

**TOLEDO-LUCAS COUNTY CONVENTION  
AND VISITORS BUREAU, INC.  
A COMPONENT UNIT OF THE COUNTY OF  
LUCAS, OHIO**

**AUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2013**





# Dave Yost • Auditor of State

Board of Trustees  
Toledo-Lucas County Convention and Visitors Bureau, Inc.  
401 Jefferson Avenue  
Toledo, Ohio 43604

We have reviewed the *Independent Auditor's Report* of the Toledo-Lucas County Convention and Visitors Bureau, Inc., Lucas County, prepared by Weber O'Brien Ltd., for the audit period January 1, 2013 through December 31, 2013. 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.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

June 10, 2014

**This page intentionally left blank.**

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

**AUDITED FINANCIAL STATEMENTS**

**TABLE OF CONTENTS**

|                                                                                                                                                                                                                           |                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| <b>Independent Auditor's Report</b>                                                                                                                                                                                       | <b>1 - 3</b>   |
| <b>Management's Discussion and Analysis</b>                                                                                                                                                                               | <b>4 - 8</b>   |
| <b>Statement of Net Position</b>                                                                                                                                                                                          | <b>9</b>       |
| <b>Statement of Revenues, Expenses and Changes in Net Position</b>                                                                                                                                                        | <b>10</b>      |
| <b>Statement of Cash Flows</b>                                                                                                                                                                                            | <b>11 - 12</b> |
| <b>Notes to the Financial Statements</b>                                                                                                                                                                                  | <b>13 - 22</b> |
| <b>Combining Statement of TLCCVB Net Position</b>                                                                                                                                                                         | <b>23</b>      |
| <b>Combining Statement of TLCCVB Revenues, Expenses and Changes in Net Position</b>                                                                                                                                       | <b>24</b>      |
| <b>Combining Statement of TLCCVB Cash Flows</b>                                                                                                                                                                           | <b>25 - 26</b> |
| <b>Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards</b> | <b>27 - 28</b> |



## INDEPENDENT AUDITOR'S REPORT

The Board of Trustees  
Toledo-Lucas County Convention and Visitors Bureau, Inc.  
Toledo, Ohio 43604

### Report on Financial Statements

We have audited the accompanying financial statements of the Toledo-Lucas County Convention and Visitors Bureau, Inc., a component unit of the County of Lucas, Ohio, and of its discretely presented component unit, Destination Toledo, Inc. (collectively the "Organization") as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements as listed in the table of contents.

### 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 opinions 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 the 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 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 opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Toledo-Lucas County Convention and Visitors Bureau, Inc. and of its discretely presented component unit as of December 31, 2013, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 - 8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental 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 have 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.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Organization's basic financial statements. The supplementary information on pages 23 - 26 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying

accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated May 21, 2014, on our consideration of the Organization'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.



May 21, 2014



**TOLEDO LUCAS COUNTY CONVENTION AND VISITORS BUREAU, INC.,  
A COMPONENT UNIT OF THE COUNTY OF LUCAS, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ended December 31, 2013**

The following Management Discussion and Analysis (MD&A) provides a summary overview of the financial performance of the Toledo Lucas County Convention and Visitors Bureau, Inc., a component unit of the County of Lucas, Ohio (herein referred to as the TLCCVB) and its discretely presented component unit, Destination Toledo, Inc. (herein referred to as DT) (collectively called the Organization) for the year ended December 31, 2013. This information in the MD&A should be read in conjunction with the Organization's financial statements and corresponding notes to the financial statements.

**Financial Highlights**

- The Huntington Center hosted 13 concerts including 7 sold out shows, 8 family shows, 8 sports & entertainment events and 37 Walleye games.
- The SeaGate Centre hosted 15 banquets, 23 consumer shows, 33 conventions, 10 family shows, 6 sporting events and numerous meetings.
- Assets exceeded liabilities for the Organization by \$3,950,796 as of December 31, 2013.
- Current assets decreased by \$952,783 and current liabilities decreased by \$365,929 for the Organization over prior year.

**Overview of the Financial Statements**

The Organization's financial statements are prepared on the accrual basis in accordance with generally accepted accounting principles promulgated by the Governmental Accounting Standard Board (GASB). Under GASB Statement No. 14, the County of Lucas, Ohio is defined as a "primary government" and TLCCVB is considered a component unit of the primary government. TLCCVB is defined as a "primary government", the DT is considered a discretely presented component unit of the primary government; both entities utilize enterprise fund accounting.

