TOLEDO-LUCAS COUNTY CONVENTION AND VISITORS BUREAU, INC. AND AFFILIATE

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2002

Auditor of State
Betty Montgomery

Board of Trustees
Toledo-Lucas County Convention and Visitors Bureau, Inc.
Toledo, Ohio

We have reviewed the Independent Auditor's Report of the Toledo-Lucas County Convention and Visitors Bureau, Inc., Lucas County, prepared by William Vaughan Company, for the audit period January 1, 2002 through December 31, 2002. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Toledo-Lucas County Convention and Visitors Bureau, Inc. is responsible for compliance with these laws and regulations.

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

May 21, 2003

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REPORT OF INDEPENDENT AUDITORS'

Board of Trustees
Toledo-Lucas County Convention and
Visitors Bureau, Inc. and Affiliate
Toledo, Ohio

We have audited the accompanying consolidated balance sheets of Toledo-Lucas County Convention and Visitors Bureau, Inc. and Affiliate (the Bureau) as of December 31, 2002 and 2001 and the related consolidated statements of revenues, expenses, and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Bureau's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Toledo-Lucas County Convention and Visitors Bureau, Inc. and Affiliate at December 31, 2002 and 2001, and the consolidated changes in its net assets and its cash flows for the years then ended 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 March 24, 2003 on our consideration of the Toledo-Lucas County Convention and Visitors Bureau, Inc. and Affiliate's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with "*Government Auditing Standards*" and should be read in conjunction with this report in considering the results of our audit.

William Vaughan Company

March 24, 2003

TOLEDO-LUCAS COUNTY CONVENTION AND VISITORS BUREAU, INC. AND AFFILIATE
CONSOLIDATED BALANCE SHEETS
December 31, 2002 and 2001

ASSETS

	2002	2001
Current assets		
Cash and cash equivalents (Note 1)	$ 2,215,709	$ 1,545,911
Restricted trustee held cash and cash equivalents (Notes 1 and 2)	1,358,867	1,092,116
Receivables:		
Hotel/motel tax receipts	464,933	719,208
Trade and other (net of allowance of $22,620 in 2002 and $4,530 in 2001)	144,100	237,015
Total receivables	609,033	956,223
Prepaid expenses	11,544	22,532
Total current assets	4,195,153	3,616,782
Other assets		
Assets whose use is limited:		
Trustee held investments (Notes 1 and 2)	1,695,437	1,698,228
Unamortized bond discount and financing costs, less accumulated amortization of $184,770 in 2002 and $155,207 in 2001	376,935	406,498
Total other assets	2,072,372	2,104,726
Property and equipment		
Convention center facilities	25,870,403	25,870,403
Equipment (Notes 1 and 5)	3,423,709	4,064,849
Total cost	29,294,112	29,935,252
Less accumulated depreciation	16,980,101	16,745,915
Net property and equipment	12,314,011	13,189,337
Total assets	$ 18,581,536	$ 18,910,845

LIABILITIES AND NET ASSETS

	2002	2001
Current liabilities		
Accounts payable	$ 512,493	$ 166,029
Accrued liabilities:		
Interest	220,614	229,566
Real estate taxes and special assessments	44,384	28,886
Payroll and related taxes	220,055	207,712
Sales tax	498	2,541
Total accrued liabilities	485,551	468,705
Security deposits	96,155	81,916
Deferred revenue	30,809	46,757
Current maturities of long-term debt (Note 2)	827,157	785,821
Current maturities of capital lease obligations (Note 5)	6,489	4,077
Total current liabilities	1,958,654	1,553,305
Long-term debt		
Fixed Rate Special Revenue Refunding Bonds, Series 1996 (Note 2)	15,304,684	16,114,684
Note payable to bank (Note 2)	12,234	29,389
Note payable - noninterest bearing, due October 2010 (Note 2)	753,331	753,331
Capital lease obligations - net of current portion (Note 5)	24,934	7,502
Total long-term debt	16,095,183	16,904,906
Total liabilities	18,053,837	18,458,211
Net assets - unrestricted (Note 7)	527,699	452,634
Total liabilities and net assets	$ 18,581,536	$ 18,910,845

The accompanying notes are an integral part of these financial statements.

