

Kasminoff & Associates, CPA

Club Tahoe Resort Owners' Association, Inc.
TB by Leads Classified (Unadjusted to Report, Itemized JEs)
December 31, 2025

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			12/31/2025 Unadjusted Balance	AJE	12/31/2025 Adjusting Entries	12/31/2025 Adjusted Balance	12/31/2024 Adjusted Balance
Assets		1000					
Sublead	Cash - Operating	100					
1007	Cash - Operating Alliance Bank	20.1/1	20,093.52		-	20,093.52	-
1008	Cash - Operating MM Alliance Bank	20.1/15	244,817.17		-	244,817.17	-
1009	Cash - Operating Columbia Bank	20.1/18	9,432.60		-	9,432.60	-
1010	Cash - Operating Savings Columbia Bank	20.1/19	200.05		-	200.05	-
	Cash - Operating First Citizens Bank		-		-	-	3,232.51
	Cash - Operating ICS First Citizens Bank		-		-	-	3.10
1017	Cash - Operating Lockbox Alliance Bank	20.1/20	158,684.13	2	(2,490.00)	-	-
			-	2	(13,451.00)	-	-
			-	2	(118,192.00)	24,551.13	-
1025	Cash - Operating Petty Cash		2,028.23		-	2,028.23	562.59
1062	Cash - Operating Alliance Bank	20.1/34	42,932.32		-	42,932.32	103,770.38
1062	Cash - Operating ICS Alliance Bank		-		-	-	144,719.02
	Cash - Operating Sales/Rental First Citizens Bank		-		-	-	-
1065	Cash - Operating Sales/Rental Alliance Bank	20.1/41	1,010.77		-	1,010.77	-
1066	Cash - Operating Sales/Rental Alliance Bank	20.1/45	527.44		-	527.44	-
1070	Cash - Operating Change Fund Front Desk		350.00		-	350.00	350.00
1071	Cash - Operating Change Fund Bar/Deli		250.00		-	250.00	250.00
	Total Cash - Operating	100	480,326.23		(134,133.00)	346,193.23	252,887.60
Sublead	Cash - Reserve	105					
0101R	Cash - Reserve Alliance Bank	20.1/49	24,256.97		-	24,256.97	-
0108R	Cash - Reserve MM Alliance Bank	20.1/51	2,345,775.30		-	2,345,775.30	-
	Cash - Operating ICS Alliance Bank		-		-	-	2,173,192.68
0170R	Cash - Reserve First Citizens Bank		10,001.32	7	(10,001.32)	-	25,001.06
0171R	Cash - Reserve ICS First Citizens Bank		59.19	7	(59.19)	-	363,435.36
	Total Cash - Reserve	105	2,380,092.78		(10,060.51)	2,370,032.27	2,561,629.10
Sublead	Cash - Sales/Rental Trust	105					
	Cash - Operating Sales/Rental First Citizens Bank		-		-	-	6,540.96
1065	Cash - Operating Sales/Rental Alliance Bank		-		-	-	1,006.55
1066	Cash - Operating Sales/Rental Alliance Bank		-		-	-	0.03
	Total Cash - Sales/Rental Trust	105	-		-	-	7,547.54
Sublead	CD - Sales/Rental Trust	110					
10410	CD - Sales/Rental Wells Fargo Bank		-		-	-	19,626.77
	Total CD - Sales/Rental Trust	110	-		-	-	19,626.77
Sublead	Assessments Receivable	115					
1200	Assessments Receivable		-	2	134,133.00	-	-
			-	4	2,184,640.92	2,318,773.92	2,071,129.75
1250	Allowance for Credit Losses	22.1	-	4	(2,184,640.92)	-	-
			-	4	(64,600.00)	(2,249,240.92)	(2,006,709.95)
	Total Assessments Receivable	115	-		69,533.00	69,533.00	64,419.80
Sublead	Other Receivable	120					
1111	A/R - Guest Ledger	22/2	(4,693.08)		-	(4,693.08)	(9,314.36)
1112	A/R - City Ledger	22/2	3,511.58		-	3,511.58	37,054.47
	A/R - Miscellaneous		-		-	-	3,793.77
	A/R - Tricom Management		-		-	-	19,261.95
1125	Returned Items Lockbox	22.7	2,403.20		-	2,403.20	-
	Total Other Receivable	120	1,221.70		-	1,221.70	50,795.83

