

**SOUTH LAKE TAHOE
TOURISM IMPROVEMENT DISTRICT**

**FISCAL YEAR 2022
ANNUAL REPORT
October 1, 2021 – September 30, 2022
AND
FISCAL YEAR 2023 SLTTID BUDGET**

Summary of the Management District Plan

The South Lake Tahoe Tourism Improvement District (SLTTID) provides for the provision of tourism promotions and marketing for South Lake Tahoe. The district is composed of lodging businesses located within the incorporated city of South Lake Tahoe and includes hotels/motels and vacation rentals. Services provided by the SLTTID include Marketing and Promotions programs and activities designed to market the South Shore of Lake Tahoe as a unique, year-round destination to the global marketplace and to favorably impact the South Shore economy through overnight stays and tourism spending.

The South Lake Tahoe Tourism Improvement District was incorporated in November 2006, was renewed on November 1, 2009 for a 10-year term, and renewed again on December 17, 2019 with an annual budget anticipated of \$2,705,000. Annual assessment rates are based upon a flat rate of \$3.00 per paid occupied room per night on hotels and motels and \$4.50 per paid occupied unit per night on timeshares, condos, triplexes, duplexes and homes under management contracts. The present SLTTID assessment district continues to be in effect for ten years and in Year 2, beginning December 17, 2020, the annual assessment rates increased to \$4.00 per paid occupied room night on hotels and motels, and \$5.50 per paid occupied unit per night on timeshares, condos, triplexes, duplexes and homes under management contracts. An optional additional increase of \$1.00 in year 5 is outlined in the Management District Plan, to be approved at the discretion of the District board.

The SLTTID has created a website with information for all district members. The site address is www.southtahoetourism.com, and includes the below information:

1. District Plan documents
2. District By-Laws
3. Listing of lodging properties in the assessment district
4. Annual District Plan reports, news and events
5. Agenda and minutes from all meetings
6. SLTTID current year budget

I. Changes in District Boundaries

The South Lake Tahoe Tourism Improvement District had no changes in the district boundaries or benefit zones for the 2022 fiscal year.

II. Improvements and Activities Provided

The South Lake Tahoe Tourism Improvement District (SLTTID) is comprised of all lodging properties in the City of South Lake Tahoe. The SLTTID utilizes the professional marketing services of the Lake Tahoe Visitors Authority (LTVA) to promote the South Shore of Lake Tahoe. LTVA is chartered with promoting South Shore, Lake Tahoe and achieving a measurable impact on tourism numbers in the region. The mission of the LTVA is the marketing the South Shore as a unique, world-class year-round resort destination for the economic benefit and quality of life for the area. The SLTTID and the South Lake Tahoe Lodging Community is represented through two (2) board seats on the Lake Tahoe Visitors Authority Board of Directors. The SLTTID also maintains representation on the LTVA's Marketing Advisory Committee with two additional committee seats. Additionally, the SLTTID updated its bylaws in 2022 to increase the number of board members to 9 members (previously 5) to allow for greater representation from different types/sizes of properties.

MARKETING AND PROMOTIONS RECAP

As the South Lake Tahoe Tourism Improvement District (SLTTID) utilizes the services of the LTVA for its promotional activities, a recap of the past year will provide a basis for activities that will be continued and expanded during the following year. As we realize momentum with a FY23 tourism campaign funded in excess of \$1.5 million, promotional activities and events can be further developed and honed for maximum success.

Note: In this report FY22 refers to the LTVA's fiscal year of July 2021 to June 2022.

Marketing

In addition to the internal staff marketing team, the LTVA retains professional services for Integrated Marketing Services and also Website Services. Reno-based Noble Studios has held the Website Services contract for over 10 years and successfully won the Integrated Marketing Services contract starting July 2021. There are many synergies in having the same agency holding both contracts as the services provided complement each other and support LTVA's integrated marketing approach. Integrated Marketing Services includes creative design plus media planning and buying.

- Net media budget for FY22 was \$1.36 million
- Net paid search budget for FY22 was \$240,000
- Combined media and search budget for FY22 was \$1.5 million

Beginning in July 2021 the LTVA adopted an "always on" approach to advertising - 24/7, 365 days per year

Paid Media

With a new Integrated Marketing Services agency, the LTVA adopted a new always-on approach, rather than the seasonal campaigns of the past. This was marked by the start of the new interim campaign, "Clearly". LTVA embraces always making data-driven decisions so the advertising markets and audiences were decided on after extensive research, study, and analysis of the extensive data sets it has in its Zartico data warehouse and destination operating system.

