

**WHITE PASS VILLAGE INN ASSOCIATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

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FINANCIAL STATEMENTS
For the Year Ended June 30, 2018**

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To the Board of Directors of White Pass Village Inn Association

We have audited the accompanying financial statements of White Pass Village Inn Association (the "Association"), which comprise the balance sheet as of June 30, 2018, and the related statements of revenues, expenses, and changes in fund balance and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of White Pass Village Inn Association as of June 30, 2018, and 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

Emphasis of a Matter – Fixed Assets (USFS Reporting Basis)

Our audit was made for the purpose of forming an opinion on the basic financial statement, taken as a whole. We have not applied procedures to the accompanying Fixed Assets (USFS Reporting Basis) presented on Note 2 of this report.

Emphasis of a Matter – White Pass Village Inn Rentals, LLC

Our audit was made for the purpose of forming an opinion on the basic financial statement, taken as a whole. We have not applied procedures to the accompanying White Pass Village Inn Rentals, LLC balance sheets, statements of income, statement of cash flow, schedule of rentals and special computation presented on pages 12-16 of this report.

Emphasis of a Matter on Future Major Repairs and Replacements

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

Disclaimer of Opinion of Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Supplementary Information on Future Repairs and Replacements on page 8 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 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.

Newman & Associates, CPA, PC

Newman & Associates CPA, PC
Bellevue, Washington
August 20, 2019

**WHITE PASS VILLAGE INN ASSOCIATION
BALANCE SHEET
JUNE 30, 2018**

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 92,232	\$ 81,511	\$ 173,743
Inventory	26,381	-	26,381
Other receivable	16,417	-	16,417
Due from WPVI Rentals LLC	3,307	-	3,307
Assessments receivable	1,601	-	1,601
Total Assets	<u>\$ 139,938</u>	<u>\$ 81,511</u>	<u>\$ 221,449</u>
Liabilities			
Prepaid assessments	\$ 48,157	\$ -	\$ 48,157
Accrued payroll and related	5,998	-	5,998
Accounts payable	2,357	-	2,357
Deferred income	1,500	-	1,500
Due to WPVI Rentals LLC	70	-	70
Total liabilities	58,082	-	58,082
Fund balances	<u>81,856</u>	<u>81,511</u>	<u>163,367</u>
Total liabilities and fund balances	<u>\$ 139,938</u>	<u>\$ 81,511</u>	<u>\$ 221,449</u>

The accompanying notes are an integral part of the financial statements
(See Independent Auditor's Report)

WHITE PASS VILLAGE INN ASSOCIATION
STATEMENT OF REVENUE AND EXPENSES AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2018

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Total</u>
Revenues			
Owners' assessments	\$ 273,662	\$ -	\$ 273,662
Rental income	12,855	-	12,855
Other member income	3,529	-	3,529
Interest	28	460	488
Total revenues	<u>290,074</u>	<u>460</u>	<u>290,534</u>
Expenses			
Utilities			
Cable, internet and telephone	9,561	-	9,561
Water, sewer and snow removal	7,500	-	7,500
Electricity	2,584	-	2,584
	<u>19,645</u>	<u>-</u>	<u>19,645</u>
Maintenance			
Pool	42,951	-	42,951
Common area repairs and maintenance	20,797	-	20,797
Units 12 and 27	8,758	-	8,758
	<u>72,506</u>	<u>-</u>	<u>72,506</u>
Administrative			
Payroll and related	109,256	-	109,256
Insurance	65,252	-	65,252
Accounting and legal	15,135	-	15,135
Other administrative	5,172	-	5,172
Taxes	1,942	-	1,942
	<u>196,757</u>	<u>-</u>	<u>196,757</u>
Major repairs and replacements	-	22,207	22,207
Total expenses	<u>288,908</u>	<u>22,207</u>	<u>311,115</u>
Excess(deficit) of revenues over(under) expenses	1,166	(21,747)	(20,581)
Beginning fund balances	654,680	103,258	757,938
Change in accounting principle	(524,451)	-	(524,451)
Prior period adjustment	(49,539)	-	(49,539)
Ending fund balances	<u>\$ 81,856</u>	<u>\$ 81,511</u>	<u>\$ 163,367</u>

The accompanying notes are an integral part of the financial statements
(See Independent Auditor's Report)

WHITE PASS VILLAGE INN ASSOCIATION
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2018