Club Tahoe Resort Owners' Association, Inc.
TB by Leads Classified (Unadjusted to Report, Itemized JEs)
December 31, 2025

			12/31/2025 Unadjusted Balance	AJE	12/31/2025 Adjusting Entries	12/31/2025 Adjusted Balance	12/31/2024 Adjusted Balance
Sublead	Due to from Funds	125					
1190R	Due from Operating		458,463.92	7	10,061.31	468,525.23	168,826.55
1190T	Due from Trust		-		-	-	7,461.00
1260T	Due to Operating		-		-	-	(7,461.00)
1260	Due to Reserve		(458,463.92)	7	(10,061.31)	(468,525.23)	(168,826.55)
	Total Due to from Funds	125	<u>-</u>		<u>-</u>	<u>-</u>	<u>-</u>
Sublead	Prepaid Expense	130					
1901	Prepaid Expense	60.3/1	83,802.88	6	(83,224.08)	578.80	15,501.50
1910	Prepaid Insurance	60.3/2	263,695.12	6	(263,695.12)	-	51,060.34
1925	Prepaid Property Tax		-		-	-	59,075.73
1924	Prepaid Workers Compensation Insurance		188.74	3	(188.74)	-	-
	Total Prepaid Expense	130	<u>347,686.74</u>		<u>(347,107.94)</u>	<u>578.80</u>	<u>125,637.57</u>
Total Assets		1000	<u>3,209,327.45</u>		<u>(421,768.45)</u>	<u>2,787,559.00</u>	<u>3,082,544.21</u>
Liabilities		2000					
Sublead	Accounts Payable	200					
1270	Due to #577 GPRS - Invt Mgmt.		(15,113.03)		-	(15,113.03)	(0.01)
1271	Due to #571 GPRS		(16,250.00)		-	(16,250.00)	-
2401	Accounts Payable - Trade	40/4	(95,831.10)		-	(95,831.10)	(256,260.59)
2403	Accrued Owner Rentals		(10,326.56)		-	(10,326.56)	(916.81)
2404	Accrued Expenses	40	(122,417.94)	6	83,224.08	(39,193.86)	(34,718.13)
2405	Insurance Installments Payable		(265,419.31)	6	263,695.12	(1,724.19)	-
2406	Accounts Payable - Trust		41,047.18	8	(41,047.18)	-	-
2410	Advance Deposit	40/6	(1,399.71)		-	(1,399.71)	(24,475.89)
2450	Occupancy Tax Payable	40/11	(9,486.01)		-	(9,486.01)	-
2455	Sales Tax Payable		(101.80)		-	(101.80)	-
2460	Payroll Accrual	40/18	(9,786.69)		-	(9,786.69)	-
2470	Accrued Vacation		(29,225.18)	3	29,225.18	-	(24,718.03)
	Total Accounts Payable	200	<u>(534,310.15)</u>		<u>335,097.20</u>	<u>(199,212.95)</u>	<u>(341,089.46)</u>
Sublead	Accounts Payable - Reserve	205					
2220R	Accounts Payable - Reserve		-		-	-	-
	Total Accounts Payable	205	<u>-</u>		<u>-</u>	<u>-</u>	<u>-</u>
Sublead	Federal Income Tax Payable	210					
2110	Federal Income Tax Payable		-		-	-	-
	Total Federal Income Tax Payable	210	<u>-</u>		<u>-</u>	<u>-</u>	<u>-</u>
Sublead	Prepaid Assessments	215					
1119	Prepaid Assessments	22/1	(136,079.44)		-	(136,079.44)	(421,580.45)
	Total Prepaid Assessments	215	<u>(136,079.44)</u>		<u>-</u>	<u>(136,079.44)</u>	<u>(421,580.45)</u>
Sublead	Contract Liability - Reserve	270					
27000R	Contract Liability		-	1	(2,730,455.66)	-	-
			-	5	(108,101.84)	(2,838,557.50)	(2,730,455.65)
	Total Contract Liability - Reserve	270	<u>-</u>		<u>(2,838,557.50)</u>	<u>(2,838,557.50)</u>	<u>(2,730,455.65)</u>
Total Liabilities		2000	<u>(670,389.59)</u>		<u>(2,503,460.30)</u>	<u>(3,173,849.89)</u>	<u>(3,493,125.56)</u>