The designated market areas (DMAs) where LTVA's advertising was placed included:

- San Francisco
- Sacramento
- Los Angeles
- Phoenix
- Las Vegas

Target audiences were:

- Entertainment Seekers
- Outdoor Enthusiasts
- Families
- Affluent Adventurers

The advertising channels used were:

- Display
- Video
- Paid Social
- Connected TV
- Digital Out-of-Home (OOH).

The display channel delivered:

- 82 million impressions
- 407,559 clicks - a 0.50% click-through rate (CTR)
- 75,375 website sessions

Video delivered:

- 8.4 million impressions
- 4.3 million views - a 0.16% CTR
- 14,193 website sessions

Paid Social delivered:

- 52 million impressions
- 4.9 million reach - 0.80% CTR
- 162,459 website sessions

Digital OOH delivered:

- 16 million impressions

Paid Media Performance FY22

- 154 million Paid Media Impressions
- 368,9000 Paid Media Sessions
- +678% Partner Referrals, Year over Year

Paid Search

During FY22 LTVA spent \$240,000 on paid search initiatives. The CTR was 11.03%, far outperforming the industry benchmark of 9.19%. The total conversions for the FY were 55,487. The highest converting campaign, with the best conversion rate, was Accommodations, followed by Special Offers.

Paid Search Performance FY22

- +2% Paid Search Impressions
- +5% Paid Search Conversion Rate
- +29% Paid Search CPC

Branding

With the appointment of a new Integrated Marketing Services agency, LTVA embarked on an extensive brand health exercise which included resident, stakeholder, and visitor surveys and interviews. The process informed the LTVA's renewed vision, position, promise, personality, principles, and purpose.

In June 2022 the LTVA rebranded from Tahoe South to Visit Lake Tahoe and launched the new visitolaketahoe.com website. The new Visit Lake Tahoe brand is in line with the future of the organization as an advocate for South Shore visitation and businesses with a commitment to stewardship while protecting this awe-inspiring destination.

Strategic Planning

Following the rebranding process, the LTVA started a series of strategic planning workshops. The series will include six different workshops held from June 2022 through March 2023, and will guide the LTVA's strategy moving forward. The workshops are facilitated by Noble Studios and Strategic Marketing Group.

Research & Data

LTVA retained the services of Omnitrak Group to create a Travel TrakAmerica Domestic Visitor Profile for our destination. This qualitative study provides a visitor profile for Calendar Year 2021 (CY21) and includes information on demographics, geographic origin, visitor type, visitor behavior, travel planning, travel characteristics, and top activities in the destination. This qualitative information can only be derived from interviews, rather than data.

In FY22, LTVA renewed its subscription to Zartico, the world's only destination operating system. It combines art and science to uncover intelligence and insights to steward and elevate the visitor economy. This platform takes intelligence, analytics, and data visualizations and combines this information with context and strategic input to support LTVA's data-driven decisions in real-time. Zartico combines all of its available data streams into a single source. In addition to monitoring lodging occupancy and revenue, LTVA is now able to understand visitor spending, origin, and movement patterns within the destination. Zartico enables the LTVA to better serve the destination by making smart data-informed decisions, to support, grow, and promote economic vitality.

Social Media

In FY22 the LTVA brought content creation and social media management in-house with the hiring of a Marketing Communications Coordinator. The LTVA social media channels saw an increase in frequency and user engagement. LTVA staff used social media channels to communicate weather conditions to potential visitors during the year's unusual summer months which were marked by excessive smoke and moderate damage from the Tamarack and Caldor fires. Social media channels were also used to communicate road closures with potential visitors during the record-breaking snowfall that the region received in December 2021.

LTVA's social media following has grown to:

Instagram

- 71,594 followers

Facebook

- 154,463 followers

Twitter

- 14,499 followers

eNewsletter

The LTVA monthly consumer eNewsletter typically promotes events, entertainment, news, and special offers and is distributed to 40,000 opt-in subscribers with an average open rate of 37%, which is higher than the travel industry benchmark of 27%.

Consumer Website: TahoeSouth.com & VisitLakeTahoe.com

Website content creation and associated asset acquisition remain in-house and are managed by LTVA staff. High-quality content is foundational to the website's success and LTVA has hired and trained valuable team members to achieve this goal.