TOLEDO-LUCAS COUNTY CONVENTION AND VISITORS BUREAU, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
For the Years Ended December 31, 2002 and 2001

	Unrestricted 2002	Unrestricted 2001
Revenues		
Hotel/motel tax receipts	$ 3,682,109	$ 3,755,568
Lucas County subsidy	147,000	250,000
City of Toledo grant	25,000	50,000
Earnings from sale of exclusive rights	80,000	50,325
Convention facility	1,365,150	1,566,250
Parking, net of expenses (Note 8)	361,881	284,806
Interest	53,546	177,968
Membership dues	63,765	74,043
Cooperative projects	5,025	6,683
SAC subsidy	312,444	442,777
Other	33,308	12,199
Realized gain on sale of investments	21,057	0
Gain on sale of property and equipment	286,439	0
Total revenues	6,436,724	6,670,619
Expenses		
Convention facility costs:		
Payroll and fringe benefits	2,208,881	2,269,125
Utilities	535,400	542,770
Supplies, maintenance and other	281,258	390,958
Security	137,535	201,826
Miscellaneous	62,111	50,555
Total convention facility costs	3,225,185	3,455,234
Professional fees:		
Trustee	3,900	3,900
Legal and accounting	59,620	63,160
Total professional fees	63,520	67,060
Depreciation	1,121,327	1,142,022
Interest and amortization of bond discount and financing costs	954,175	1,003,432
Real estate taxes and special assessments	20,249	24,988
Provision for losses on accounts receivable	18,287	(2,240)
Marketing and advertising	706,641	844,366
Insurance	151,351	124,229
Photography, printing and publications	130,476	69,140
Postage	53,120	54,888
Travel and entertainment	50,584	63,697
Dues, memberships and subscriptions	13,537	12,050
Building and equipment rent	119,685	153,431
Miscellaneous	62,111	50,555
Sales tax expense	8,933	11,275
Less expenses reimbursed by The University of Toledo and other co-tenants	(337,522)	(379,267)
Total expenses	6,361,659	6,694,860
Excess of revenues over expenses (expenses over revenues)	75,065	(24,241)
Net assets at beginning of year	452,634	476,875
Net assets at end of year	$ 527,699	$ 452,634

The accompanying notes are an integral part of these financial statements.

TOLEDO-LUCAS COUNTY CONVENTION AND VISITORS BUREAU, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2002 and 2001

	2002	2001
Cash flows from operating activities		
Excess of revenues over expenses (expenses over revenues)	$ 75,065	$ (24,241)
Adjustments to reconcile excess of revenues over expenses (expenses over revenues) to net cash provided by operating activities:		
Depreciation	1,121,327	1,142,022
Net amortization of bond discount and financing costs	29,563	29,563
Allowance for doubtful accounts	18,090	(4,703)
Gain on sale of property and equipment	(286,439)	0
Realized gain on sale of investments	(21,057)	0
Changes in operating assets and liabilities:		
Accounts receivable	329,099	(298,249)
Prepaid expenses	10,987	(22,532)
Security deposits	14,239	(367)
Deferred revenue	(15,946)	(177,787)
Accounts payable, accrued and other liabilities	363,309	(106,547)
Net cash provided by operating activities	1,638,237	537,159
Cash flows from investing activities		
Purchases of trustee held investments and restricted cash equivalents	(2,813,484)	(2,474,435)
Sales of trustee held investments and restricted cash equivalents	2,565,663	2,596,954
Proceeds from sale of investments obtained through demutualization	4,918	0
Purchases of property and equipment	(223,040)	(47,039)
Proceeds from sales of property and equipment	299,000	0
Net cash provided by (used in) investing activities	(166,943)	75,480
Cash flows from financing activities		
Repayments on long-term debt	(785,819)	(754,595)
Repayments of capital lease obligations	(15,677)	(17,298)
Net cash used in financing activities	(801,496)	(771,893)
Increase in cash	669,798	159,254
Cash and cash equivalents at beginning of year	1,545,911	1,705,165
Cash and cash equivalents at end of year	$ 2,215,709	$ 1,545,911
Supplemental cash flow disclosures:		
Interest paid	$ 923,055	$ 955,228

Supplemental schedule of non-cash capital and related financing activities:

The Organization had non-cash financing transactions relating to the acquisition of equipment of $35,521 in 2002.

The accompanying notes are an integral part of these financial statements.