The basic financial statements of the Organization together with the notes, which are essential to a full understanding of the data contained in the financial statements, are the following:

- Statement of Net Position - This statement presents information on all the Organization's assets, liabilities and deferred inflows and outflows, with the difference reported as net position.
- Statement of Revenues, Expenses, and Changes in Net Position - This statement shows how the Organization's net position has changed during the most recent year. Revenue is reported generally when earned, and expenses are reported when incurred.

**TOLEDO LUCAS COUNTY CONVENTION AND VISITORS BUREAU, INC.,  
A COMPONENT UNIT OF THE COUNTY OF LUCAS, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ended December 31, 2013**

- Statement of Cash Flows - This statement reports cash and cash equivalent activities for the fiscal year resulting from operating, capital and related financing activities, and investing activities.
- The notes to the financial statements provide additional information that is essential to a full understanding of the financial statements.

**Financial Analysis of the Organization's Net Position and Revenues, Expenses and Changes in Net Position**

The tables below provide a summary of the Organization's financial position and operations for 2013 and 2012, respectively. Certain amounts may vary slightly due to differences caused by rounding to thousands.

**Condensed Statements of Net Position  
December 31,  
(Amounts in Thousands)**

|                            | <u>2013</u> | <u>TLCCVB</u><br><u>2012</u> | <u>Change</u>  | <u>2013</u> | <u>DT</u><br><u>2012</u> | <u>Change</u> |
|----------------------------|-------------|------------------------------|----------------|-------------|--------------------------|---------------|
| Current Assets             | \$4,624     | \$5,623                      | (\$ 999)       | \$193       | \$147                    | \$46          |
| Capital Assets, Net        | 2,873       | 1,897                        | 976            | 18          | 13                       | 5             |
| Other                      | <u>235</u>  | <u>235</u>                   | <u>-0-</u>     | <u>-0-</u>  | <u>-0-</u>               | <u>-0-</u>    |
| Total Assets               | 7,732       | 7,755                        | ( 23)          | 211         | 160                      | 51            |
| Current Liabilities        | 3,270       | 3,641                        | ( 371)         | 63          | 58                       | 5             |
| Long Term Liabilities, Net | <u>659</u>  | <u>871</u>                   | <u>( 212)</u>  | <u>-0-</u>  | <u>-0-</u>               | <u>-0-</u>    |
| Total Liabilities          | 3,929       | 4,512                        | ( 583)         | 63          | 58                       | 5             |
| Invested in Capital Assets | 2,124       | 946                          | 1,178          | 18          | 13                       | 5             |
| Temporarily Restricted     | 1,116       | 593                          | 523            | -0-         | -0-                      | -0-           |
| Unrestricted               | <u>563</u>  | <u>1,704</u>                 | <u>(1,141)</u> | <u>130</u>  | <u>89</u>                | <u>41</u>     |
| Total Net Position         | \$3,803     | \$3,243                      | \$ 560         | \$148       | \$102                    | \$46          |

During 2013, net position increased by \$559,404 for TLCCVB and by \$45,872 for DT. The majority of these changes related to the TLCCVB and were due to the following:

- Current assets decreased \$998,415 due to a decrease in cash and receivables.
- Capital assets increased due to significant asset purchases.
- Current liabilities decreased by \$370,784 due to less accrued payroll and payroll taxes and advance ticket sales)
- Long term debt decreased due to extra principal payments being made.

**TOLEDO LUCAS COUNTY CONVENTION AND VISITORS BUREAU, INC.,  
A COMPONENT UNIT OF THE COUNTY OF LUCAS, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ended December 31, 2013**

The following table summarizes the changes in revenues and expenses for the Organization between 2013 and 2012:

**Condensed Statements of Revenues, Expenses, and Changes in Net Position  
Years ended December 31  
(Amounts in Thousands)**

|                                                | <u>2013</u>  | <u>TLCCVB</u><br><u>2012</u> | <u>Change</u> | <u>2013</u> | <u>DT</u><br><u>2012</u> | <u>Change</u> |
|------------------------------------------------|--------------|------------------------------|---------------|-------------|--------------------------|---------------|
| <b><u>Operating Revenues</u></b>               |              |                              |               |             |                          |               |
| Event Revenue                                  | \$2,173      | \$3,164                      | (\$ 991)      | \$ -0-      | \$ -0-                   | \$ -0-        |
| Parking                                        | 554          | 594                          | 40            | -0-         | -0-                      | -0-           |
| Lucas County Subsidy                           | 1,009        | 1,797                        | ( 788)        | 854         | 678                      | 176           |
| Other                                          | <u>2,456</u> | <u>1,800</u>                 | <u>656</u>    | <u>62</u>   | <u>69</u>                | <u>( 7)</u>   |
| Total Operating Revenue                        | 6,192        | 7,355                        | (1,163)       | 916         | 747                      | 169           |
| <b><u>Operating Expenses</u></b>               |              |                              |               |             |                          |               |
| Payroll and benefits                           | 2,137        | 2,485                        | ( 348)        | 471         | 444                      | 27            |
| Contracted services                            | 1,179        | 1,290                        | ( 111)        | 24          | 26                       | ( 2)          |
| Marketing/ Advertising                         | 51           | 32                           | 19            | 192         | 139                      | 53            |
| Utilities                                      | 602          | 566                          | 36            | 4           | 4                        | -0-           |
| Supplies                                       | 894          | 783                          | 111           | 5           | 4                        | 1             |
| Insurance                                      | 166          | 149                          | 17            | 2           | 2                        | -0-           |
| Other                                          | <u>325</u>   | <u>352</u>                   | <u>( 27)</u>  | <u>165</u>  | <u>156</u>               | <u>9</u>      |
| Total Operating Expense                        | <u>5,354</u> | <u>5,657</u>                 | <u>( 303)</u> | <u>863</u>  | <u>775</u>               | <u>88</u>     |
| Operating Income (Loss)<br>before Depreciation | 838          | 1,698                        | ( 860)        | 53          | ( 28)                    | 81            |
| Depreciation                                   | <u>214</u>   | <u>147</u>                   | <u>67</u>     | <u>7</u>    | <u>3</u>                 | <u>4</u>      |
| Operating Income (Loss)<br>after Depreciation  | 624          | 1,551                        | ( 927)        | 46          | ( 31)                    | 77            |
| <b><u>Non-Operating</u></b>                    |              |                              |               |             |                          |               |
| Other                                          | <u>( 65)</u> | <u>( 69)</u>                 | <u>( 4)</u>   | <u>-0-</u>  | <u>-0-</u>               | <u>-0-</u>    |
| Total Non-operating                            | <u>( 65)</u> | <u>( 69)</u>                 | <u>( 4)</u>   | <u>-0-</u>  | <u>-0-</u>               | <u>-0-</u>    |
| Net Change in Net Position                     | \$ 559       | \$1,482                      | (\$ 923)      | \$ 46       | (\$ 31)                  | \$ 77         |

Operating revenues include subsidies provided by the County to fund operations and capital improvements. The amount of subsidies received by TLCCVB was \$1,009,123 and by DT was \$854,348 for the year ended December 31, 2013. The remaining revenues largely come from related event revenues.

- TLCCVB event income decreased by \$990,626 in 2013 due to fewer events held at the Huntington Center.

**TOLEDO LUCAS COUNTY CONVENTION AND VISITORS BUREAU, INC.,  
A COMPONENT UNIT OF THE COUNTY OF LUCAS, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ended December 31, 2013**

- Parking income for the TLCCVB continues to increase resulting principally from the increase in attendance at events and other downtown activities. Other income increased due to the recognition of revenue from deferred capital investments, and a full year of guaranteed profit from the Food and Beverage operations.

**Operating expenses**

- Utilities increased for the TLCCVB by \$36,063 over 2012.
- Payroll and fringe benefits decreased for the TLCCVB by \$348,322 due to fewer events.
- Advertising cost for DT increased due to the change in direction by DT.
- Supplies increased by \$111,104 due to more production related expenses for events and additional maintenance expenses.
- Contracted services decreased due to less security, stagehand, and usher expenses due to fewer events.

**Capital Assets**

At the end of 2013, the TLCCVB had \$2,872,568 (net of accumulated depreciation) invested in capital assets. The net investment in capital assets increased by \$975,229 during 2013. Current year depreciation expense was \$213,964. Additions to capital assets were \$1,189,193 including a kitchen remodel at the Huntington Center and concession stands remodel and marquee replacement at the SeaGate Centre. Capital asset acquisitions are capitalized at cost and depreciated using the straight-line method, based upon estimated useful lives of the assets.

DT capital assets increased by \$5,095 due to new software purchased.