Club Tahoe Resort Owners' Association, Inc.
TB by Leads Classified (Unadjusted to Report, Itemized JEs)
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		12/31/2025		12/31/2025	12/31/2025	12/31/2024
		Unadjusted	AJE	Adjusting	Adjusted	Adjusted
		Balance		Entries	Balance	Balance
Equity	3000					
Sublead	Operating Fund Balance	300				
3995	Operating Fund Balance	410,581.35	1	19,713.00	430,294.35	185,047.72
3705	Prior Period Adjustments	-		-	-	-
	Total Operating Fund Balance	300		19,713.00	430,294.35	185,047.72
Sublead	Reserve Fund Balance	305				
39900R	Reserve Fund Balance	(2,730,455.66)	1	2,730,455.66	-	-
31005R	Prior Period Adjustments	-		-	-	-
	Total Reserve Fund Balance	305		2,730,455.66	-	-
Sublead	Trust Fund Balance	310				
3100	Trust Fund Balance	-	1	(19,713.00)	(19,713.00)	(19,695.00)
3105	Prior Period Adjustments	-		-	-	-
	Total Trust Fund Balance	310		(19,713.00)	(19,713.00)	(19,695.00)
Sublead	Inter-Fund Transfer	350				
3001	Inter-Fund Transfer	-	1	(19,713.00)	(19,713.00)	-
3501T	Inter-Fund Transfer	-	1	19,713.00	19,713.00	-
	Total Inter-Fund Transfer	350		-	-	-
Total Equity	3000	(2,319,874.31)		2,730,455.66	410,581.35	165,352.72
Net Income		(219,063.55)		194,773.09	(24,290.46)	245,228.62
		(2,538,937.86)		2,925,228.75	386,290.89	410,581.35
TOTAL LIABILITIES AND EQUITY		(3,209,327.45)		421,768.45	(2,787,559.00)	(3,082,544.21)
		-		-	-	-

Club Tahoe Resort Owners' Association, Inc.
TB by Leads Classified (Unadjusted to Report, Itemized JEs)
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			12/31/2025 Unadjusted Balance	AJE	12/31/2025 Adjusting Entries	12/31/2025 Adjusted Balance	12/31/2024 Adjusted Balance
Revenue		4000					
Sublead	Assessments	400					
4040	Assessments	60	(3,214,362.94)	6	(235,367.06)	(3,449,730.00)	(3,020,290.39)
5900	Reserve Transfer		-		-	-	-
	Total Assessments	400	(3,214,362.94)		(235,367.06)	(3,449,730.00)	(3,020,290.39)
Sublead	Late Fees and Fines	410					
41110	Homeowner Interest		-		-	-	(10,525.04)
4042	Reinstatement Fess/BL RM/Return Check Fee		(6,860.00)		-	(6,860.00)	-
4047	Foreclosure/Deed Back Fees		175.00		-	175.00	-
	Total Late Fees and Fines	410	(6,685.00)		-	(6,685.00)	(10,525.04)
Sublead	Credit Losses	415					
4041	Credit Losses		225,229.18	4	64,600.00	-	-
			-	6	235,367.06	525,196.24	387,202.39
4045	Bad Debt Recovery		(16,147.48)		-	(16,147.48)	-
5042	Front Desk - Bad Debt Expense		81,000.00		-	81,000.00	-
	Total Credit Losses	415	290,081.70		299,967.06	590,048.76	387,202.39
Sublead	Interest - Operating	420					
	Interest Income - Sales & Rentals		-		-	-	(17.82)
4028	Interest Income		(7,591.38)		-	(7,591.38)	(1,898.15)
	Total Interest - Operating	420	(7,591.38)		-	(7,591.38)	(1,915.97)
Sublead	Rental Income	425					
4000	Guaranteed Room Revenue		(47,499.99)		-	(47,499.99)	-
4010	Room Revenues		(175,575.79)		-	(175,575.79)	(159,374.76)
4017	HOA Commission for Rentals		(24,917.15)		-	(24,917.15)	(90,179.47)
4025	Bonus Time Revenue		(5,852.38)		-	(5,852.38)	(7,933.37)
	Unit Lease Revenue		-		-	-	(5,100.00)
4029	CC Convenience Fee		(3,364.99)		-	(3,364.99)	-
4051	Late Checkout		(25.00)		-	(25.00)	(25.00)
4060	Housekeeping Revenue		(65.00)		-	(65.00)	(362.10)
4090	RSF/Parking Fee		(28.86)		-	(28.86)	-
	Total Rental Income	425	(257,329.16)		-	(257,329.16)	(262,974.70)
Sublead	Clubhouse Revenue	430					
	Bar		-		-	-	(22,859.01)
	Deli		-		-	-	(75.80)
	Pro Shop		-		-	-	(6,706.32)
	Vending		-		-	-	(97.25)
	Fire Logs		-		-	-	(954.00)
	Video Games		-		-	-	(692.18)
6000	Venue Food		(22.00)		-	(22.00)	-
6007	Venue Beverage		(20,976.23)		-	(20,976.23)	-
4054	Merchandise Revenue		(2,981.83)		-	(2,981.83)	-
4061	Beach/Ski/Golf Pass		(100.00)		-	(100.00)	(2,762.00)
4062	Other Venue Revenue		(1,001.00)		-	(1,001.00)	-
	Total Clubhouse Revenue	430	(25,081.06)		-	(25,081.06)	(34,146.56)
Sublead	Other Income	495					
	Equipment Rentals		-		-	-	(12.00)
4033	Guest Activity Revenue		(356.05)		-	(356.05)	(101.60)
4038	Miscellaneous Income		(655.01)		-	(655.01)	(699.44)
4046	Sales Proceeds		-		-	-	(17,500.00)
	Total Other Income	495	(1,011.06)		-	(1,011.06)	(18,313.04)
Total REVENUE		4000	(3,221,978.90)		64,600.00	(3,157,378.90)	(2,960,963.31)