TOLEDO-LUCAS COUNTY CONVENTION AND VISITORS BUREAU, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2002 and 2001

Note 1 - Significant accounting policies

Basis of consolidation

The accompanying financial statements present the consolidated financial position and results of operations and cash flows of Toledo-Lucas County Convention and Visitors Bureau, Inc. (TLCCVB) and its affiliate, Greater Toledo Convention and Visitors Bureau (GTCVB). TLCCVB is affiliated with GTCVB by virtue of being the sole member of GTCVB, as provided under GTCVB's code of regulations. Consequently, TLCCVB has controlling interest in GTCVB, and is responsible for appointing and removing GTCVB's Board of Trustees. As a result, as required by AICPA Statement of Position Number 94-3, GTCVB's financial statements have been consolidated with TLCCVB's financial statements. The consolidated entity is heretofore called "the Bureau."

Organization

TLCCVB operates the SeaGate Centre (a convention and convocation center) in the City of Toledo. The SeaGate Centre is comprised of two components: (1) a convention facility which is owned by TLCCVB, and (2) convocation space (classrooms and meeting rooms) which is owned by The University of Toledo. GTCVB was established to encourage and promote the utilization of convention, restaurant, hotel, motel and entertainment facilities in Toledo and the surrounding areas. Upon the dissolution of GTCVB, any remaining assets after payment of all obligations will be distributed to the TLCCVB. The Bureau is supported primarily through hotel/motel taxes and subsidies from Lucas County which account for approximately 60% of revenue in both 2002 and 2001.

Basis of presentation

As provided by GASB Staff Paper "Applicability of GASB Standards" and the AICPA Audit and Accounting Guide for Not-For-Profit Organizations, the Bureau is classified as a governmental not-for-profit entity because government officials appoint or approve the appointment of a controlling majority of the Bureau's officers. Consequently, the Bureau is permitted by these guides to continue the application of fund accounting and reporting standards under SOP 78-10, which has been superceded by the AICPA Audit and Accounting Guide *Not-for-Profit Organizations.*

The accounting policies followed by the Bureau under the AICPA Audit and Accounting Guide *Not-for-Profit Organizations*, and the methods of applying those policies which materially affect the determination of financial position, results of operations, and cash flows of general funds are summarized below.

Fund accounting

The accounts of the Bureau are maintained in accordance with the principles of fund accounting. Under fund accounting, resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. Separate accounts are maintained for each fund; however, in the accompanying financial statements the unrestricted fund is used to account for all the Bureau's resources, since the governing board has discretionary control over all such resources.

Note 1 - Significant accounting policies - Continued

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Revenue

A hotel/motel tax of 3% is levied by Lucas County, Ohio and an additional 3% is levied by the City of Toledo; these taxes are collected by the County and distributed as revenue to TLCCVB, restricted for bond interest and debt repayment. The excess of annual hotel/motel tax receipts over debt service payments is distributed to the Organization and can be used for operating purposes. Effective September, 1997, a 1% hotel/motel tax was enacted by Lucas County, Ohio, to be collected by the County and distributed as revenue to GTCVB and is to be used for marketing purposes. In February 1998, the rate was increased to 1 ½% through June, 1998, and 2% thereafter. This revenue is recognized in the period in which the underlying hotel/motel tax revenue is generated. Approximately 58% and 56% of the Bureau's total revenues for 2002 and 2001 were derived from this source. Accounts receivable from this source approximated 76% and 75% of total accounts receivable at December 31, 2002 and 2001, respectively. Accounts receivable from this source are considered to be fully collectible; accordingly, no allowance for uncollectible accounts is required.

Cash and cash equivalents

All highly liquid investments with initial maturities of three months or less are considered to be cash equivalents. Substantially all cash is held at one financial institution. All deposit funds except for $160,000 of $260,000 held in a money market account, are fully insured by pooled collateral.

Furthermore, the Bureau's short-term investments (shown under restricted trustee held cash and cash equivalents on the accompanying Consolidated Balance Sheets) held at one financial institution aggregated to $1,358,867 and $1,092,116 at December 31, 2002 and 2001, respectively. These balances are not insured by the Federal Deposit Insurance Corporation. It is the opinion of management that the solvency of the referenced financial institutions is not of particular concern at this time.

Property and equipment

Property and equipment are recorded at cost or fair value if acquired by donation. Depreciation is computed by the straight-line method based upon estimated useful lives of the assets. Costs incurred to maintain the properties are charged to expense.

Assets whose use is limited

Certain funds are held and controlled by a trustee for the retirement of the outstanding revenue bonds. These assets have been classified as non-current since the fund is to be maintained until the bonds are repaid.

Note 1 - Significant accounting policies - Continued

Investments
The Bureau carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the Consolidated Balance Sheets. Unrealized and realized gains and losses are included in the Consolidated Statements of Revenues, Expenses and Changes in Net Assets.

