

Tahoe Donner Association

April 3, 2020

McClintock Accountancy Corporation
PO Box 6179
Tahoe City, CA 96145

This representation letter is provided in connection with your audit of the financial statements of Tahoe Donner Association, which comprise the balance sheet as of December 31, 2019, and the related statements of revenue and expenses and changes in fund balances and cash flows for the years then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

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

We confirm, to the best of our knowledge and belief, as of April 3, 2020, the following representations made to you during your audit.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated October 24, 2019, including our responsibility for the preparation and fair presentation of the financial statements.
2. The financial statements referred to above are fairly presented in conformity with U.S. GAAP.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
6. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
7. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
8. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
9. Significant estimates and material concentrations have been properly disclosed in accordance with U.S. GAAP.
10. Guarantees, whether written or oral, under which the Association is contingently liable, have been properly recorded or disclosed in accordance with U.S. GAAP.
11. Transfers or designations of fund balance or interfund borrowings have been properly authorized and approved and have been properly recorded or disclosed in accordance with GAAP.
12. Uncollectible interfund loans have been properly accounted for and disclosed in accordance with GAAP.

Information Provided

13. We have provided you with:
 - Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - Additional information that you have requested from us for the purpose of the audit.
 - Unrestricted access to persons within the Association from whom you determined it necessary to obtain audit evidence.
14. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
15. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
16. We have no knowledge of any fraud or suspected fraud that affects the Association and involves:
 - Management,
 - Employees who have significant roles in internal control, or
 - Others where the fraud could have a material effect on the financial statements.
17. We have no knowledge of any allegations of fraud or suspected fraud affecting the Association's financial statements communicated by employees, former employees, regulators, or others.
18. We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
19. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
20. We have disclosed to you the identity of the Association's related parties and all the related party relationships and transactions of which we are aware.
21. The Association has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral
22. We acknowledge our responsibility for presenting the Required Supplementary Information on Future Major Repairs and Replacement in accordance with U.S. GAAP, and we believe the Required Supplementary Information on Future Major Repairs and Replacement, including its form and content, is fairly presented in accordance with U.S. GAAP. The methods of measurement and presentation of the Required Supplementary Information on Future Major Repairs and Replacement have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
23. The board of directors is collecting funds for future major repairs and replacements in conformity with Tahoe Donner Association's policy to fund for those needs based on a study conducted in 2019. The board of directors believes the funds will adequately provide for future major repairs and replacements.
24. The Association is an exempt organization under Section 501(c)(4) of the Internal Revenue Code. Any activities of which we are aware that would jeopardize the Organization's tax-exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up-to-date.
25. We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the Association's accounts.
26. Association members are subject to assessments that provide funds for the Association's operating expenses and major repairs and replacements. Association management has considered the Financial Accounting Standards Board (FASB) guidance on Topic 606, *Revenue from Contracts with Customers*, in the Accounting Standards Codification (ASC) and concluded that association members do not qualify as customers per the definition provided in the ASC. As such, assessment revenue is recognized in the periods in which they are assessed, regardless of when they are collected or expended.

27. In regard to the financial statement preparation services and other non-attest services performed by you, we have—

- 1) Assumed all management responsibilities.
- 2) Designated and individual within management who has suitable skill, knowledge, or experience to oversee the services.
- 3) Evaluated the adequacy and results of the services performed.
- 4) Accepted responsibility for the results of the services.

Signature: _____

Signature: _____

Title: _____

Title: _____