Club Tahoe Resort Owners' Association, Inc.
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			12/31/2025 Unadjusted Balance	AJE	12/31/2025 Adjusting Entries	12/31/2025 Adjusted Balance	12/31/2024 Adjusted Balance
Expense	5000						
Sublead	Front Office Expenses	500					
5010	Salaries & Wages		73,200.30		-	73,200.30	62,047.40
5015	Payroll Related		14,235.29		-	14,235.29	13,896.71
5012	Contract Labor - Front Desk		67,003.79		-	67,003.79	110,722.34
5020	Employee Incentives		86.77		-	86.77	-
5025	Front Office Expense		2,130.19		-	2,130.19	-
5030	Uniforms & Dry Cleaning		-		-	-	-
5043	Credit Card Expense		12,665.81		-	12,665.81	5,539.47
5044	Guest Relations		83.00		-	83.00	-
5049	Bank Charges/Analysis Fees		1,306.56		-	1,306.56	1,985.11
	Total Front Office Expenses	500	170,711.71		-	170,711.71	194,191.03
Sublead	Housekeeping	505					
5110	Salaries & Wages		282,711.75	3	(29,225.18)	253,486.57	277,540.06
5112	Salaries & Wages - Contract Labor		317,819.87		-	317,819.87	370,464.46
5115	Payroll Related		44,742.17	3	188.74	44,930.91	75,509.36
5120	Employee Incentives		286.77		-	286.77	-
5125	Linen Replacement		1,767.87		-	1,767.87	3,341.38
5130	Laundry Expense		6,979.89		-	6,979.89	1,121.75
5135	Room/Guest Supplies		23,032.26		-	23,032.26	67,976.11
5140	Cleaning Supplies		4,912.54		-	4,912.54	30,338.23
	Cleaning Equipment		-		-	-	3,377.07
	Kitchen Supplies		-		-	-	1,543.07
5145	Uniforms & Dry Cleaning		-		-	-	-
5155	Guest Amenities		21,281.43		-	21,281.43	-
	Total Housekeeping	505	703,534.55		(29,036.44)	674,498.11	831,211.49
Sublead	Clubhouse Expenses	510					
6100	Cost of Food Sold		5,815.42		-	5,815.42	466.38
	Pro Shop Purchases		-		-	-	12,907.40
	Supplies - Pro Shop		-		-	-	2,621.35
6110	Other Merchandise Cost		508.77		-	508.77	-
6120	Beach/Ski Pass Purchase		14,017.50		-	14,017.50	19,705.98
6200	Cost of Beverage Sold		8,312.00		-	8,312.00	8,516.59
	Supplies - Bar/Deli		-		-	-	5,672.83
6315	F&B Contract Labor		36,936.90		-	36,936.90	29,269.57
	Wages - Bar/Deli - Club House		-		-	-	26,418.08
	Benefits - Bar/Deli - Club House		-		-	-	5,682.12
6320	CC Fee - Venue		1,285.87		-	1,285.87	-
6322	Supplies Activities		16.86		-	16.86	-
6323	Cleaning Supplies		1,851.02		-	1,851.02	-
6330	Guest Relations - F&B		24.50		-	24.50	-
6340	Paper & Plastics		224.46		-	224.46	38.05
	Total Clubhouse Expenses	510	68,993.30		-	68,993.30	111,298.35
Sublead	Guest Activities	515					
5250	Salaries & Wages		174.86		-	174.86	-
5255	Payroll Related		9.61		-	9.61	-
5262	Guest Activities		3,228.67		-	3,228.67	-
5275	Games/Equipment		1,251.38		-	1,251.38	-
	Total Guest Activities	515	4,664.52		-	4,664.52	-
Sublead	Administrative	520					
5310	Salaries & Wages		66,996.04		-	66,996.04	57,689.10
5312	Payroll Related		10,449.73		-	10,449.73	17,065.68
5048	Payroll Processing Fees		2,784.36		-	2,784.36	-
5314	Employee Incentives		533.80		-	533.80	-
5316	Travel/Annual Meeting		8,405.09		-	8,405.09	6,130.93
	Meals/Meetings		-		-	-	414.83
	Travel/Lodging/Meals		-		-	-	402.14
	Leased Equipment		-		-	-	3,909.00
	Repairs & Maintenance		-		-	-	413.75
	Uniforms		-		-	-	699.38
5330	Office Expense		4,842.86		-	4,842.86	12,196.59
5335	Collection Expense		(5,451.25)		-	(5,451.25)	9,471.00
	Collection Reimbursements		-		-	-	(21,624.76)
5340	Computer Services		25,604.00		-	25,604.00	10,424.80
5346	Printing/Postage		8,949.60		-	8,949.60	17,908.05
	Printing		-		-	-	33,347.78
5348	Training		1,493.71		-	1,493.71	-
5349	Human Resources		2,320.22		-	2,320.22	-
5350	Miscellaneous		4,867.25		-	4,867.25	-
5358	Seminars & Workshops		2.86		-	2.86	-
	Total Administrative	520	131,798.27		-	131,798.27	148,448.27