Intangibles
Intangible assets include bond discount and related bond financing costs and are stated at cost. The bond discount and related bond financing costs are subject to periodic amortization over the life of the related indebtedness on the straight-line basis. Intangibles are evaluated annually to determine if impairment exists. Amortization expense for both years ending December 31, 2002 and 2001 was $29,563.

Grant revenue
Toledo-Lucas County Convention and Visitors Bureau, Inc.'s affiliate, GTCVB, receives a grant from the City of Toledo. Grant revenue is recognized in the period in which the related expenditures are incurred.

Advertising, marketing and promotion
Advertising, marketing and promotion costs are charged to operations when incurred. Advertising, marketing and promotion expense for 2002 and 2001 was $706,641 and $844,366, respectively.

Deferred revenue
Income from membership dues and scheduled events is deferred and recognized over the periods to which the dues and scheduled events relate and take place.

Accounts receivable
The organization carries its accounts receivable at cost. A reserve for uncollectible accounts is determined based on prior history and individual account status.

An account is deemed delinquent at 30 days past due and finance charges at a rate of 1.5% monthly or 18% annually are charged per the policy indicated on every invoice; however, a phone call is made first in an attempt to collect and notify the customer of the finance charges applied. If the account becomes between 60 and 90 days past due, it is sent to a collection organization. In the first phase, which can span another 90 days, 100% can be collected; approximately only half can be collected in the second phase. The third phase is to file suit against the customer.

Income taxes
The Bureau is incorporated under the laws of the State of Ohio as a not-for-profit corporation and is exempt from state and local income taxes. The Internal Revenue Service has determined TLCCVB and GTCVB to be exempt from federal income taxes under Section 501(c)(3) and Section 501(c)(6), respectively, of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. Unrelated business income is immaterial. Accordingly, no provision for federal income taxes has been made in the accompanying consolidated financial statements.

Note 2 - **Long-term debt**

During 1996 the Bureau issued $20,290,000 Fixed Rate Special Revenue Refunding Bonds Series 1996 and refunded the Series 1988 and 1991 Variable Rate Demand Special Revenue Bonds. Accrued interest from October 1985 through September 1991 on the 1991 Variable Rate Demand and Special Revenue bond of $753,331 still exists and is payable in October, 2010.

Interest on the Series 1996 Bonds is payable on April 1 and October 1 of each year, with the interest rates fixed at a rate that is adjusted on an annual basis. The interest rate on the Series 1996 Bonds range from 3.8% - 5.70% through 2015. Annual principal retirements are payable October 1 of each year.

The Bureau has pledged all present and future receipts at the 6% level consisting of the hotel/motel tax receipts and any deposit accounts, along with investment income, held by the trustee for debt service payments on the Series 1996 Bonds. The Bureau agreed, among other things, to not create any debt against pledged receipts and to maintain a reserve fund and a bond fund to provide for payments relating to principal and interest on the bonds.

The funds held by the trustee under the bond indenture agreements consist of cash and cash equivalents and are classified in the balance sheets as trustee-held funds.

In 1999, the Bureau borrowed $77,500 from Sky Bank for building improvements. Monthly installments of $1,576, including interest at 8% are due through August 2004.

The Bureau also has a line of credit available for $100,000 at an interest rate of 1% over the prime rate. This line of credit is renewable every four years and is up for renewal in October, 2005. No balance is owed on this line of credit at December 31, 2002 or 2001.

Maturities of long-term debt are as follows:

Year Ending December 31,		Amount
2003		$ 827,157
2004		857,233
2005		890,000
2006		930,000
2007		980,000
Thereafter		12,413,016
	Total	$ 16,897,406

Note 3 - **Related party transactions**

The Bureau, under an operating lease agreement, leases the land of the convention center site from the Lucas County Commissioners for a nominal annual fee. Representatives of Lucas County are presently serving as Trustees of the Bureau.

The Bureau retains a law firm of which a Trustee of the Bureau is a partner. The Bureau incurred fees from this firm amounting to $36,293 and $19,802 in 2002 and 2001, respectively.

Note 4 - Pension plan

The Bureau has a defined contribution retirement plan for all eligible employees, created under the authority of a resolution of the governing board. Under the provisions of the three plans, the TLCCVB salaried employees' retirement plan, the TLCCVB hourly employees' retirement plan and the GTCVB 401(k) plan, the Bureau contributes an amount equal to 4% of employees' compensation. In addition, the Bureau makes a matching contribution at a rate of 75% of employee contributions up to a maximum of 1% of gross salary. Employee contributions to the plans during 2002 and 2001 were $69,872 and $78,287, respectively. Pension expense for 2002 and 2001 was $75,358 and $60,721, respectively.