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Total</u>
Excess(deficit) of revenues over(under) expenses	\$ 1,166	\$ (21,747)	\$ (20,581)
Adjustments to reconcile excess(deficit) of revenues over(under) expenses to net cash provided(used) by operating activities			
Decrease (Increase) in operating assets:			
Patronage Capital: Benton Rural Electric Association	49,539	-	49,539
Inventory	6,571	-	6,571
Other receivable	5,498	-	5,498
Prepaid insurance	5,242	-	5,242
Prepaid taxes	918	-	918
Assessments receivable	(11,957)	-	(11,957)
Due from WPVI Rentals LLC	(16,417)	-	(16,417)
Increase (decrease) in operating liabilities:			
Accounts payable	41,782	-	41,782
Deferred income	600	-	600
Accrued payroll and related	(5,342)	-	(5,342)
Due to WPVI Rentals LLC	(30,300)	-	(30,300)
Prepaid assessments	(36,827)	-	(36,827)
Net cash provided(used) by operating activities	<u>9,307</u>	<u>-</u>	<u>9,307</u>
Change in accounting principle	(524,451)	-	(524,451)
Prior period adjustment	(49,539)	-	(49,539)
Cash provided(used) by investing activities:			
Property and equipment	<u>524,451</u>	<u>-</u>	<u>524,451</u>
Net cash flows from investing activities	<u>524,451</u>	<u>-</u>	<u>524,451</u>
Cash provided(used) by financing activities:			
Net cash flows from financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Net increase(decrease) in cash and cash equivalents	(39,066)	(21,747)	(60,813)
Cash and cash equivalents at beginning of year	131,298	103,258	234,556
Cash and cash equivalents at end of year	<u>\$ 92,232</u>	<u>\$ 81,511</u>	<u>\$ 173,743</u>
SUPPLEMENTAL DISCLOSURE			
Income taxes paid			<u>\$ -</u>
Interest paid			<u>\$ -</u>

The accompanying notes are an integral part of the financial statements
(See Independent Auditor's Report)

WHITE PASS VILLAGE INN ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

1. Organization

White Pass Village Inn Association (“Association”) comprises a 55-unit condominium complex which is located at White Pass in the state of Washington. The Association was incorporated as a Washington nonprofit corporation on June 29, 2017. The Association was formed to operate, preserve, repair, manage, maintain, and improve the common areas and to provide other services for the benefit of the owners.

The Association derives its authority from the bylaws (as revised on September 29, 2001) and Second Amended Declaration of a Horizontal Property Regime document dated October 4, 1966. The condominiums are made available on a rental basis to the general public via White Pass Village Inn Rentals, LLC, which is a single member Washington limited liability company organized and formed to manage rentals and related services on behalf of the condominium owners as their exclusive rental agent.

2. Summary of Significant Accounting Policies

Basis of Accounting

The Association’s maintains its financial statements on the accrual basis of accounting which recognizes revenues when earned and expenses when incurred.

Use of Estimates

The preparation of financial statements in conformity with generally accepted principles requires the Board of Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ significantly from those estimates.

Fund Accounting

These financial statements present the Association’s account balances in fund accounting format. Fund accounting is the preferred industry reporting standard for common interest owner associations. Under fund accounting, the Association’s financial statements are segregated into the activities of its two principal funds: an operating fund and a fund for future major repairs and replacements (replacement or reserve fund). The operating fund presents data representing activity related to operations, while the replacement fund presents the activity related to major repairs and replacements of the components referred to in the Association’s reserve study.

Property and Equipment

FASB ASC 972 states that common interest owner associations do not capitalize common real property not directly associated with the units unless certain criteria are met. The Association has historically capitalized all improvements and additions to common area property and purchases of equipment. At June 30, 2018, the Association’s recorded cost of the common area property and equipment totaled \$1,102,889, with accumulated depreciation totaling \$591,320. For the purposes of these audited financial statements, the net book value of those capitalized assets has been written off to equity in accordance with industry reporting standards.

WHITE PASS VILLAGE INN ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

Cash and Cash Equivalents

Cash and cash equivalents include the Association's cash, checking accounts and money market funds.

Subsequent Events

Subsequent events have been evaluated through August 20, 2019, which is the date the financial statements were available to be issued.