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		12/31/2025		12/31/2025		12/31/2025		12/31/2024	
		Unadjusted	AJE	Adjusting		Adjusted		Adjusted	
		Balance		Entries		Balance		Balance	
Sublead	Sales and Advertising	525							
5425	Advertising/Printing	3,344.22		-		3,344.22		604.67	
	Website Expenses	-		-		-		2,916.07	
	Relocation & Overbooking	-		-		-		661.38	
5435	Dues/Licenses/Subscriptions	2,702.96		-		2,702.96		-	
	Rental Commission	-		-		-		36,269.03	
5460	Travel Agent Commissions	93,158.29	8	41,047.18		134,205.47		30,300.97	
	Total Sales and Advertising	99,205.47		41,047.18		140,252.65		70,752.12	
Sublead	Repairs and Maintenance	530							
5510	Salaries & Wages	166,576.51		-		166,576.51		115,623.67	
5512	Repairs & Maintenance Contract	55,231.92		-		55,231.92		83,009.07	
5515	Payroll Related	37,280.54		-		37,280.54		32,903.27	
5520	Employee Incentives	136.77		-		136.77		-	
	Appliances	-		-		-		1,745.46	
	Glass	-		-		-		821.30	
	Fire Protection	-		-		-		5,420.36	
	Drivers & Walkways	-		-		-		366.46	
	Flooring	-		-		-		143.33	
	Keys & Locks	-		-		-		3,814.92	
	HVAC	-		-		-		7,849.90	
	Lighting	-		-		-		6,586.37	
	Supplies	-		-		-		3,537.82	
	Tools	-		-		-		4,711.60	
5525	Mechanical Repairs	3,298.19		-		3,298.19		-	
5527	Electrical	3,188.11		-		3,188.11		1,384.99	
	Common Area	-		-		-		24,616.18	
	Condo Repairs	-		-		-		4,611.03	
	Window Covering	-		-		-		4,586.06	
	Alarm Service	-		-		-		8,003.91	
5535	Building	49,101.81	7	10,061.31		59,163.12		-	
5545	Construction	2,015.28		-		2,015.28		72.53	
5550	Painting/Decorating	3,874.04		-		3,874.04		3,013.21	
5555	Plumbing	1,186.13		-		1,186.13		24,704.05	
5560	Furniture & Fixtures	3,261.38		-		3,261.38		35.72	
5565	TV Repair	252.71		-		252.71		469.71	
5575	Pool/Jacuzzi	18,487.40		-		18,487.40		25,767.29	
5580	Trash Removal	56,172.98		-		56,172.98		59,356.65	
5585	Pest Control	4,486.80		-		4,486.80		4,458.60	
5590	Uniforms	-		-		-		297.66	
5591	Snow Removal	24,236.81		-		24,236.81		6,923.05	
5592	Automobile Expense	17.59		-		17.59		11,101.85	
5593	Equipment/Office Rental	455.26		-		455.26		2,928.50	
5594	Shop Supplies	5,287.70		-		5,287.70		-	
5597	Dues/Licenses	3,302.75		-		3,302.75		-	
5789	Safety Equipment	(1,413.04)		-		(1,413.04)		-	
5610	Landscape Contracts	-		-		-		-	
5630	Landscape Supplies	-		-		-		-	
	Total Repairs and Maintenance	436,437.64		10,061.31		446,498.95		448,864.52	
Sublead	Communication	535							
5650	Telephone	16,963.58		-		16,963.58		10,300.39	
	Telephone - Data Line	-		-		-		10,819.13	
5710	Television	39,105.08		-		39,105.08		33,703.41	
5715	Wireless Internet	35,124.57		-		35,124.57		36,852.01	
	Total Communication	91,193.23		-		91,193.23		91,674.94	
Sublead	Electricity and Natural Gas	540							
5720	Electricity	47,228.02		-		47,228.02		49,737.75	
5725	Gas	95,515.12		-		95,515.12		214,484.17	
	Total Electricity and Natural Gas	142,743.14		-		142,743.14		264,221.92	
Sublead	Water and Sewer	545							
5730	Water & Sewer	172,415.00		-		172,415.00		139,204.48	
	Water & Sewer - Capital Fees	-		-		-		68,648.53	
	Total Water and Sewer	172,415.00		-		172,415.00		207,853.01	

