

June 26, 2013

The Board of Directors
Yap Visitors Bureau

Dear Members of the Board:

We have performed an audit of the financial statements of the Yap Visitors Bureau (the Bureau), a component unit of the State of Yap, as of and for the year ended September 30, 2012, in accordance with auditing standards generally accepted in the United States of America (“generally accepted auditing standards”) and have issued our report thereon dated June 26, 2013.

We have prepared the following comments to assist you in fulfilling your obligation to oversee the financial reporting and disclosure process for which management of the Bureau is responsible.

OUR RESPONSIBILITY UNDER GENERALLY ACCEPTED AUDITING STANDARDS AND GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS

Our responsibility under generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, have been described in our engagement letter dated April 18, 2013. As described in that letter, the objective of a financial statement audit conducted in accordance with the aforementioned standards is:

- To express an opinion on the fairness of the presentation of the Bureau’s basic financial statements and to disclaim an opinion on the required supplementary information for the year ended September 30, 2012 in conformity with accounting principles generally accepted in the United States of America (“generally accepted accounting principles”), in all material respects; and
- To report on the Bureau’s internal control over financial reporting and on its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters for the year ended September 30, 2012 based on an audit of financial statements performed in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*.

Our responsibilities under generally accepted auditing standards include forming and expressing an opinion about whether the financial statements that have been prepared with the oversight of management and the Board of Directors are presented fairly, in all material respects, in conformity with generally accepted accounting principles. The audit of the financial statements does not relieve management or the Board of Directors of their responsibilities.

We considered the Bureau's internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bureau's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Bureau's internal control over financial reporting. Our consideration of internal control over financial reporting would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses.

MANAGEMENT JUDGMENTS AND ACCOUNTING ESTIMATES

Accounting estimates are an integral part of the financial statements prepared with the oversight of management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and on assumptions about future events. Significant accounting estimates reflected in the Bureau's 2012 financial statements include management's estimate of the allowance for uncollectible accounts, which is determined based upon past collection experience and aging of the accounts, and management's estimate of depreciation expense, which is based on estimated useful lives of the respective capital assets. During the year ended September 30, 2012, we are not aware of any significant changes in accounting estimates or in management's judgments relating to such estimates.

AUDIT ADJUSTMENTS AND UNCORRECTED MISSTATEMENTS

As the result of our audit work, we identified matters that resulted in audit adjustments that we believe, either individually or in the aggregate, would have a significant effect on the Bureau's financial reporting process. Such proposed adjustments, listed in Attachment I, have been recorded in the accounting records and are reflected in the 2012 financial statements. Those proposed adjustments that were not recorded by management are also included in the schedule described in the next paragraph.

In addition, we have attached to this letter, as Appendix A to Attachment II, a summary of uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

SIGNIFICANT ACCOUNTING POLICIES

The Bureau's significant accounting policies are set forth in Note 2 to the Bureau's 2012 financial statements. During the year ended September 30, 2012, there were no significant changes in previously adopted accounting policies or their application, except for the following pronouncements adopted by the Bureau:

- GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, which amends Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, and Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, and addresses issues related to the frequency and timing of measurements for actuarial valuations first used to report funded status information in OPEB plan financial statements. The implementation of this pronouncement did not have a material effect on the accompanying financial statements.
- GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions* (an amendment of GASB Statement No. 53), which will improve financial reporting by state and local governments by clarifying the circumstances in which hedge accounting continues to be applied when a swap counterparty, or a swap counterparty's credit support provider, is replaced. The implementation of this pronouncement did not have a material effect on the accompanying financial statements.

SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

In December 2010, GASB issued Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, which addresses how to account for and report service concession arrangements (SCAs), a type of public-private or public-public partnership that state and local governments are increasingly entering into. The provisions of this statement are effective for periods beginning after December 15, 2011. Management does not believe that the implementation of this statement will have a material effect on the financial statements of the Bureau.

