



INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

To the Commissioners
Door County Tourism Zone Commission
Sister Bay, Wisconsin

We have audited the accompanying financial statements of the Door County Tourism Zone Commission, ("the Commission") as of December 31, 2007 and for the period April 12, 2007 to December 31, 2007, as listed in the table of contents. These financial statements are the responsibility of the Door County Tourism Zone Commission's management. 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Door County Tourism Zone Commission as of December 31, 2007, and the results of its operations and cash flows, for the period April 12, 2007 to December 31, 2007 in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 21, 2008, on our consideration of the Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Door County Tourism Zone Commission has not presented the management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's financial statements. The financial information listed in the table of contents as supplemental information, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Schauck SC

Certified Public Accountants
Green Bay, Wisconsin
April 21, 2008

DOOR COUNTY TOURISM ZONE COMMISSION

Statement of Net Assets

December 31, 2007

	2007
ASSETS	
Cash and cash equivalents	\$ 907,070
Accounts receivable	56,195
Total Assets	<u>963,265</u>
LIABILITIES	
Accounts payable	37,633
Deposits and deferred revenues	522
Total Liabilities	<u>38,155</u>
NET ASSETS	
Restricted for agreement with contracted tourism entity	878,164
Unrestricted	46,946
TOTAL NET ASSETS	<u>\$ 925,110</u>

The notes to the basic financial statements are an integral part of this statement.

DOOR COUNTY TOURISM ZONE COMMISSION
Statement of Revenues, Expenses and Changes in Net Assets
April 12, 2007 to December 31, 2007

	2007
Operating Revenues	
Room tax	\$ 2,362,655
Operating Expenses	
Administration	
Professional fees	41,179
Legal	6,106
Office	4,724
Insurance	2,950
Advertising	709
Miscellaneous	942
Total Administration	56,610
Payments to Door County Visitor Bureau	679,828
Distributions to municipalities	706,057
Total Operating Expenses	1,442,495
Operating Income	920,160
Nonoperating Revenues	
Interest income	4,950
Change in Net Assets	925,110
Net Assets - April 12	-
Net Assets - December 31	\$ 925,110

The notes to the basic financial statements are an integral part of this statement.

DOOR COUNTY TOURISM ZONE COMMISSION

Statement of Cash Flows

April 12, 2007 to December 31, 2007

	2007
Cash Flows From Operating Activities	
Cash received from room tax	\$ 2,306,982
Cash distributed for operating expenses	(52,049)
Cash distributed to contracted tourism entity	(679,828)
Cash distributed to municipalities	(672,985)
Net Cash Provided by Operating Activities	<u>902,120</u>
Cash Flows From Investing Activities	
Interest revenue	<u>4,950</u>
Change in Cash and Cash Equivalents	907,070
Cash and Cash Equivalents - April 12	<u>-</u>
Cash and Cash Equivalents - December 31	<u><u>\$ 907,070</u></u>
Reconciliation of Operating Income to Net Cash Provided	
by Operating Activities:	
Operating income	\$ 920,160
Adjustments to reconcile operating income to	
net cash provided by operating activities:	
Changes in operating assets and liabilities	
Accounts receivable	(56,195)
Accounts payable	37,633
Deposits	522
Net Cash Provided by Operating Activities	<u><u>\$ 902,120</u></u>

The notes to the basic financial statements are an integral part of this statement.