**Debt Administration**

At December 31, 2013 the Organization had total long-term debt outstanding after one year of \$659,154 compared to \$870,960 at December 31, 2012. Extra payments on the balance due to Huntington Bank are being made as funds are available.

**Total Outstanding Debt at December 31,  
(In Thousands)**

|               | <u>2013</u> | <u>2012</u> | <u>Change</u> |
|---------------|-------------|-------------|---------------|
| Notes Payable | \$749       | \$951       | (\$202)       |

**Economic Factors**

Economic factors have impacted the convention and travel industry nationwide. This is true in Toledo/Lucas County as well. Convention attendance, as well as bookings also decreased during this period of time. This caused a decline in event revenue. The good

**TOLEDO LUCAS COUNTY CONVENTION AND VISITORS BUREAU, INC.,  
A COMPONENT UNIT OF THE COUNTY OF LUCAS, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ended December 31, 2013**

news was that over the past several years the hotel/motel market and booking began to improve. Bookings continued to rebound in 2013 and we are experiencing the continuation of this trend for the 1<sup>st</sup> quarter of 2014 and are optimistic that it will continue throughout the year. The operations of the Huntington Center continue to be strong as well as are ticket sales for the events. The SeaGate Centre has seen an increase in attendance at all types of events and bookings.

**Contacting the Organization's Financial Management**

This financial report is designed to provide a general overview of the Organization's finance for all interested parties. Questions and requests for additional information regarding this report should be addressed to the Finance Director, Toledo Lucas County Convention and Visitor's Bureau, Inc., 401 Jefferson Avenue, Toledo, Ohio 43604.

TOLEDO-LUCAS COUNTY CONVENTION AND VISTORS BUREAU, INC.  
A COMPONENT UNIT OF THE COUNTY OF LUCAS, OHIO  
STATEMENT OF NET POSITION  
December 31, 2013

|                                                   | <u>Toledo-Lucas<br/>County Convention<br/>and Visitors Bureau, Inc.</u> | <u>Discretely Presented<br/>Component Unit<br/>Destination Toledo, Inc.</u> |
|---------------------------------------------------|-------------------------------------------------------------------------|-----------------------------------------------------------------------------|
| <b>ASSETS</b>                                     |                                                                         |                                                                             |
| <b>CURRENT ASSETS</b>                             |                                                                         |                                                                             |
| Cash and cash equivalents                         | \$ 3,683,186                                                            | \$ 182,328                                                                  |
| Accounts receivable                               |                                                                         |                                                                             |
| Trade, net of \$12,430 and \$-0-, respectively    | 522,649                                                                 | 10,726                                                                      |
| Sponsorship receivable                            | 353,483                                                                 | -0-                                                                         |
| Prepaid expenses                                  | 65,118                                                                  | -0-                                                                         |
| <b>Total Current Assets</b>                       | 4,624,436                                                               | 193,054                                                                     |
| <b>CAPITAL ASSETS</b>                             |                                                                         |                                                                             |
| Parking rights                                    | 1,175,000                                                               | -0-                                                                         |
| Depreciable capital assets, net                   | 1,697,568                                                               | 18,227                                                                      |
| <b>Total Capital Assets</b>                       | 2,872,568                                                               | 18,227                                                                      |
| <b>OTHER ASSETS - restricted cash</b>             | 235,000                                                                 | -0-                                                                         |
| <b>Total Assets</b>                               | 7,732,004                                                               | 211,281                                                                     |
| <b>LIABILITIES</b>                                |                                                                         |                                                                             |
| <b>CURRENT LIABILITIES</b>                        |                                                                         |                                                                             |
| Accounts payable - trade                          | 572,258                                                                 | 5,665                                                                       |
| Accounts payable - Lucas County                   | 18,530                                                                  | -0-                                                                         |
| Current portion long term liabilities             | 89,597                                                                  | -0-                                                                         |
| Accrued payroll and payroll taxes                 | 220,182                                                                 | 28,253                                                                      |
| Accrued real estate taxes and special assessments | 39,867                                                                  | -0-                                                                         |
| Other accrued liabilities                         | 12,333                                                                  | -0-                                                                         |
| Advance ticket sales                              | 998,568                                                                 | -0-                                                                         |
| Unearned revenue                                  | 1,248,525                                                               | 29,514                                                                      |
| Security deposits                                 | 70,043                                                                  | -0-                                                                         |
| <b>Total Current Liabilities</b>                  | 3,269,903                                                               | 63,432                                                                      |
| <b>LONG TERM LIABILITIES</b>                      |                                                                         |                                                                             |
| Notes payable to bank                             | 748,751                                                                 | -0-                                                                         |
| Less: Current portion                             | ( 89,597)                                                               | -0-                                                                         |
| <b>Net Long Term Liabilities</b>                  | 659,154                                                                 | -0-                                                                         |
| <b>Total Liabilities</b>                          | 3,929,057                                                               | 63,432                                                                      |
| <b>NET POSITION:</b>                              |                                                                         |                                                                             |
| Invested in capital assets, net of related debt   | 2,123,817                                                               | 18,227                                                                      |
| Restricted for capital improvements               | 997,471                                                                 | -0-                                                                         |
| Restricted for advertising                        | 118,206                                                                 | -0-                                                                         |
| Unrestricted                                      | 563,453                                                                 | 129,622                                                                     |
| <b>TOTAL NET POSITION</b>                         | \$ 3,802,947                                                            | \$ 147,849                                                                  |