The consumer website saw an overall increase in website traffic and conversions compared to pre-pandemic levels. The organic traffic to this site decreased slightly in part due to traveler sentiment shifting from outdoor destinations as travel options grew. Noble Studios administered paid media for FY22, which allowed for an integrated marketing strategy allowing the LTVA to coordinate both paid and organic initiatives.

Highlights include:

- 9% increase in overall traffic, 2.7 million unique visitors, and 3.6 million total website visits
- 161,000 lodging partner referrals
- 4,000 E-news sign ups
- 63% mobile device usage
- The top 5 most popular pages, besides the home page, were Webcams, American Century Championship Celebrity Golf, Heavenly Gondola, Events, and 21 Bucket List Must Dos.
- The top 5 source locations were San Francisco, Los Angeles, Sacramento, San Jose, and South Lake Tahoe.

Website Organic Performance FY22

- 62 million Organic Impressions
- 1.97m Organic Sessions
- +7% Organic Ranked Keywords, Year over Year

Trip Planning App

The LTVA trip planning app is a valuable tool for visitors to explore what the destination has to offer, including lodging, restaurants, events, activities, and shopping. In the past year:

- 171,000 user sessions
- Over 28,000 app store downloads

Industry Website: LTVA.org

This website is a business-to-business resource and information site. The top five most popular pages, besides the home page, were American Century Celebrity Golf Future Dates, COVID-19 Updates, COVID-19 Testing at the Reno Airport, Contact us, and Tahoe Events Center. LTVA.org also allows constituents to access valuable reported data and trending reports.

Marketing to Weddings

1 in 4 weddings is now considered a "Destination Wedding". California, Nevada and Florida rank highest for Destination Weddings, after Hawaii. Destination Weddings tend to have higher budgets and their guests spend more in-market. Destination Wedding interest for Lake Tahoe continues to be strong, with peaks of interest during engagement season (December through March), as well as during early summer months.

The media spend on weddings is 100% digital to maximize return on investment, flexibility and tracking. The buy includes paid search, re-marketing, content development, social advertising, banner campaigns, and profile listings with high-visibility wedding sites. The primary target market is newly engaged couples in Northern California and LGBTQ+ couples nationwide.

Google ads and social media ads are the top producers and funds are allocated between the two based on the best return on investment. Memberships in Wedding Wire and The Knot continue to produce strong leads for the destination.

SALES

Leisure Sales

The LTVA's objective is to strengthen the destination's representation and presence within the portfolios of 3rd party vendors of travel products. These leisure sales initiatives support all lodging properties within the destination, providing new leads and opportunities. The LTVA promotes the destination and all products at domestic and international industry-related events, trade shows, and sales missions. It also participates in cooperative direct-to-consumer marketing with select travel industry partners, including major tour operators and wholesalers.

During FY22, the LTVA maintained representative offices for sales and public relations in four international markets: Australia, the United Kingdom & Ireland, India, and a limited presence in China. Through its membership in the High Sierra Visitors Council, the LTVA also receives similar representation in France. The LTVA maintains strong working relationships with the California and Nevada state tourism offices, Visit California and Travel Nevada, as well as the nation's tourism office, Brand USA. Each of these agencies has additional representative offices in many other countries around the world. LTVA benefits from all of these strategic alliances.

LTVA staff attended two destination-targeted sales missions with Visit California and Travel Nevada, and six major travel industry in-person trade shows. Staff also participated in three virtual trade shows conducting over 300 one-on-one meetings with interested tour operators, travel agents, and online travel agencies (OTAs), to include the destination in their brochures, fly-drive itineraries, and packages.

In FY22 the LTVA conducted nine familiarization tours (FAMs) for carefully selected trade and media delegates. These FAM tours highlight the destination during all seasons, appealing to every type of traveler.

The LTVA participated in several domestic and international cooperative marketing initiatives, including Expedia in conjunction with Travel Nevada, and Hotelbeds with Brand USA. These opportunities produced over \$1.9 million in gross lodging revenue for the destination.

Conference Sales

The LTVA promotes Lake Tahoe's South Shore as a destination for meetings, conferences, corporate retreats, and other group gatherings, and assists potential clients in identifying appropriate venues and contacts. In FY22, staff attended 13 Meetings, Incentives, Conferences & Exhibitions (MICE) related trade shows with over 400 one-to-one appointments across multiple verticals and regions. These sales initiatives support local meetings properties and the Tahoe Events Center, slated to open in July 2023. The shows attended include CalSAE, Sports ETA, IMEX, MPI, Connect, PCMA, Small Market Meetings, Smart Meetings, and Northstar Travel.