3. Assessments and Assessments Receivable

Assessments receivable represent periodic charges specific to each unit for utilities and other costs incurred by or on behalf of the owner, and periodic billings for optional monthly installments of the annual budget assessments. Assessments receivable represent fees due from owners. The Association's governing documents provide for various collection remedies for delinquent assessments and fees, including filing of liens on an owner's unit, foreclosing on a unit owner, and obtaining a legal judgment on an owner's other assets. Any excess operating funds are retained at the end of the fiscal year for use in future periods. After the Association has exhausted all efforts to collect delinquent accounts, the Board of Directors may elect to write off uncollectible balances.

4. Future Major Repairs and Replacements

The Association's governing documents require funds to be accumulated for future major repairs and replacements. Accumulated funds are held in separate bank accounts and are generally not available for expenditures for normal operations.

The Board of Directors conducted a reserve study dated April 9, 2019, to estimate the remaining useful lives and the replacement costs of the components of common property. The table included in the unaudited supplementary information on Future Major Repairs and Replacements is based on this study.

The Association is funding 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 replacement fund. Actual expenditures, however, may vary from estimated amounts and the variations may be material. Therefore, amounts accumulated in the replacement fund may not be adequate to meet future needs. If additional funds are needed, however, the Association has the right, subject to its governing documents, to increase regular assessments or to levy special assessments, or it may delay major repairs and replacements until funds are available.

The Association's reserve study dated April 9, 2019, recommends a special assessment of \$75,000 each year for the years 2019-2028 to fund the replacement fund deficit.

5. Income Tax

The Association elected to file federal income tax form 1120 as a homeowners' association under Internal Revenue Code Section 277. The Association is generally taxed on income not related to

WHITE PASS VILLAGE INN ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

membership dues and assessments, such as interest income and non-member income. The Internal Revenue Service can generally examine the Association's income tax returns for a period of up to three years from the date each return is filed.

6. Utilities and Services Agreement

In December 1986, the Association and White Pass Company, Inc. entered into an agreement whereby the White Pass Company, Inc. would assess the Association a fixed monthly fee for water and sewer utilities, garbage, and snow removal. Additional shared assessments for expenses incurred for repairs and maintenance are separately billed to the Association.

7. Related Party Transactions – Amounts Due To/ From White Pass Village Inn Rental LLC

White Pass Village Inn Rentals, LLC ("Rental LLC") became a wholly owned subsidiary of White Pass Village Inn Association on July 29, 2016 (Note 1). Certain expenses are shared between the Association and Rental LLC. Balances owed by one entity to the other are presented in the Due from and Due to WPVI Rentals LLC accounts.

8. United States Forest Service Special Use Permit

The complex that comprises the Association's property was constructed on public land through a Special Use Permit issued by the U.S. Forest Service to the White Pass Company, Inc. The Association holds a sub-lease with White Pass Company, Inc. for access to those land use rights and obligations conferred by the Special Use Permit. The current permit became effective on October 1, 1994 and was issued for a 30-year period ending December 31, 2025.

The permit requires the Association to pay a fee for the fair market value of the permitted use. The fee is based on a graduated rate applied to room rental sales, other sales, and the value of the owner usage. The fee is computed using a fiscal period ending September 30. The minimum fees for the fiscal period ended June 30, 2018 are \$17,261.

The fees are primarily attributable to room rental sales activities of the Rental Agent and are, therefore, recorded as an operating expense of the Rental Agency. The portion of the fee attributable to the value of the individual owners' usage, \$6,695, is charged specifically to each owner.

The permit also requires that the Association maintain a daily minimum availability to the general public of a weighted average initially at 20% as of the date the permit was issued, updated annually and increasing to 40% on those units where ownership has changed. At June 30, 2018, the required minimum daily public availability percentage was computed to be 35%.

Other provisions of the permit require the Association to secure approval from the U.S. Forest Service for building and grounds improvements, maintain specified minimums of insurance coverage, make certain advertising disclosures, provide certain public notices, and further provide details of usage restrictions and limitations, definitions, penalties, termination, revocation or suspension conditions, and other compliance requirements.

WHITE PASS VILLAGE INN ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

Entities leasing property from the U.S. government or its agencies are required to pay to the Washington State Department of Revenue a Leasehold Excise Tax. The tax is computed at 12.84% of the fees paid to the U.S. government

9. Change in Accounting Principle

During the year ended June 30, 2018, the Association recorded an adjustment to account for the capitalized net fixed assets balance of \$524,451 as of the beginning of the year as an expense (see Note 2). This change in accounting principle is reflected as a reduction of the operating fund balance.

10. Prior Period Adjustment

The Board determined the collectability of the Patronage Capital BREA Credit accounting totaling \$49,539 at June 30, 2017 to be remote. The Board has therefore elected to write off the balance as a prior period adjustment.