**"The Accompanying Notes are an Integral  
Part of These Financial Statements"**

TOLEDO-LUCAS COUNTY CONVENTION AND VISITORS BUREAU, INC.  
A COMPONENT UNIT OF THE COUNTY OF LUCAS, OHIO  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
Year Ended December 31, 2013

|                                                              | <u>Toledo-Lucas<br/>County Convention<br/>and Visitors Bureau, Inc.</u> | <u>Discretely Presented<br/>Component Unit<br/>Destination Toledo, Inc.</u> |
|--------------------------------------------------------------|-------------------------------------------------------------------------|-----------------------------------------------------------------------------|
| <b>OPERATING REVENUES</b>                                    |                                                                         |                                                                             |
| Event revenue                                                | \$ 2,173,368                                                            | \$ -0-                                                                      |
| Other ticketing and sponsorship revenue                      | 668,213                                                                 | -0-                                                                         |
| Parking, net of expenses of \$113,195                        | 553,957                                                                 | -0-                                                                         |
| Food & beverage                                              | 1,167,085                                                               | -0-                                                                         |
| Lucas County subsidy                                         | 1,009,123                                                               | 854,348                                                                     |
| Membership dues                                              | -0-                                                                     | 58,641                                                                      |
| Other                                                        | <u>620,977</u>                                                          | <u>3,709</u>                                                                |
| <b>Total Operating Revenues</b>                              | 6,192,723                                                               | 916,698                                                                     |
| <b>OPERATING EXPENSES</b>                                    |                                                                         |                                                                             |
| Payroll and fringe benefits                                  | 2,136,736                                                               | 471,131                                                                     |
| Utilities                                                    | 601,796                                                                 | 3,606                                                                       |
| Supplies, maintenance and other                              | 894,155                                                                 | 5,246                                                                       |
| Contracted services                                          | 1,179,122                                                               | 24,505                                                                      |
| Miscellaneous                                                | 114,329                                                                 | 26,349                                                                      |
| Building and equipment rent                                  | 25,816                                                                  | 11,335                                                                      |
| Insurance                                                    | 165,878                                                                 | 2,000                                                                       |
| Marketing and advertising                                    | 50,974                                                                  | 191,565                                                                     |
| Legal and accounting                                         | 94,093                                                                  | 22,495                                                                      |
| Real estate taxes and special assessments                    | 38,666                                                                  | -0-                                                                         |
| Travel and entertainment                                     | 22,175                                                                  | 49,624                                                                      |
| Dues, memberships and subscriptions                          | 15,321                                                                  | 7,408                                                                       |
| Provision for losses on accounts receivable                  | 12,518                                                                  | 9,805                                                                       |
| Postage                                                      | 2,615                                                                   | 5,287                                                                       |
| Photography, printing and publications                       | <u>-0-</u>                                                              | <u>33,165</u>                                                               |
| <b>Total Operating Expenses</b>                              | 5,354,194                                                               | 863,521                                                                     |
| <b>Operating Income before Depreciation and Amortization</b> | 838,529                                                                 | 53,177                                                                      |
| Depreciation and Amortization                                | <u>213,964</u>                                                          | <u>7,305</u>                                                                |
| <b>Operating Income</b>                                      | 624,565                                                                 | 45,872                                                                      |
| <b>NONOPERATING REVENUES (EXPENSES)</b>                      |                                                                         |                                                                             |
| Interest and finance costs                                   | ( 65,290)                                                               | -0-                                                                         |
| Interest income                                              | <u>129</u>                                                              | <u>-0-</u>                                                                  |
| <b>Net Nonoperating Revenues (Expenses)</b>                  | <u>( 65,161)</u>                                                        | <u>-0-</u>                                                                  |
| <b>CHANGE IN NET POSITION</b>                                | 559,404                                                                 | 45,872                                                                      |
| <b>NET POSITION - BEGINNING</b>                              | <u>3,243,543</u>                                                        | <u>101,977</u>                                                              |
| <b>NET POSITION - ENDING</b>                                 | <u>\$ 3,802,947</u>                                                     | <u>\$ 147,849</u>                                                           |