LTVA retains the service of Digital Edge, a professional meetings-related marketing agency. In FY22, Digital Edge developed a marketing campaign that created awareness for the destination as the option for meeting planners. The campaign utilized an integrated marketing approach using digital media, paid search, social media, email marketing, and content marketing strategies to reach planners through their buying journey.

Digital media delivered:

- 231,067 impressions on Facebook with 2,189 clicks, a 0.95% CTR

Google delivered:

- 1.7 million impressions and 6,307 clicks, a 0.37% CTR

Social distribution delivered:

- 880,413 impressions on Facebook with 21,985 clicks, a 2.50% CTR

LinkedIn delivered:

- 349,051 impressions, 2,367 clicks, a 0.68% CTR

Nine dedicated email marketing campaigns received:

- Open rate of 22.7% and a CTR of 0.96%

LTVA has now developed a database of over 2,000 qualified meeting planning professionals.

Other new initiatives included creating a two-diamond and additional destination listing on the Cvent platform. LTVA also developed an enhanced meeting and sports planner section on visitlaketahoe.com alongside branded and informative sales sheets and an updated eBook. The LTVA hired a dedicated Sales Services Coordinator in January 2022 to support conference sales. Strategic efforts have been concentrated on the youth sports market to bring their events to the destination, in light of the construction of the new Tahoe Events Center and the City of South Lake Tahoe Recreation and Aquatics Center.

EVENTS

Heavenly Holidays - December 2021

The SLTTID continued to support Heavenly Holidays at The Shops at Heavenly Village. The month-long celebration of holiday festivities started the Friday after Thanksgiving, ran throughout the entire month of December, and concluded with a New Year's Eve celebration. It included ice sculpture contests, Breakfast with Santa, holiday Build-A-Bear workshops, a Santa Run, and live music and dancing. Despite delays caused by extreme weather, the Ferris Wheel operated December 29-31 and was extremely popular with visitors and locals.

Big Blue Brew and Music Festival - May 2022

Funded by the SLTTID, with LTVA staff support and marketing dollars, the inaugural free Big Blue Music & Brews Festival featured 47 artists with 59 live performances spread across 17 venues from the downtown corridor at Heavenly Village through the south end of South Lake Tahoe at Camp Richardson. The event was co-produced by Dreu Murin Productions and On Course Events with events that highlighted the classic beachside experience at The Beacon and the TIKI Bar at the Tahoe Beach Retreat, panoramic views of Lake Tahoe at Lakeview Commons, and various local breweries, and ended each night underneath the Heavenly Gondola with mountainside views.

Event producers reported the following results:

- Facebook reach - 8,884
- Instagram reach - 28,405
- MOPO App downloads - over 400
- MOPO App link clicks - 364
- Spotify playlist downloads - 195

American Century Championship (ACC) - July 2022

The 33rd annual American Century Championship boasted its strongest-ever celebrity field and attracted over 67,000 spectators over the five-day event. The multi-faceted PR Team rose to the occasion, delivering pre-event and event week publicity at unprecedented levels, reinforcing the stature of the event as one of the most prominent and unique in the sport of golf.

Sophisticated strategies and tactics born of decades of knowledge and experience engaged all forms of media to promote the event over a four-month period, generating best-ever audience and publicity value numbers. The spirit and collaboration among the PR Team members was enhanced by the excitement of a post-pandemic environment and the prospect of meeting the moment as the tournament returned to its record-setting ways both in attendance and quality of field.

- Total viewership audience: 4.7 million
- 3,485 total stories (online, radio and broadcast)
- Publicity value \$128 billion
- Live Broadcast: NBC & Peacock: 2.4 million viewers on final round with Tony Romo winning the playoff. Across the three days on NBC, GOLF Channel and Peacock, the event averaged 963,000 viewers – up 19% from 2021. Friday's coverage on GOLF Channel and Peacock delivered the best-ever average viewership for the event's opening round, with 211,000

ACC Social

Golf Channel, NBC and WPR worked collaboratively to share content with partners to provide retrospectives on the tournament. Each team created original content that was distributed via tournament channels.