In December 2010, GASB issued Statement No. 61, *The Financial Reporting Entity: Omnibus*, which is designed to improve financial reporting for governmental entities by amending the requirements of Statements No. 14, *The Financial Reporting Entity*, and No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, to better meet user needs and address reporting entity issues that have come to light since those Statements were issued in 1991 and 1999, respectively. The provisions of this statement are effective for periods beginning after June 15, 2012. Management does not believe that the implementation of this statement will have a material effect on the financial statements of the Bureau.

In December 2010, GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which is intended to enhance the usefulness of its Codification by incorporating guidance that previously could only be found in certain Financial Accounting Standards Board (FASB) and American Institute of Certified Public Accountants (AICPA) pronouncements. The provisions of this statement are effective for periods beginning after December 15, 2011. Management does not believe that the implementation of this statement will have a material effect on the financial statements of the Bureau.

In July 2011, GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, which establishes guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position. The provisions of this statement are effective for periods beginning after December 15, 2011. Management has not yet determined the effect of implementation of this statement on the financial statements of the Bureau.

In April 2012, GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which clarifies the appropriate reporting of deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. The provisions of this statement are effective for periods beginning after December 15, 2012. Management has not yet determined the effect of implementation of this statement on the financial statements of the Bureau.

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In June 2012, GASB issued Statement No. 67, *Financial Reporting for Pension Plans*, which revises existing guidance for the financial reports of most pension plans, and Statement No. 68, *Accounting and Financial Reporting for Pensions*, which revises and establishes new financial reporting requirements for most governments that provide their employees with pension benefits. The provisions in Statement 67 are effective for financial statements for periods beginning after June 15, 2013. The provisions in Statement 68 are effective for fiscal years beginning after June 15, 2014. Management does not believe that the implementation of this statement will have a material effect on the financial statements of the Bureau.

CRITICAL ACCOUNTING POLICIES AND PRACTICES

Critical accounting policies are those that are both most important to the portrayal of the Bureau's financial condition and results and require management's most difficult, subjective, or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. The Bureau has not identified any critical accounting policies or practices.

ALTERNATIVE ACCOUNTING TREATMENTS

We had no discussions with management regarding alternative accounting treatments within generally accepted accounting principles for policies and practices related to material items, including recognition, measurement, and disclosure considerations related to the accounting for specific transactions as well as general accounting policies, related to the year ended September 30, 2012.

DISAGREEMENTS WITH MANAGEMENT

We have not had any disagreements with management related to matters that are material to the Bureau's 2012 financial statements.

CONSULTATION WITH OTHER ACCOUNTANTS

We are not aware of any consultations that management may have had with other accountants about auditing and accounting matters during 2012.

OTHER INFORMATION IN THE ANNUAL REPORTS

When audited financial statements are included in documents containing other information such as the Bureau's 2012 Annual Report, we will read such other information and consider whether it, or the manner of its presentation, is materially inconsistent with the information, or the manner of its presentation, in the financial statements audited by us. We will read the other information in the Bureau's 2012 Annual Report and will inquire as to the methods of measurement and presentation of such information. If we note a material inconsistency or if we obtain any knowledge of a material misstatement of fact in the other information, we will discuss this matter with management and, if appropriate, with the Board.

MAJOR ISSUES DISCUSSED WITH MANAGEMENT PRIOR TO OUR INITIAL SELECTION

No discussions with management regarding the application of accounting principles or auditing standards in connection with transactions that have occurred, transactions that are contemplated, or reassessment of current circumstances were held prior to our engagement as auditors.

SIGNIFICANT DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT

In our judgment, we received the full cooperation of the Bureau's management and staff and had unrestricted access to the Bureau's senior management in the performance of our audit.

MANAGEMENT'S REPRESENTATIONS

We have made specific inquiries of the Bureau's management about the representations embodied in the financial statements. Additionally, we have requested that management provide to us the written representations the Bureau is required to provide to its independent auditors under generally accepted auditing standards. We have attached to this letter, as Attachment II, a copy of the representation letter we obtained from management.