"The Accompanying Notes are an Integral  
Part of These Financial Statements"

**TOLEDO - LUCAS COUNTY CONVENTION AND VISITORS BUREAU, INC.**  
**A COMPONENT UNIT OF THE COUNTY OF LUCAS, OHIO**  
**STATEMENT OF CASH FLOWS**  
**Year Ended December 31, 2013**

|                                                                      | <u>Toledo-Lucas<br/>County Convention<br/>and Visitors Bureau, Inc.</u> | <u>Discretely Presented<br/>Component Unit<br/>Destination Toledo, Inc.</u> |
|----------------------------------------------------------------------|-------------------------------------------------------------------------|-----------------------------------------------------------------------------|
| <b>CASH FLOWS FROM OPERATIONS</b>                                    |                                                                         |                                                                             |
| Cash received from customers, contributions and subsidies            | \$ 6,135,931                                                            | \$ 916,371                                                                  |
| Cash payments to suppliers for goods and services                    | ( 3,205,285)                                                            | ( 389,508)                                                                  |
| Cash payments to employees for services                              | ( 2,189,699)                                                            | ( 468,163)                                                                  |
| <b>NET CASH PROVIDED BY OPERATIONS</b>                               | <b>740,947</b>                                                          | <b>58,700</b>                                                               |
| <b>CASH FLOWS FROM CAPITAL AND<br/>RELATED FINANCING ACTIVITIES</b>  |                                                                         |                                                                             |
| Purchases of capital assets                                          | ( 1,189,193)                                                            | ( 12,400)                                                                   |
| Repayment of long term debt                                          | ( 202,477)                                                              | -0-                                                                         |
| Interest paid                                                        | ( 65,290)                                                               | -0-                                                                         |
| <b>NET CASH USED IN CAPITAL<br/>AND RELATED FINANCING ACTIVITIES</b> | <b>( 1,456,960)</b>                                                     | <b>( 12,400)</b>                                                            |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                          |                                                                         |                                                                             |
| Interest received                                                    | 129                                                                     | -0-                                                                         |
| <b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>                     | <b>129</b>                                                              | <b>-0-</b>                                                                  |
| <b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>              | <b>( 715,884)</b>                                                       | <b>46,300</b>                                                               |
| <b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>                 | <b>4,634,070</b>                                                        | <b>136,028</b>                                                              |
| <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>                       | <b>\$ 3,918,186</b>                                                     | <b>\$ 182,328</b>                                                           |

**"The Accompanying Notes are an Integral  
Part of These Financial Statements"**



TOLEDO-LUCAS COUNTY CONVENTION AND VISITORS BUREAU, INC.  
A COMPONENT UNIT OF THE COUNTY OF LUCAS, OHIO  
STATEMENT OF CASH FLOWS, CONTINUED  
Year Ended December 31, 2013