- Facebook likes/followers - 10,102 - increase: 12.2%
- Instagram - 26,466 - increase: 35.6%; fun tidbit: Reached 126k non-followers
- Twitter - 8,919 - increase: 21.8%

Total Impressions

- Facebook - 718,924 - increase: 939%
- Instagram - 2022 Posts June 10 - July 9 - 1,678,351 - increase: 29.2%
- 2022 Stories: 5,136 - 9332 views per story - increase: 8%
- Instagram Reels Views - 20k to 42.6k - 22 reels posted in 2022 vs 3 in 2021
- Instagram Reels Reach - 118k
- TikTok - ACC Channel launched in June 2022. Posted 10 videos with more than 77,279 views

Valhalla Tahoe - Lake Tahoe Art, Music and Theatre Festival

The SLTTID supported Valhalla with a contribution of marketing funds for their summer 2022 event series.

PUBLIC RELATIONS

The LTVA retains the services of Weidinger Public Relations (WPR) for domestic and international media relations. The PR strategy is aimed at supporting the LTVA in reaching consumers through media channels, including top publications, broadcast and social media. Their strategy also includes dissemination of accurate and timely information that reinforces consumer confidence during times of crisis, such as the COVID-19 pandemic and the Caldor Fire. The goal is to obtain media coverage in 5-10% of the top 150 media outlets as defined by LTVA and WPR, to reinforce key messages, talking points, and the brand, and to produce an earned media value of 15-20:1 of the PR investment within 12 months.

In FY22 the exposure increased by over 25% in the top 150 desirable outlets which reinforced key messages, talking points, and the brand. The circulation, viewers, and listeners exceeded 1.3 billion with a total publicity value of \$36 million providing an editorial value for LTVA of 400:1.

During FY22, 11 digital influencers were hosted. WPR utilizes a third-party platform, Coverage Book, to track the posts and reach of the influencers. Their visits generated 54 pieces of content, with an audience of 429 million (combined total of publication-wide audience figures), 1.3 million views (prediction of lifetime views based on 43,000 engagements - combined total of likes, comments, and shares on social media), and 638 direct shares.

Operation Sierra Storm - January 2022

This media conference, sponsored by the LTVA and executed by WPR, attracts meteorologists from across the country, providing educational and destination content for the attendees. The live shots and stories broadcast in numerous major markets provide a unique opportunity to showcase the winter product.

The audience from 70 total clips from broadcast, radio, and online exceeded 6 million with 101 pieces of social media coverage with an online readership of 659,000, 3.5 million accounts reached using the Twitter hashtag #OSSTahoe, and 1 million impressions of live and taped shots from the major drive and direct service air markets: The Weather Channel; ABC World News Tonight; New York; NBC Washington DC; Fox Boston; and stations in Cleveland, Denver, Miami, Minnesota, Orlando, Sacramento, San Francisco, Santa Barbara, West-Central Pennsylvania, Bakersfield, Charlotte, and Reno.

Events Center Media

There were several milestones throughout FY22 including hard hat tours to show progress, the final steel beam signing, and the announcement of the new art sculpture to be placed in front of the building. In addition, WPR worked with celebrity Rob Riggle during the American Century Championship to tease the opening of the Events Center with a comedic twist that aired on Peacock during Saturday's broadcast. A 30-second spot on the Events Center ran during NBC's live national broadcast on Sunday and Yahoo News - U.S. and Canada, and KCRA highlighted the behind-the-scenes tour in February. The total audience reached was 19.3 million with a publicity value of \$1.6 million.

International Media

Due to COVID-19, there were very limited international media visits during FY22. The LTVA worked with Visit California to host two French media on assignment for Marie France in the spring of 2022 with the article published in July 2022.

VISITOR INFORMATION SERVICES

Explore Tahoe Visitor Center in the Heavenly Village is open daily, year-round, and is staffed by LTVA Visitor Information Specialists. In FY22 staff handled approximately 200 monthly telephone calls and assisted over 28,000 in-person visitors with referrals and itinerary planning. High-traffic months were May, June, July, and August. Online, staff responded to an average of five general visitor emails per day and over 1,500 inquiries for wedding information throughout the year. In addition, staff direct-mailed over 3,600 travel guides in response to visitor inquiries.