Club Tahoe Resort Owners' Association, Inc.
TB by Leads Classified (Unadjusted to Report, Itemized JEs)
December 31, 2025

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			12/31/2025 Unadjusted Balance	AJE	12/31/2025 Adjusting Entries	12/31/2025 Adjusted Balance	12/31/2024 Adjusted Balance
Sublead	Professional Services	550					
8401	Management Fees		156,666.69		-	156,666.69	160,000.04
8402	Assessment Billing		1,435.58		-	1,435.58	-
8403	Legal/Professional		212,347.86		-	212,347.86	46,675.99
8408	Recreation License Fee		-		-	-	4,601.58
8411	Credit Card Fees Operating Assessments		12,967.47		-	12,967.47	-
8416	Audit/Income Tax Preparation		-		-	-	6,600.00
	Foreclosure Trustee Expense		-		-	-	15,825.00
	Deed Back Fees		-		-	-	20,167.63
	Deed Back Fees - Billing Reimbursements		-		-	-	(17,550.00)
8427	Foreclosure & Resale Expense		8,672.40		-	8,672.40	-
	Total Professional Services	550	392,090.00		-	392,090.00	236,320.24
Sublead	Property Taxes	555					
8415	Property Tax		288,897.94		-	288,897.94	231,488.88
	Total Property Taxes	555	288,897.94		-	288,897.94	231,488.88
Sublead	Insurance	560					
8420	Insurance		408,331.62		-	408,331.62	369,867.16
	Total Insurance	560	408,331.62		-	408,331.62	369,867.16
Sublead	Miscellaneous Expense	599					
			-		-	-	-
	Total Miscellaneous Expense	599	-		-	-	-
	Total Expense	5000	3,111,016.39		22,072.05	3,133,088.44	3,206,191.93
	Net Operating Income		(110,962.51)		86,672.05	(24,290.46)	245,228.62

Club Tahoe Resort Owners' Association, Inc.
TB by Leads Classified (Unadjusted to Report, Itemized JEs)
December 31, 2025