|                                                                                         | <u>Toledo-Lucas<br/>County Convention<br/>and Visitors Bureau, Inc.</u> |   | <u>Discretely Presented<br/>Component Unit<br/>Destination Toledo, Inc.</u> |
|-----------------------------------------------------------------------------------------|-------------------------------------------------------------------------|---|-----------------------------------------------------------------------------|
| <b>CASH FLOWS FROM OPERATIONS</b>                                                       |                                                                         |   |                                                                             |
| Operating income                                                                        | \$ 624,565                                                              |   | \$ 45,872                                                                   |
| Adjustments to reconcile operating income to net cash provided by operating activities: |                                                                         |   |                                                                             |
| Depreciation and amortization                                                           | 213,964                                                                 |   | 7,305                                                                       |
| Changes in operating assets and liabilities that increase (decrease) cash flows:        |                                                                         |   |                                                                             |
| Accounts receivable                                                                     | 349,490                                                                 | ( | 3,667)                                                                      |
| Sponsorship receivable                                                                  | ( 46,632)                                                               |   | -0-                                                                         |
| Other assets                                                                            | ( 20,327)                                                               |   | 4,335                                                                       |
| Security deposits                                                                       | ( 2,998)                                                                |   | -0-                                                                         |
| Accrued real estate taxes                                                               | 1,792                                                                   |   | -0-                                                                         |
| Accounts payable                                                                        | 40,143                                                                  | ( | 1,453)                                                                      |
| Accrued payroll and payroll taxes                                                       | ( 52,963)                                                               |   | 2,968                                                                       |
| Unearned revenue                                                                        | ( 51,781)                                                               |   | 3,340                                                                       |
| Other accrued liabilities                                                               | ( 314,306)                                                              |   | -0-                                                                         |
| Total adjustments                                                                       | <u>116,382</u>                                                          |   | <u>12,828</u>                                                               |
| <b>NET CASH PROVIDED BY OPERATIONS</b>                                                  | <u>\$ 740,947</u>                                                       |   | <u>\$ 58,700</u>                                                            |

"The Accompanying Notes are an Integral  
Part of These Financial Statements"

**TOLEDO-LUCAS COUNTY CONVENTION AND VISITORS BUREAU, INC.**  
**A COMPONENT UNIT OF THE COUNTY OF LUCAS, OHIO**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2013**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

Toledo-Lucas County Convention and Visitors Bureau, Inc. (TLCCVB) operates the SeaGate Centre (a convention center) and Huntington Center (an arena) in the City of Toledo. The accompanying financial statements report all of the accounts of the SeaGate Centre and Huntington Center. The reporting entity is comprised of the TLCCVB and Destination Toledo, Inc. (DT), a component unit, which 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 DT, any remaining assets after payment of all obligations will be distributed to the TLCCVB. The Huntington Center is an 8,000 plus seat multi-purpose arena owned by Lucas County which opened October 2009. TLCCVB and DT are supported primarily through event revenues, private contributions, and Lucas County subsidies.

For financial reporting purposes, the TLCCVB is a component unit of Lucas County as the County appoints the TLCCVB's Board of Trustees and the County is financially accountable for, and provides significant subsidies to, the TLCCVB and its component unit, the DT.

TLCCVB is affiliated with DT by virtue of being the sole member of DT, as provided under DT's code of regulations. Consequently, TLCCVB has controlling interest in DT, and is responsible for appointing and removing DT's Board of Trustees.

The nucleus of the financial reporting entity as defined by the Governmental Accounting Standards Board (GASB) Statement No. 14 is the "primary government." A fundamental characteristic of a primary government is that it is a fiscally independent entity. In evaluating how to define the financial reporting entity, management has considered all potential component units. A component unit is a legally separate entity for which the primary government is financially accountable. The criteria of financial accountability is the ability of the primary government to impose its will upon the potential component unit. Based on these criteria, TLCCVB is determined to be a component unit of Lucas County and DT is determined to be a component unit of TLCCVB.

**Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting, whereby revenues and expenses are recognized in the period earned or incurred. All transactions are accounted for in single enterprise funds.

**TOLEDO-LUCAS COUNTY CONVENTION AND VISITORS BUREAU, INC.**  
**A COMPONENT UNIT OF THE COUNTY OF LUCAS, OHIO**  
**NOTES TO FINANCIAL STATEMENTS, CONTINUED**  
**Year Ended December 31, 2013**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**Basis of Accounting, Continued**

Enterprise funds are used to account for the costs of providing goods and services to the general public on a continuing basis which are financed or recovered primarily through user charges or to report any activity for which a fee is charged to external users for goods or services, regardless of whether the government intends to fully recover the cost of the goods or services provided. The Organization does not meet the above criteria; however, it qualifies for enterprise accounting under the transition rules of GASB 34 whereby it previously reported as a not-for-profit under the American Institute of CPAs not-for-profit model at the date of the GASB 34 statement.

**Measurement Focus**

The enterprise fund is accounted for on a flow of economic resources measurement focus. All assets and liabilities associated with the operation of the Organization are included on the statement of net position. The statement of changes in net position presents increases (i.e., revenue) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the Organization finances and meets the cash flow needs of its enterprise activity.