PARTNERSHIPS AND COMMUNITY INITIATIVES

During the COVID-19 pandemic, the LTVA staff became a part of several basin-wide collaborative groups, grappling with the unknowns of extreme isolation and physical and social restrictions that impacted the destination. Out of these unprecedented public/private partnerships (PPP), came the concept and launch of a Destination Stewardship Plan, the goal of which is to align around a shared vision of recreation and tourism, which touches the lives of all who work, live, and play here. The engagement and research process has been comprehensive and continues through December 2022. Businesses, residents, visitors, and leadership engagement has been deep and constant over the last year. The final plan will help to inform the LTVA Strategic Plan, under development now with constituent and board listening workshops. Sustainability planning is to protect and promote our destination product for the future, understanding that destinations like ours, beautiful and rich in environmental assets and recreation opportunities, need to adapt, evolve, and be preserved for all to enjoy, as well as to be competitive.

COVID-19 afforded the LTVA the opportunity to expand local and regional alliances. These include the Tahoe Regional Planning Agency, Tahoe Fund, League to Save Lake Tahoe, US Forest Service and other land management agencies, outdoor recreation providers, and regional Public Information Offices and Jurisdictions. Regular meetings are conducted, and are ongoing, discussing challenges related to visitor access and experience, land use, health and safety, sustainability, and related mitigation.

The LTVA leverages funds through partnerships that broaden reach outside the regional advertising efforts, enhance the visitor experience and contribute to community goals.

The Regional Air Service Corporation - a regional public-private collaborative - has a singular goal: to maintain and grow air service and to promote the Reno-Tahoe area as a viable year-round travel destination through marketing and additional air carrier incentives. With the collective financial contributions of all of the partners, the LTVA leverages its investment to an almost \$1 million budget.

Visit California, Travel Nevada, and Brand USA - these alliances allow LTVA to present South Lake Tahoe to national and international markets unreachable without the strength of the cooperative effort and funds.

South Shore Transportation Management Association - the Lake Link Microtransit system, catalyzed by the Events Center transit requirement and supported by an unprecedented public private partnership, becomes the latest in a long list of initiatives that will address destination issues and continue to support the tourism product.

III. Budget Summary

FISCAL YEAR 2023 SERVICE PLAN BUDGET SUMMARY

The summary of the FY2023 service plan budget for the South Lake Tahoe Tourism Improvement District is provided on the following pages (Attachment A). The fiscal year for the SLTTID is October 1 through September 30. Based upon previous year's performance and trending occupancy, the total improvement and service plan budget for 2023 is projected at \$3,083,370 which is a 2% increase over budget for FY2022. Lodging businesses will contribute the entire amount through annual assessments. Budgeted expenditures will be made in the following areas:

- **Marketing and Promotions**

The budget for the Marketing and Promotions program is estimated at \$1,942,523, which represents 63% of the total District budget. Marketing and promotions will include media advertising and promotional programs designed to attract visitors to visit and stay at the South Shore lodging establishments as well as promote the area as a lodging and conference destination.

- **Communications and Public Relations**

The budget for the Communications and Public Relations program is \$123,335, which represents 4% of the total district budget.

- **Special Events**

The budget for Special Events is \$400,838, which represents 13% of the total district budget.

- **Visitor Center Operations**

The budget for Visitor Center Operations program is \$154,168, which represents 5% of the total district budget.

- **Administration/Operations**

The budget for Administration/Operations including office rent, insurance, utilities and supplies is \$277,503, which represents 9% of the total district budget.

- **Administrative Fee to the City of South Lake Tahoe**

The City of South Lake Tahoe charges an administrative fee to collect assessments and distribute the funds to the SLTTID Corporation. The budget for this administrative fee is 1% of the total annual assessment, or \$30,834 in FY2022.

- **Annual Service Plan – Contingency/TID Renewal (5%)**

The budget also includes a portion for contingencies and renewal of the District. This amount equals 4.6% of the total district plan budget, or \$141,835. A line item in the budget has been added for credit card fee reimbursements to the City of South Lake Tahoe, to account for those operators who pay TID taxes with a credit card. This line item equals \$12,333 or 0.4% of the total district budget, for a total Contingency Plan of 5% of the FY2023 district budget.

THE METHOD OF ASSESSMENT

No changes in assessments are proposed in the current assessment methodology, as they are not allowed under the district management plan.