WHITE PASS VILLAGE INN ASSOCIATION
SUPPLEMENTARY INFORMATION ON FUTURE MAJOR
REPAIRS AND REPLACEMENTS
For the Year Ended June 30, 2018
(Unaudited)

The Association's Board of Directors, in conjunction with a reserve study expert, conducted a reserve study dated April 9, 2019 to estimate the remaining useful lives and the replacement costs of the components of common property. Replacement costs were based on the estimated costs to repair or replace the common property components on the date of the study. The study recommended a special assessment of \$75,000 each year for the years 2019-2028 (Note 4).

The following information is based on the study and presents significant information about the components of common property.

Study Component	Estimated remaining useful lives	Estimated current replacement costs
Site and grounds	10	\$ 10,500
Pool & spa areas	1-17	57,000
Building exterior	0-39	1,480,850
Building interior	4-5	6,500
Systems and equipment	1-22	86,100
		\$ 1,640,950
	Replacement fund balance at June 30, 2018	\$ 81,511
Other Assumptions:		
Interest rate		1.00%
Inflation rate		3.00%

**WHITE PASS VILLAGE INN ASSOCIATION
SUPPLEMENTARY INFORMATION ON
WHITE PASS VILLAGE RENTALS, LLC
BALANCE SHEETS
June 30, 2018
(Unaudited)**

	2018	2017
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 406,245	\$ 288,755
Accounts Receivable		
Due from WPVI Association	70	36,298
Other Receivables	-	1,392
Total Current Assets	406,315	326,445
FIXED ASSETS & OTHER PROPERTY		
Software and Website Development	7,585	7,585
Housekeeping Equipment	2,577	-
Less: Accumulated Depreciation & Amortization	(5,231)	(2,273)
Total Fixed Assets and Other Property	4,931	5,312
 Total Assets	 \$ 411,246	 \$ 331,757
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	\$ 4,610	\$ 2,434
Accrued Salaries and Wages	1,557	3,306
Accrued Payroll Taxes	1,595	4,108
Accrued Deposits from Guests	60,716	9,642
Accrued USFS Fees and WA Leasehold Excise Taxes	-	96
Total Current Liabilities	68,478	19,586
PAYABLE TO OWNERS		
Excess of Income over Expenses Distributable	342,767	312,171
 Total Liabilities	 \$ 411,246	 \$ 331,757

**WHITE PASS VILLAGE INN ASSOCIATION
SUPPLEMENTARY INFORMATION ON
WHITE PASS VILLAGE RENTALS, LLC
STATEMENTS OF INCOME
Year Ended June 30, 2018
(Unaudited)**

	<u>2018</u>	<u>2017</u>
REVENUES		
Guest Room Rentals	\$ 499,267	\$ 482,046
Guest Cleaning Service Fees	54,234	54,154
Guest Processing and Service Fees	17,644	14,719
Guest US Forest Service Fees	9,990	8,132
Owner Cleaning Service Fees	19,304	14,128
Owner US Forest Service Fees	6,695	6,893
Other Income	479	5
	<u>607,613</u>	<u>580,077</u>
OPERATING EXPENSES		
Administrative Salaries, Payroll Taxes and Benefits		
Management Salaries	33,073	18,590
Admin Support Salaries & Wages	32,802	24,423
Payroll Taxes & Benefits	8,905	6,787
Staff Housing Costs Allocated - Unit 27	3,750	4,384
Total Administrative Salaries, Payroll Taxes and Benefits	<u>78,530</u>	<u>54,184</u>
Housekeeping Department Expenses		
Housekeeping Salaries and Wages	81,598	74,444
Housekeeping Payroll Taxes & Benefits	14,618	12,605
Linen Services and Supplies	21,513	25,884
Other Housekeeping Supplies	7,799	6,077
Contract Housekeeping Services	-	22,936
Total Housekeeping Department Expenses	<u>125,528</u>	<u>141,946</u>
Administrative Expenses		
Accounting and Bookkeeping Services	9,679	24,893
Advertising and Promotion	1,452	305
Bank Card Merchant Service Fees	12,934	15,440
Office Supplies	1,756	1,095
Reservation System Fees	4,414	2,605
Telephone and Internet Service Provider Fees	2,694	1,684
State Business Taxes	2,324	2,821
USFS Fees and WA Leasehold Excise Tax	21,840	19,676
Total Administrative Expenses	<u>57,093</u>	<u>68,519</u>
Total Operating Expenses	<u>261,151</u>	<u>264,649</u>
OTHER EXPENSES		
Depreciation & Amortization Expense	2,958	2,273
Other Expenses	737	1,034
Total Other Expenses	<u>3,695</u>	<u>3,307</u>
Total Expenses	<u>264,846</u>	<u>267,956</u>
NET INCOME DISTRIBUTABLE TO OWNERS	<u>\$ 342,767</u>	<u>\$ 312,121</u>

