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TAWAS BAY TOURIST & CONVENTION BUREAU
Tawas City, Michigan

FINANCIAL STATEMENTS
With Auditor's Report

Year Ended May 31, 2011

Kenneth B. Cook, CPA, PC

Certified Public Accountant

438 Lake Street, P.O. Box 127
Tawas City, MI 48764
Phone: (989) 362-4412
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Independent Auditors' Report

Members of the Board of Directors
Tawas Bay Tourist & Convention Bureau

We have audited the accompanying statement of assets, liabilities and fund balance - cash basis of Tawas Bay Tourist & Convention Bureau, a nonprofit organization, as of May 31, 2011, and the related statement of revenue, expenses and changes in fund balance - cash basis for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based upon our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1 these financial statements were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting, other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and fund balance - cash basis of the Tawas Bay Tourist & Convention Bureau as of May 31, 2011, and its revenues collected, expenses paid and changes in fund balance - cash basis during the year then ended, on the basis of accounting described in Note 1.



Kenneth B. Cook, CPA, PC
Certified Public Accountant
August 31, 2011

TAWAS BAY TOURIST & CONVENTION BUREAU
Tawas City, Michigan

Statement of Assets, Liabilities and Fund Balance - Cash Basis
May 31, 2011

ASSETS	
CURRENT ASSETS	
Cash in Bank	\$ 15,721
Total Current Assets	<u>15,721</u>
 TOTAL ASSETS	 \$ <u><u>15,721</u></u>
 LIABILITIES AND FUND BALANCE	
LIABILITIES	
Total Liabilities	\$ <u>0</u>
 FUND BALANCE	
Unrestricted	<u>15,721</u>
Total Fund Balance	<u>15,721</u>
 TOTAL LIABILITIES AND FUND BALANCE	 \$ <u><u>15,721</u></u>

See Auditor's Report and accompanying Notes to Financial Statements.

TAWAS BAY TOURIST & CONVENTION BUREAU
Tawas City, Michigan

Statement of Revenues, Expenses and Changes in Fund Balance - Cash Basis
For The Year Ended May 31, 2011

REVENUES		
Room Assessments	\$	49,575
Interest Income		25
Total Revenues	\$	<u>49,600</u>
EXPENSES		
Administrative:		
Insurance	\$	806
Contract Services		8,400
Dues & Subscriptions		265
Legal & Professional Services		4,185
Office Supplies		1,023
Miscellaneous		423
Total Administrative		<u>15,103</u>
Marketing:		
Advertising & Promotion		34,621
Total Marketing		<u>34,621</u>
Total Expenses		<u>49,723</u>
 EXCESS OF EXPENSES OVER REVENUES		 (123)
 Fund Balance, Beginning of Year		 <u>15,844</u>
 Fund Balance, End of Year	\$	 <u>15,721</u>

See Auditors' Report and accompanying Notes to Financial Statements.

TAWAS BAY TOURIST & CONVENTION BUREAU

Tawas City, Michigan

Notes to Financial Statements

May 31, 2011

Note 1 - Summary of Significant Accounting Policies

Description of Entity

Tawas Bay Tourist & Convention Bureau was incorporated in the State of Michigan in January, 1986 as a nonprofit organization. Operations began with the first assessments in June, 1987. The Board of Directors has adopted a May 31 fiscal year end.

The purpose of the Tawas Bay Tourist & Convention Bureau is to collect assessments under Michigan Public Act 59 of 1984, from lodging facilities located in the Tawas Bay area, and to implement a marketing program with those funds to promote and develop tourism in the area.

Basis of Accounting

The organization's policy is to prepare its financial statements on the cash basis of accounting; consequently, certain revenues and the related assets are recognized when received rather than when earned and certain expenses are recognized when paid rather than when the obligation is incurred. Accordingly, the accompanying financial statements are not intended to present financial position, results of operations, and changes in fund balance in conformity with generally accepted accounting principles.