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			12/31/2025 Unadjusted Balance	AJE	12/31/2025 Adjusting Entries	12/31/2025 Adjusted Balance	12/31/2024 Adjusted Balance
Sublead	Assessments - Reserve	405					
95900R	Assessments		(144,999.80)	5	108,101.84	(36,897.96)	(331,081.12)
	Total Assessments - Reserve	405	(144,999.80)		108,101.84	(36,897.96)	(331,081.12)
Sublead	Interest - Reserve	435					
99705R	Interest - Reserve		(69,216.71)	7	(0.80)	(69,217.51)	(101,804.01)
	Total Interest - Reserve	435	(69,216.71)		(0.80)	(69,217.51)	(101,804.01)
Sublead	Other Income - Reserve	498					
99900R	Other Income - Reserve		-		-	-	-
	Total Other Income - Reserve	498	-		-	-	-
	Total Revenue - Reserve		(214,216.51)		108,101.04	(106,115.47)	(432,885.13)
Sublead	Reserve Expense	600					
	Appliances		-		-	-	33,287.83
	Asphalt/Streets - Sealcoat		-		-	-	25,915.00
	Building Structures		-		-	-	9,235.00
	Common Areas		-		-	-	60,825.00
	Computing & Data Comm Equip		-		-	-	2,128.06
	Fire Sprinkler System		-		-	-	17,780.00
	Flooring - Carpets		-		-	-	1,242.88
	Laundry Equipment		-		-	-	40,529.64
	Maintenance Equipment		-		-	-	3,000.00
	Painting - Interior		-		-	-	59,537.24
	Plumbing		-		-	-	98,416.00
	Recreation Equipment		-		-	-	16,598.99
	Roofs & Gutters		-		-	-	29,770.00
	Telephone System		-		-	-	3,588.29
	Water Heater		-		-	-	29,401.20
	Window Treatment		-		-	-	1,630.00
95800R	FF&E/CN Expense		105,362.44		-	105,362.44	-
99649R	Bank Fee		753.03		-	753.03	-
	Total Reserve Expense	600	106,115.47		-	106,115.47	432,885.13
	Net Reserve Income		(108,101.04)		108,101.04	-	-
	Total Net Income		(219,063.55)		194,773.09	(24,290.46)	245,228.62

Club Tahoe Resort Owners' Association, Inc.

Adjusting Journal Entries

December 31, 2025

AJE No.	Account Description	Account Number	Debits	Credits
1	Operating Fund Balance	3995	19,713.00	
1	Inter-Fund Transfer	3001		19,713.00
1	Inter-Fund Transfer	3501T	19,713.00	
1	Trust Fund Balance	3100T		19,713.00
1	Reserve Fund Balance	39900R	2,730,455.66	
1	Contract Liability	27000R		2,730,455.66
To adjust to prior year audit.				
2	Assessments Receivable	1200	134,133.00	
2	Cash - Operating Lockbox Alliance Bank	1017		2,490.00
2	Cash - Operating Lockbox Alliance Bank	1017		13,451.00
2	Cash - Operating Lockbox Alliance Bank	1017		118,192.00
To void stale deposits.				
3	Payroll Related	5115	188.74	
3	Prepaid Workers Compensation Insurance	1924		188.74
3	Accrued Vacation	2470	29,225.18	
3	Salaries & Wages	5110		29,225.18
To adjust prepaid expenses and accruals.				
4	Assessments Receivable	1200	2,184,640.92	
4	Allowance for Credit Losses	1250		2,184,640.92
4	Credit Losses	4041	64,600.00	
4	Allowance for Credit Losses	1250		64,600.00
To record receivables and adjust allowance.				
5	Reserve Assessment	95900R	108,101.84	
5	Contract Liability	27000R		108,101.84
To defer reserve assessment revenue.				
6	Credit Losses	4041	235,367.06	
6	Accrued Expenses	2404	83,224.08	
6	Insurance Installments Payable	2405	265,419.31	
6	Assessments	4040		235,367.06
6	Prepaid Expense	1901		83,224.08
6	Prepaid Insurance	1910		265,419.31
Various reclassification.				
7	Building	5535	10,061.31	
7	Due to Reserve	1260		10,061.31
7	Due from Operating	1190R	10,061.31	
7	Cash - Reserve First Citizens Bank	0170R		10,001.32
7	Cash - Reserve ICS First Citizens Bank	0171R		59.19
7	Interest - Reserve	99705R		0.80
To reclass deposit.				
8	Travel Agent Commissions	5460	41,047.18	
8	Accounts Payable - Trust	2406		41,047.18
To adjust accounts payable.				
			<u>5,935,951.59</u>	<u>5,935,951.59</u>