**WHITE PASS VILLAGE INN ASSOCIATION
SUPPLEMENTARY INFORMATION ON
WHITE PASS VILLAGE RENTALS, LLC
STATEMENTS OF CASHFLOWS
Year Ended June 30, 2018
(Unaudited)**

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Room Rentals	\$ 499,746	\$ 487,225
Cash Received from Cleaning Service Fees	73,538	68,282
Cash Received from US Forest Service Fees	16,685	15,025
Cash Received from Interest, Processing and Service Fees	17,644	14,725
Cash Paid for Salaries, Payroll Taxes & Benefits	(141,227)	(134,193)
Cash Paid for Services & Supplies	(29,312)	(72,633)
Cash Paid for Administrative Expenses	(52,504)	(99,865)
Cash Paid for Manager Fees & Other Expenses	(3,407)	(28,431)
Net Cash Provided by Operating Activities	<u>381,163</u>	<u>250,135</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash Paid for Software and Website Development	-	(7,585)
Cash Paid for Equipment	(2,577)	-
Net Cash Used by Investing Activities	<u>(2,577)</u>	<u>(7,585)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net Increase (Decrease) in Deposits from Guests	51,074	8,442
Distributions paid to Owners	(312,171)	(340,347)
Net Cash Used by Financing Activities	<u>(261,097)</u>	<u>(331,905)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	117,490	(89,355)
Cash and Cash Equivalents - Beginning of Year	<u>288,755</u>	<u>378,110</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 406,245</u>	<u>\$ 288,755</u>
RECONCILIATION OF NET LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Net Income	\$ 342,767	\$ 312,171
Add Expense Not Requiring an Outlay of Cash - Depreciation & Amortization	2,958	2,273
Adjustments to Reconcile Net Loss to Net Cash Provided by Operating Activities		
(Increase) Decrease in Assets:		
Accounts Receivable	(4,365)	5,179
Other Accounts Receivable	1,392	(1,392)
Due from White Pass Village Inn Association	36,228	(35,248)
Increase (Decrease) in Liabilities:		
Accounts Payable	(2,175)	(11,128)
Accrued Salaries and Wages	1,749	2,133
Accrued Payroll Taxes	2,513	1,148
Accrued States Sales, USFS Fees and Business Taxes	96	(1,313)
Accrued Manager's Fees	-	(23,688)
Net Cash Provided by Operating Activities	<u>\$ 381,163</u>	<u>\$ 250,135</u>

**WHITE PASS VILLAGE INN ASSOCIATION
SUPPLEMENTARY INFORMATION ON
WHITE PASS VILLAGE RENTALS, LLC
SCHEDULE OF RENTALS
Year Ended June 30, 2018
(Unaudited)**