Note 2 - Cash and Cash Equivalents

Deposits - At May 31, 2011 the carrying amount of the organization's checking accounts and savings accounts, corresponding bank balances and FDIC coverage were as follows:

<u>Institution</u>	<u>Carrying Amount</u>	<u>Bank Balance</u>	<u>FDIC Coverage</u>
Huron Community Bank	\$15,721	\$18,780	\$100,000

The statement of assets, liabilities and fund balance presentation of deposits is as follows:

Cash in Bank	\$15,721
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Note 3 - Income Taxes

The organization is exempt from federal income tax under Section 501(c)(6) of the Internal Revenue Code. Accordingly, the financial statements do not reflect any provision or liability for federal income tax.



Box 10 • Tawas City, Michigan 48764-0010

www.tawasbay.com • 1-877-TO-TAWAS

September 27, 2011

David Morris
Travel Michigan
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

46,600

Dear Mr. Morris:

Per the requirements as a Convention and Visitor Bureau established under Public Act 59 of 1984, please find enclosed the following:

- 1) Annual audited Financial Statement
(year ended May 31, 2011)
- 2) 2011/2012 approved Marketing Report

If you have any questions regarding this information, please contact me at (989) 876-6018 or by email at heidi@michigansunrisetours.com.

Sincerely,

A handwritten signature in cursive script that reads "Heidi L. Dewald".

Heidi L. Dewald
Secretary/Treasurer

Tawas Bay Tourist & Convention Bureau
2011-2012 Budget
June 1st, 2011 – May 31st, 2012

Acct. #	Account Name	Expense	Income
501	2% Assessment		\$ 49,000.00
302	Dues		0.00
702	Interest		25.00
303	Vacation Guide		0.00
304	Special Events		<u>0.00</u>
Total Income			<u>\$ 49,025.00</u>

Administrative

500	Emergency Fund	\$ 0.00
510	Accounting	4,100.00
511	Audit	980.00
531	Bank Service Charge	0.00
535	Contracted Services	8,400.00
554	Dues & Subscriptions	1,105.00
600	Insurance	850.00
622	Legal	200.00
631	Miscellaneous	300.00
635	Office Supplies/Copier	600.00
641	Postage	350.00
655	Storage	0.00
656	Monthly Meetings	400.00

Total Administrative \$17,285.00

Advertising – Direct

401	Billboard	0.00
404	Brochures	3,500.00
407	Magazine	7,250.00
410	Newspaper	3,300.00
413	Other – Pure Michigan	2,500.00
416	Television	1,500.00
419	Website/Web Page	1,500.00
434	Contingency Fund	0.00
431	Contract Services/Adv.	0.00
446	Meetings/Seminars	425.00
449	Miscellaneous	00.00
455	Postage	2,200.00
458	Sunrise Side Golf	0.00
467	Telephone	100.00

470	Tourist Response	1,250.00
471	Travel Service	0.00
476	Travel Shows	375.00
482	Vacation Guide	<u>2,500.00</u>

Center ad & pdf

Total Advertising – Direct 26,400.00

Advertising – Donations

424	Blues Festival	0.00
438	Classic Car Show	0.00
425	Corsair Concerts	0.00
428	Corsair Trail Council	500.00
437	Fireworks	1,500.00
440	Friends of Tawas Point	0.00
441	Hockey Association	500.00
452	Perchville	1,000.00
456	Soccer Tournament	0.00
464	Tawas Chamber	0.00
485	Walleyes of Iosco County	0.00
486	Other	<u>2,250.00</u>

Total Advertising – Donations 5,750.00

Advertising – Special Events

421	Gun & Knife	0.00
422	Music Fest	0.00
423	Other Special Events	<u>3,000.00</u>

TBD

Total Advertising – Special Events 3,000.00

Total Expense \$ 52,435.00

Total Income \$ 49,025.00

Net Profit/(Loss) 0.00 -3,410.00