CONTROL-RELATED MATTERS

We have issued a separate report to you, dated June 26, 2013, on the Bureau’s internal control over financial reporting and on its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters, which was based upon the audit performed in accordance with *Government Auditing Standards*. Within that report, we noted a matter that was considered to be a significant deficiency under standards established by the American Institute of Certified Public Accountants and OMB Circular A-133.

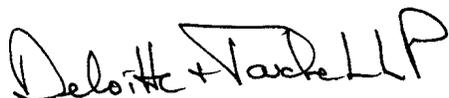
Although we have included management’s written response to our comment contained in that report, such response has not been subjected to the auditing procedures applied in our audit of the basic financial statements and, accordingly, we do not express an opinion or provide any form of assurance on the appropriateness of the response or the effectiveness of any corrective actions described therein.

* * * * *

This report is intended solely for the information and use of the Board of Directors, management, and others within the Bureau, the Yap State Legislature, and the Office of the FSM National Public Auditor, and is not intended to be and should not be used by anyone other than these specified parties.

We wish to thank the staff and management of the Bureau for their cooperation and assistance during the course of this engagement.

Very truly yours,

A handwritten signature in black ink that reads "Deloitte + Touche LLP". The signature is written in a cursive, stylized font.

Yap Visitors Bureau			
Adjusting Journal Entries			
Fiscal Year Ended September 30, 2012			
#	Name	Debit	Credit
1 AJE Difference in bank reconciliation			
110	BOFSM Checking	6,332.67	-
501	Misc. Expense	-	6,332.67
		6,332.67	6,332.67
	Difference in bank reconciliation		
2 AJE Receipt of loan receivable			
110	BOFSM Checking	-	5,661.03
120	Garamfel/Kudler	4,727.11	-
400	Interest Income	933.92	-
		5,661.03	5,661.03
	Receipt of loan receivable and interest in FY13 recorded as received in FY12		
3 AJE Difference in fixed asset cost and depr			
160	Fixed Assets:Office Equipments	-	9,672.00
161	Fixed Assets:Office Equipments:Accumulated Dep. - Equipment	11,820.00	-
162	Fixed Assets:Office Furnitures	-	2,555.00
163	Fixed Assets:Office Furnitures:Accumulated Dep. - Furniture	2,478.00	-
165	Fixed Assets:Other Assets-14041	-	1,247.53
166	Fixed Assets:Other Assets-14041:Accumulated Dep. Other Assets	1,247.53	-
511	Depreciation Expense:Depreciation-Furniture	77.00	-
512	Depreciation Expense:Depreciation-Office Equipment	-	2,148.00
		15,622.53	15,622.53
	Difference in fixed asset cost and acc depr		
4 AJE Understatement of accrued payroll			
224	Payroll Liabilities	-	6,455.00
560	Payroll Expenses	6,455.00	-
		6,455.00	6,455.00
	Understatement of accrued payroll, vacation, withholding tax, and ss tax		
5 AJE Overstatement of expenses			
401	Grants	3,167.00	-
528	Contractual Services:TNS/Canoe Festival	-	3,167.00
		3,167.00	3,167.00
	Overstatement of TNS/Canoe Festival expenses - invoice from Yap Traditional Navigation Society Contract 110171 2012-216 Term is for 3 months 9/14/12 - 12/14/12. Only 15 days/90 days = \$633 should have been expensed in FY12 and \$3,167 recognized in FY13.		
6 AJE Overstatement of Trade Show Fees			
401	Grants	5,683.57	-
550	Other Current Expenses:Trade Show Fees	-	5,683.57
		5,683.57	5,683.57
	Overstatement of Trade Show Fees for FY13 expenses		
7 AJE Reclass of Deferred Grants			
221	Tamilyog Grant (Australia)	2,059.39	-
222	LHM Small Misc.Fund	136.00	-
225	LHM Grant (Australia)	11,518.50	-
401C	LHM Grant (Australia)	-	18,000.00
401B	LHM Small Misc Fund	-	136.00