Note 5 - Leasing transactions

The Bureau leases certain setup equipment and meeting room space from the University of Toledo on an as needed basis. Rentals during 2002 and 2001 were $119,685 and $154,049, respectively.

The Bureau also leases certain equipment under capital leases. The annual payments on the $350,000 obligation are funded through receipts of cash from various advertising, parking receipts and other sponsors. The advertising sponsors are contractually obligated to support the obligation for $350,000 of certain leased equipment through 2001. Advance annual payments made through 2001 ranged from $89,000 to $10,000 per year including interest at 14.70%. This equipment was fully paid for and fully depreciated and sold during 2002.

Other equipment leased under capital leases include garage equipment and a copier. The garage equipment lease required monthly payments of $971, including interest at 14.58% through April 2001. The copier lease was rolled into a new lease that extends through April, 2007 and requires monthly payments of $695 including interest at 6.5%. The equipment under capital lease obligations is included in property and equipment at December 31, 2002 and 2001 as follows:

	2002	2001
Equipment	$ 75,920	$ 407,424
Less accumulated amortization	42,703	383,329
Net equipment	$ 33,217	$ 24,095

Future minimum payments, by year and in the aggregate, under the capitalized leases consist of the following:

Year Ending December 31,	Amount
2003	$ 8,340
2004	8,340
2005	8,340
2006	8,340
2007	2,780
Total minimum lease payments	36,140
Less amount representing interest	4,717
Present value of minimum lease payments	31,423
Less current portion	6,489
Long-term portion	$ 24,934

Note 6 - Management agreement

The Bureau entered into a management agreement late in 2001 with the Board of Lucas County Commissioners to manage Lucas County owned parking lots for an annual fee that increases 4% every year through 2011, the fee is to be received by March 1st. The fee is being paid to the Bureau to cover all costs including labor, repair and maintenance, taxes and utilities of the lots. The parking receipts from these lots are to replace the receipts from the lots lost for construction of a new ball park. Stated in the agreement is a clause that if net parking receipts are less than \$50,000 annually, then the owner will pay the balance up to \$50,000 to the Bureau. Conversely, if net parking receipts exceed \$50,000, the first \$15,000 will be kept by the manager for a restricted capital reserve account for the lots. Any excess over the \$15,000 will be allocated 40% to the Bureau, and 60% to the owner. Net parking receipts for 2002 and 2001 were \$59,303 and \$14,156, respectively. Management income for 2002 and 2001 was \$70,000 and \$11,667, respectively, and is included in the Consolidated Statements of Revenues, Expenses and Changes in Net Assets in parking, net of expenses.

Note 7 - Board designated funds

The governing board has designated certain funds for capital improvements and expansion, and future debt payments related to the outstanding interest owed on the 1991 Variable Rate Demand and Special Revenue bond of \$753,331. Both amounts are included in cash and cash equivalents on the Consolidated Balance Sheets. The amount designated for capital improvements and expansion was \$260,000 and \$0 in 2002 and 2001, respectively. The amount designated for the repayment of the outstanding interest owed on the 1991 Variable Rate Demand and Special Revenue bond was \$160,222 and \$83,165 in 2002 and 2001, respectively.

Note 8 - Parking revenue

Revenue from parking lots and the garage managed is shown net of expenses on the Consolidated Statements of Revenues, Expenses, and Changes in Net Assets. Gross revenues were \$726,172 and \$593,336 in 2002 and 2001, respectively. Total expenses were \$361,881 and \$284,806 in 2002 and 2001, respectively. Net parking revenue amounted to \$364,291 and \$308,530 in 2002 and 2001, respectively.

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Trustees
Toledo-Lucas County Convention and
Visitors Bureau, Inc. and Affiliate
Toledo, Ohio

We have audited the financial statements of Toledo-Lucas County Convention and Visitors Bureau, Inc. and Affiliate, (the Bureau) as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated March 24, 2003. We conducted our audits 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.

Compliance
As part of obtaining reasonable assurance about whether the Bureau's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under "*Government Auditing Standards*."

Internal Control over Financial Reporting
In planning and performing our audit, we considered the Bureau's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Trustees, management and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

William Vaughan Company

March 24, 2003

Auditor of State
Betty Montgomery

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TOLEDO-LUCAS COUNTY CONVENTION BUREAU, INC.

LUCAS COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JUNE 3, 2003