ATTACHMENTS

1. Fiscal Year 2023 SLTTID Budget with Breakdown by Expenditure Category
2. SLTTID Prepared Financial Statements for 12 Months Ended October 31, 2021 and 9 Months Ended July 31, 2022

SLTTID FY2023 Budget

Revenue Generated in TID Assessments

	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Total
Hotel/Motel Assessment at \$4.00 POR	\$ 181,369	\$ 131,558	\$ 95,993	\$ 184,817	\$ 262,176	\$ 227,882	\$ 202,109	\$ 224,493	\$ 235,614	\$ 328,100	\$ 260,200	\$ 194,052	\$ 2,528,363
VHR/Timshare Assessment at \$5.50 POR	\$ 39,813	\$ 28,879	\$ 21,072	\$ 40,570	\$ 57,551	\$ 50,023	\$ 44,365	\$ 49,279	\$ 51,720	\$ 72,022	\$ 57,117	\$ 42,597	\$ 555,007
Total Revenues	\$ 221,182.06	\$ 160,436.45	\$ 117,064.54	\$ 225,387.16	\$ 319,726.75	\$ 277,904.51	\$ 246,473.87	\$ 273,771.46	\$ 287,334.67	\$ 400,121.71	\$ 317,317.01	\$ 235,649.32	\$ 3,083,369.52

Expenditures

Marketing Programs: Advertising, Farm Trips, Marketing Programs	\$ 199,345	\$ 101,075	\$ 73,751	\$ 141,994	\$ 201,428	\$ 175,080	\$ 155,279	\$ 172,476	\$ 181,021	\$ 252,077	\$ 199,910	\$ 149,089	\$ 1,942,523
Communications and Public Relations	\$ 8,847	\$ 6,417	\$ 4,683	\$ 9,015	\$ 12,789	\$ 11,116	\$ 9,859	\$ 10,951	\$ 11,493	\$ 16,005	\$ 12,693	\$ 9,466	\$ 123,335
Special Events Funding	\$ 28,754	\$ 20,857	\$ 15,218	\$ 29,300	\$ 41,564	\$ 36,128	\$ 32,042	\$ 35,590	\$ 37,354	\$ 52,016	\$ 41,251	\$ 30,764	\$ 400,838
Visitor Center Operations: Payroll, Benefits, Operation Costs	\$ 11,059	\$ 8,022	\$ 5,853	\$ 11,269	\$ 15,986	\$ 13,895	\$ 12,324	\$ 13,689	\$ 14,367	\$ 20,006	\$ 13,866	\$ 11,832	\$ 154,168
Administrative/Operations: Payroll, Benefits Operation Costs	\$ 19,906	\$ 14,439	\$ 10,536	\$ 20,285	\$ 28,775	\$ 25,011	\$ 22,183	\$ 24,659	\$ 25,860	\$ 36,011	\$ 28,559	\$ 21,298	\$ 277,503
Administrative Fee to City of South Lake Tahoe (1%)	\$ 2,212	\$ 1,604	\$ 1,171	\$ 2,254	\$ 3,197	\$ 2,779	\$ 2,465	\$ 2,738	\$ 2,873	\$ 4,001	\$ 3,173	\$ 2,366	\$ 30,834
Credit Card Fee Reimbursements to City of South Lake Tahoe	\$ 885	\$ 642	\$ 468	\$ 902	\$ 1,279	\$ 1,112	\$ 986	\$ 1,095	\$ 1,149	\$ 1,600	\$ 1,269	\$ 947	\$ 12,333
Contingency/TID Renewal Costs	\$ 10,174	\$ 7,380	\$ 5,385	\$ 10,368	\$ 14,707	\$ 12,784	\$ 11,338	\$ 12,593	\$ 13,217	\$ 18,406	\$ 14,597	\$ 10,886	\$ 141,835
Total Programs and Expenses	\$ 221,182	\$ 160,436	\$ 117,065	\$ 225,387	\$ 319,727	\$ 277,905	\$ 246,474	\$ 273,771	\$ 287,335	\$ 400,122	\$ 317,317	\$ 236,649	\$ 3,083,370

FY2022 Actuals through July (budget Aug/Sept 2022)

FY2022 Budget (Oct 2021-Sept 2022) \$3,138,906.60

FY2021 Actuals (Oct 2020-Sept 2021) \$3,022,911.00

FY2020 Actuals (Oct 2019-Sept 2020) \$3,024,703.40

FY2019 Actuals (Oct 2018-Sept 2019) \$2,674,537.60

\$2,881,067.40

*Elimination of VHR's in non-Tourist Core areas completed 12/2021

*Increase in TID by \$1.00 in Dec 2020

SOUTH LAKE TAHOE TOURISM DISTRICT

Financial Statements

For the Twelve Months Ended October 31, 2021

And

The Nine Months Ended July 31, 2022



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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Board of Directors
South Lake Tahoe Tourism District
1 Lake Parkway
South Lake Tahoe, CA 96150