ATTACHMENT I, CONTINUED

Fiscal Year Ended September 30, 2012			
#	Name	Debit	Credit
401A	Familyog Grant (Australia)	-	2,059.39
531	Contractual Services: LHM Grant (Australia)	6,481.50	-
		20,195.39	20,195.39
	Reclassification of deferred revenues to non-operating revenues		
	8 AJE Reclass of Misc Income		
402	Miscellaneous Income	2,413.60	-
404	Refund	-	1,708.60
550	Other Current Expenses: Trade Show Fees	-	705.00
		2,413.60	2,413.60
	Relcassification of miscellaneous income		
	9 AJE 2012 Budget Unspent		
101	Current Budget Remaining	-	13,303.64
401	Grants	13,303.64	-
		13,303.64	13,303.64
	2012 Budget Unspent		
	10 AJE Correct PY		
301	Opening Bal Equity	-	2,831.00
404	Refund	2,831.00	-
		2,831.00	2,831.00
	Adjustment to 2011 TB affecting CY R/E		
<p>We have reviewed the audit adjustments summarized above and agreed that they should be recorded in the general ledger as of September 30, 2012. These adjusting journal entries are the results of errors and not results of fraud, irregularities, or illegal acts.</p>			
<p>CONCURRED BY:</p>			
			
<p align="center">Signature of Representative</p>			
<p>Don Evans General Manager</p>			
<p align="center">Print Name and Title</p>			



Yap Visitors Bureau

P.O. Box 988 Colonia, Yap Western Caroline Islands FSM 96943
Phone: 691-350-2298 Fax: 691-350-7015 yvb@mail.fm

June 26, 2013

Deloitte & Touche LLP
361 South Marine Corps Drive
Tamuning, Guam 96913-3911

We are providing this letter in connection with your audit of the financial statements of Yap Visitors Bureau (the Bureau), a component unit of the State of Yap, as of September 30, 2012 and the related statements of revenues, expenses, and change in net assets and of cash flows for the year then ended, which collectively comprise the Bureau's basic financial statements for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows of Yap Visitors Bureau in conformity with accounting principles generally accepted in the United States of America (GAAP).

We confirm that we are responsible for the following:

- a) The fair presentation in the financial statements of financial position, results of operations, and cash flows in conformity with GAAP.
- b) The fair presentation of the required supplementary information, including Management's Discussion and Analysis, accompanying the basic financial statements.
- c) The design, implementation, and maintenance of programs and controls to prevent and detect fraud related to federal awards.
- d) Establishing and maintaining effective internal control over financial reporting.
- e) The review and approval of the financial statements and related notes and acknowledge your role in the preparation of this information. Specifically, we acknowledge that your role in the preparation of the financial statements was a matter of convenience rather than one of necessity. We have reviewed the financial statement preparation assistance provided by you and acknowledge that the financial statements are prepared in accordance with GAAP. Our review was based on the use of the financial statement disclosure checklist for stand-alone business-type activities obtained from the Government Finance Officers Association.

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.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audits.

ATTACHMENT II, CONTINUED

- a) Net asset components (invested in capital assets, and unrestricted) are properly classified and, if applicable, approved.
 - b) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
 - c) Deposits are properly classified in category of custodial credit risk.
 - d) Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
2. The Bureau has provided to you all relevant information and access as agreed in the terms of the audit engagement letter.
3. The Bureau has provided you:
- a) Public laws enacted by the Yap State's Legislature pertaining to the Bureau and to the operations of the Bureau as well as minutes of meetings of the Bureau's Board of Directors.
 - b) Financial records and related data for all financial transactions of the Bureau and for all funds administered by the Bureau. The records, books, and accounts, as provided to you, record the financial and fiscal operations of all funds administered by the Bureau and provide the audit trail to be used in a review of accountability. Information presented in financial reports is supported by the books and records from which the financial statements have been prepared.
 - c) Contracts and grant agreements (including amendments, if any) and any other correspondence that has taken place with federal agencies.
 - d) Minutes of the meetings of stockholders, directors, and committees of directors or summaries of actions of recent meetings for which minutes have not yet been prepared. The following is a complete schedule of all Board meetings during fiscal year 2012 and through the date of this letter:

October 28, 2011	April 13, 2012	October 26, 2012
November 30, 2011	May 16, 2012	November 30, 2012
December 30, 2011	June 29, 2012	December 28, 2012
January 12, 2012	July 27, 2012	January 31, 2013
February 10, 2012	August 31, 2012	February 15, 2013
March 8, 2012	September 21, 2012	

4. There has been no:
- a) Action taken by the Bureau's management that contravenes the provisions of Yap State laws and regulations or of contracts and grants applicable to the Bureau.
 - b) Communication from other regulatory agencies concerning noncompliance with or deficiencies in financial reporting practices or other matters that could have a material effect on the financial statements, with the exception of matters contained in the Findings and Questioned Costs section of the Compliance Report for fiscal year 2012.

ATTACHMENT II, CONTINUED

5. We believe the effect of a uncorrected financial statement misstatement detected in the current year that relate to the prior year presented, relating to the underaccrual of payroll and leave liability of \$7,315, when combined with those misstatements aggregated by the other auditors during the prior-year audit engagement and pertaining to the prior year presented, are immaterial, both individually and in the aggregate, to the financial statements for the year ended September 30, 2012 taken as a whole.
6. The Bureau has not performed a formal risk assessment, including the assessment of the risk that the financial statements may be materially misstated as a result of fraud. However, management has made available to you their understanding about the risks of fraud in the Bureau and do not believe that the financial statements are materially misstated as a result of fraud.
7. We have no knowledge of any fraud or suspected fraud affecting the Bureau involving:
 - a) Management
 - b) Employees who have significant roles in the Bureau's internal control over financial reporting
 - c) Others, if the fraud could have a material effect on the financial statements.
8. We have no knowledge of any allegations of fraud or suspected fraud affecting the Bureau received in communications from employees, former employees, analysts, regulators, or others.
9. There are no unasserted claims or assessments that are probable of assertion and must be disclosed in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 450, *Contingencies*. Additionally, we did not consult with an attorney during the year ended September 30, 2012 to the date of this letter.
10. Significant assumptions used by us in making accounting estimates are reasonable.
11. Management has identified and disclosed to you all laws and regulations that have a direct and material effect on the determination of financial statements.
12. The accounting policies of the Bureau conform to accounting principles generally accepted in the United States of America as applicable to governmental entities, specifically proprietary funds. Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, requires that proprietary activities apply all applicable GASB pronouncements as well as Statements and Interpretations issued by FASB, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure issued on or before November 30, 1989. The Bureau has implemented GASB 20 and elected not to apply FASB Statements and Interpretations issued after November 30, 1989.

Except where otherwise stated below, immaterial matters less than \$2,980 collectively are not considered to be exceptions that require disclosure for the purpose of the following representations. This amount is not necessarily indicative of amounts that would require adjustment to, or disclosure in, the financial statements.

ATTACHMENT II, CONTINUED

13. There are no transactions that have not been properly recorded in the accounting records underlying the financial statements.
14. The Bureau has no plans or intentions that may affect the carrying value or classification of assets and liabilities.
15. Regarding related parties:
 - a) We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
 - b) To the extent applicable, related parties and all the related-party relationships and transactions, including sales, purchases, loans, transfers, leasing arrangements, and guarantees (written or oral) have been appropriately identified, properly accounted for, and disclosed in the financial statements.
16. In preparing the financial statements in conformity with GAAP, management uses estimates. All estimates have been disclosed in the financial statements for which known information available prior to the issuance of the financial statements indicates that both of the following criteria are met:
 - a) It is at least reasonably possible that the estimate of the effect on the financial statements of a condition, situation, or set of circumstances that existed at the date of the financial statements will change in the near term due to one or more future confirming events.
 - b) The effect of the change would be material to the financial statements.
17. There are no:
 - a) Violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.
 - b) Known actual or possible litigation and claims whose effects should be considered and accounted for and disclosed in the financial statements and that have not been disclosed to you.
18. We are responsible for compliance with local, state and federal laws, rules and regulations, including compliance with the requirements of OMB Circular A-133, and provisions of grants and contracts relating to the Bureau's operations. We are responsible for establishing and maintaining the components of internal control relating to our activities in order to achieve the objectives of providing reliable financial reports, effective and efficient operations, and compliance with laws and regulations. Although Yap State Finance has maintenance over the files, the Bureau is responsible for approving transactions over revenues, obligations, expenditures, assets, and liabilities in compliance with the requirements mentioned above.
19. The Bureau 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.