Unit Number	Gross Unit Rentals	Relative Percent of Gross Unit Rentals	Resulting Share of Net Indirect Overhead Expenses	Relative Percent of Total Unit Cleans	Resulting Share of Net Unrecovered Housekeeping Expenses	Net Rental Income Distribution
	\$ 499,267	100.00%	\$ 104,510	100.00%	\$ 51,990	\$ 342,767
VI-0001	\$ 13,219	2.65%	\$ 2,767	3.02%	\$ 1,571	\$ 8,881
VI-0002	8,449	1.69%	1,769	2.71%	1,407	5,273
VI-0003	5,877	1.18%	1,230	1.79%	931	3,716
VI-0004	19,052	3.82%	3,988	3.16%	1,645	13,419
VI-0010	12,270	2.46%	2,568	2.54%	1,322	8,380
VI-0011	13,255	2.65%	2,775	2.25%	1,171	9,309
VI-0012	4,275	0.86%	895	0.24%	123	3,257
VI-0014	4,882	0.98%	1,022	1.45%	756	3,104
VI-0015	5,750	1.15%	1,204	2.29%	1,191	3,355
VI-0020	10,245	2.05%	2,144	2.07%	1,076	7,024
VI-0023	9,818	1.97%	2,055	2.15%	1,117	6,646
VI-0024	5,632	1.13%	1,179	1.88%	975	3,478
VI-0030	13,331	2.67%	2,791	2.26%	1,173	9,368
VI-0031	5,852	1.17%	1,225	1.86%	968	3,659
VI-0032	16,061	3.22%	3,362	3.11%	1,619	11,079
VI-0033	10,869	2.18%	2,275	1.65%	860	7,734
VI-0040	13,077	2.62%	2,737	2.03%	1,054	9,286
VI-0041	8,724	1.75%	1,826	2.43%	1,262	5,636
VI-0101	1,433	0.29%	300	0.58%	302	831
VI-0102	15,450	3.09%	3,234	1.55%	804	11,412
VI-0103	15,690	3.14%	3,284	2.33%	1,214	11,192
VI-0104	3,749	0.75%	785	1.55%	804	2,160
VI-0110	18,277	3.66%	3,826	1.87%	972	13,480
VI-0111	12,055	2.41%	2,523	2.18%	1,135	8,396
VI-0113	8,185	1.64%	1,713	1.80%	934	5,537
VI-0114	14,060	2.82%	2,943	2.36%	1,225	9,892
VI-0115	2,316	0.46%	485	0.95%	491	1,340
VI-0120	14,280	2.86%	2,989	2.20%	1,143	10,148
VI-0121	6,381	1.28%	1,336	1.90%	987	4,059
VI-0122	-	0.00%	-	0.21%	112	(112)
VI-0123	6,663	1.33%	1,395	1.62%	841	4,427
VI-0124	6,237	1.25%	1,306	2.38%	1,240	3,692
VI-0125	5,748	1.15%	1,203	1.35%	700	3,845
VI-0126	6,531	1.31%	1,367	1.93%	1,005	4,159
VI-0127	11,571	2.32%	2,422	2.46%	1,281	7,868
VI-0130	14,594	2.92%	3,055	2.66%	1,383	10,157
VI-0131	2,387	0.48%	500	0.96%	499	1,388
VI-0132	13,755	2.75%	2,879	1.98%	1,027	9,848
VI-0133	7,833	1.57%	1,640	1.34%	696	5,497
VI-0140	3,623	0.73%	758	1.85%	964	1,900
VI-0141	11,015	2.21%	2,306	2.87%	1,493	7,216
VI-0142	3,191	0.64%	668	1.05%	547	1,975
VI-1003	6,215	1.24%	1,301	1.26%	655	4,259
VI-1010	14,924	2.99%	3,124	1.74%	905	10,895
VI-1011	14,770	2.96%	3,092	2.30%	1,195	10,483
VI-1014	8,515	1.71%	1,782	2.89%	1,503	5,230
VI-1015	11,973	2.40%	2,506	1.70%	882	8,584
VI-1021	7,314	1.46%	1,531	1.70%	886	4,897
VI-1022	9,604	1.92%	2,010	1.85%	964	6,629
VI-1024	12,415	2.49%	2,599	1.79%	931	8,886
VI-1027	11,005	2.20%	2,304	1.92%	998	7,704
VI-1032	16,874	3.38%	3,532	2.03%	1,054	12,288
	\$ 499,267	100%	\$ 104,510	100%	\$ 51,990	\$ 342,767

**WHITE PASS VILLAGE INN ASSOCIATION
SUPPLEMENTARY INFORMATION ON
WHITE PASS VILLAGE RENTALS, LLC
SPECIAL COMPUTATION
Year Ended June 30, 2018
(Unaudited)**

Computation of Net Indirect Overhead Expenses:

\$	78,530	Total Administrative Salaries, Payroll Taxes and Benefits
	57,093	Total Administrative Expenses
	3,695	Total Other Expenses
	(17,644)	Less: Guest Processing and Service Fee revenues
	(9,990)	Less: Guest US Forest Service Fee revenues
	(6,695)	Less: Owner US Forest Service Fee revenues
	(479)	Less: Other Income
<u>\$</u>	<u>104,510</u>	<u>Net Indirect Overhead Expenses</u>

Computation of Net Unrecovered Housekeeping Expenses:

\$	125,528	Total Housekeeping Department Expenses
	(54,234)	Less: Guest cleaning fee revenues
	(19,304)	Less: Owner cleaning fee revenues
<u>\$</u>	<u>51,990</u>	<u>Net Unrecovered Housekeeping Expenses</u>