Management is responsible for the accompanying financial statements of the South Lake Tahoe Tourism District (a nonprofit organization), which comprise the statement of financial position – tax basis as of July 31, 2022, and the related statements of activities – tax basis for both the nine months ended July 31, 2022 and the twelve months ended October 31, 2021, and cash flows for the nine months ended July 31, 2022 in accordance with the tax basis of accounting, and for determining that the tax basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express such an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The financial statements are prepared in accordance with the tax basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared in accordance with the tax basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's assets, liabilities, equity, revenues and expenses. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Carson Valley Accounting
Minden, Nevada
September 30, 2022

**South Lake Tahoe Tourism District
Statement of Financial Position
July 31, 2022**

ASSETS

CURRENT ASSETS

Cash and Equivalents

Checking	\$ 88,559
Due from City	1
Prepayment to LTVA	411

TOTAL CURRENT ASSETS	88,971
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<u>TOTAL ASSETS</u>	\$ 88,971
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LIABILITIES AND FUND BALANCE

CURRENT LIABILITIES

Accounts Payable	\$ -
Due to LTVA	-

TOTAL CURRENT LIABILITIES	-
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TOTAL LIABILITIES	\$ -
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FUND BALANCE

Fund Balance	\$ 88,971
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<u>TOTAL LIABILITIES AND FUND BALANCE</u>	\$ 88,971
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South Lake Tahoe Tourism District
Statements of Activities
For the 12 Months Ended October 31, 2021
and 9 Months Ended July 31, 2022

	12 Months Ended October 31, 2021	9 Months Ended July 31, 2022
<u>SALES</u>		
TID REVENUE	\$ 3,165,903	\$ 1,994,259
BANK INTEREST INCOME	28	6
	3,165,931	1,994,265
TOTAL SALES		
	3,165,931	1,994,265
GROSS PROFIT		
	3,165,931	1,994,265
<u>OPERATING EXPENSES</u>		
ACCOUNTING FEES	1,300	-
ADMINISTRATIVE COSTS	350	1,303
ADMIN FEE TO CITY OF SOUTH LAKE TAHOE	31,659	19,943
ADVERTISING/MEETING ANNOUNCEMENTS	177	360
BANK CHARGES	134	111
CREDIT CARD PROCESSING FEES		
- REIMBURSE TO CITY OF SLT	11,579	16,497
INSURANCE - DIRECTORS & OFFICERS	724	724
LTVA MARKETING FUND	2,977,532	1,875,600
LTVA SPECIAL EVENTS FUND	184,500	77,751
LICENSE, TAXES, AND FEES	10	-
MICROTRANSIT SERVICE FUNDING -YEARLY	-	25,000
POSTAGE	-	-
PROFESSIONAL FEES - IMPACT STUDY	14,900	-
SPECIAL EVENTS	55,000	-
SPECIAL DONATION - COVID RELATED	10,000	-
WEBSITE & NEWSLETTER	180	-
	3,288,045	2,017,289
TOTAL OPERATING EXPENSES		
	(122,114)	(23,024)
OPERATING INCOME (LOSS)		
	(122,114)	(23,024)
NET INCOME (LOSS) BEFORE TAXES		
	(122,114)	(23,024)
NET INCOME (LOSS)		
	\$ (122,114)	\$ (23,024)
NET ASSETS AT BEGINNING OF YEAR		
	234,109	111,995
NET ASSETS AT END OF YEAR		
	\$ 111,995	\$ 88,971

**South Lake Tahoe Tourism District
Statement of Cash Flows
For the 9 Months Ended July 31, 2022**

	Total
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Excess of Revenue Over Expenses	\$ (23,024)
(Increase) decrease in: Prepayment to LTVA	-
Increase (decrease) in: Accounts payables	(236,580)
Net Cash Provided by Operations	<u>\$ (259,604)</u>
 <u>NET INCREASE (DECREASE) IN CASH</u>	 <u>\$ (259,604)</u>
 <i>CASH, beginning of period</i>	 348,163
<i>CASH, end of period</i>	<u>\$ 88,559</u>