ATTACHMENT II, CONTINUED

19. The Bureau 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.
20. The Bureau has complied with all aspects of contractual agreements that may have an effect on the financial statements in the event of noncompliance.
21. No department or agency of Yap State has reported a material instance of noncompliance to us.
22. Regarding required supplementary information:
 - a) We confirm that we are responsible for the required supplementary information.
 - b) The required supplementary information is measured and presented in accordance with GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments.
 - c) The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period.
23. Management is aware of its requirement to disclose to you whether subsequent to September 30, 2012, any changes in internal control or other factors that might significantly affect internal control, including any corrective action taken by management with regard to reportable conditions (including significant deficiencies and material weaknesses), have occurred. We represent to you that no such changes in internal control or other factors have occurred to the date of this letter.
24. Loan receivables recorded in the financial statements represent valid claims against debtors for loan or reimbursement or other charges arising on or before the balance-sheet date and have been appropriately reduced to their estimated net realizable value. At September 30, 2012, the outstanding loan balance is considered to be fully collectible and as such, no allowance for loan losses is considered to be necessary.
25. The Bureau is exposed to various risks of loss related to torts; theft of; damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Bureau has elected not to purchase commercial insurance from independent third parties for the risks of loss to which it is exposed. No losses have occurred as a result of these risks in any of the past three fiscal years.
26. During the year ended September 30, 2012, we adopted the following pronouncements:
 - GASB Statement No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, which amends Statement No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, and Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, and addresses issues related to measurement of OPEB obligations by certain employers participating in agent multiple-employer OPEB plans.
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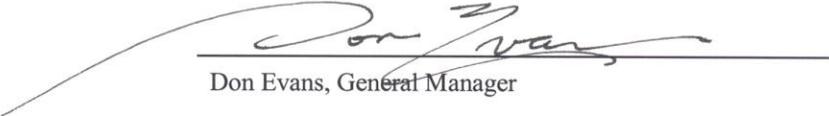
which hedge accounting continues to be applied when a swap counterparty, or a swap counterparty's credit support provider, is replaced.

The implementation of these statements did not have a material effect on the financial statements of the Bureau.

Further, the following pronouncements will be effective subsequent to September 30, 2012:

- In December 2010, GASB issued Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, which addresses how to account for and report service concession arrangements (SCAs), a type of public-private or public-public partnership that state and local governments are increasingly entering into. The provisions of this statement are effective for periods beginning after December 15, 2011. Management does not believe that the implementation of this statement will have a material effect on the financial statements of the Bureau.
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27. No events have occurred after September 30, 2012, but before June 26, 2013, the date the financial statements were issued that require consideration as adjustments to, or disclosures in, the financial statements.



Don Evans, General Manager

cc: Board of Directors

APPENDIX A

**YAP VISITORS BUREAU
SUMMARY OF UNCORRECTED FINANCIAL STATEMENT MISSTATEMENTS
YEAR ENDED SEPTEMBER 30, 2011**

	Assets	Liabilities	Net Assets Beg of Year	Income from Cont. Ops.
	DR (CR)	DR (CR)	DR (CR)	DR (CR)
Understatement of accrued payroll and vacation	-	(7,315)		7,315
	-	(7,315)		7,315