**Use of Estimates**

The preparation of financial statements in accordance with generally accepted accounting principles requires management 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 from those estimates.

**Cash and Cash Equivalents**

The Organization considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents. Substantially all cash is held at one financial institution.

**Accounts Receivable - Trade**

A reserve for uncollectible accounts is determined based on prior history and individual account status. An account is delinquent at 30 days past due. The Organization does not accrue interest on past due accounts.

**TOLEDO-LUCAS COUNTY CONVENTION AND VISITORS BUREAU, INC.**  
**A COMPONENT UNIT OF THE COUNTY OF LUCAS, OHIO**  
**NOTES TO FINANCIAL STATEMENTS, CONTINUED**  
**Year Ended December 31, 2013**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**Capital Assets**

Capital assets are recorded at cost. Costs that materially add to the productive capacity or extend the life of an asset are capitalized while maintenance and repair costs are expensed as incurred. Contributed assets are stated at fair value at the time of contribution. The TLCCVB and the DT maintain a capitalization threshold of five thousand dollars.

Depreciation is recorded using the straight-line method over the estimated useful lives of the depreciable assets.

Intangible assets with an indefinite life are not amortized. If changes in factors and conditions result in the useful life of an intangible asset no longer being indefinite, the asset should be tested for impairment because a change in the expected duration of use of the asset has occurred.

**Revenues**

Lucas County provides subsidies to the TLCCVB and DT to fund operations. The amount of subsidies received by TLCCVB and DT from the County was approximately \$1,009,100 and \$854,300 respectively, for the year ended December 31, 2013. \$300,000 of TLCCVB's subsidy is restricted for capital expenditures.

**Compensated Absences**

The Organization follows GASB Statement No. 16, *Accounting for Compensated Absences*, which requires that a liability be accrued if it is probable that the employee will be compensated through cash payment upon termination of employment.

**Unearned Revenue**

Income from suite rentals received in advance is recognized over the term of the lease agreement. Preferred seating rights are recognized over the term of the agreement. Sponsorship income received in advance is recognized over the term of the agreement. These revenues are recognized monthly over the term of their agreements using the straight line method. Capital contributions from the food and beverage manager and facilities management company are recognized as revenue when spent. Ticket incentives pertain to scheduled events and are recognized over the period when the scheduled events take place. Other unearned revenue for DT consists of membership dues which are recognized over the period to which the dues relate.

**TOLEDO-LUCAS COUNTY CONVENTION AND VISITORS BUREAU, INC.**  
**A COMPONENT UNIT OF THE COUNTY OF LUCAS, OHIO**  
**NOTES TO FINANCIAL STATEMENTS, CONTINUED**  
**Year Ended December 31, 2013**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**Income Taxes**

TLCCVB and DT are both incorporated under the laws of the State of Ohio as not-for-profit corporations and are exempt from state and local income taxes. The Internal Revenue Service has determined TLCCVB and DT 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 their tax-exempt purpose may be subject to taxation as unrelated business income. TLCCVB and DT believe that they have no liability for unrelated business income and, accordingly, no provision for income taxes has been included in the accompanying financial statements.

Financial Accounting Standards Board Accounting Standard Codification ("ASC") 740-10, "Income Taxes", provides guidance for accounting for uncertainty in income taxes and clarifies how tax benefits for uncertain tax positions are to be recognized, measured, and reported in financial statements and requires certain disclosures of uncertain tax matters. At December 31, 2013, the Organization did not have any unrecognized tax benefits.

It is management's opinion that the Organization is exempt from filing tax returns due to its relationship with Lucas County. The Organization's policy is to classify interest and penalties recognized in connection with income tax matters in interest and finance cost and miscellaneous expense, respectively.

**Net Position**

Net position represents the difference between assets and liabilities. Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets.

Items are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Restricted assets as of December 31, 2013 are \$1,115,677.

The Board of Trustees of the TLCCVB has designated unrestricted net position aggregating \$47,236 for capital improvements and expansions. Such amounts are not restricted, and may be designated for other purposes or eliminated at the discretion of the Board. Unrestricted net position at December 31, 2013 for TLCCVB and DT are \$563,453 and \$129,622, respectively.

**TOLEDO-LUCAS COUNTY CONVENTION AND VISITORS BUREAU, INC.**  
**A COMPONENT UNIT OF THE COUNTY OF LUCAS, OHIO**  
**NOTES TO FINANCIAL STATEMENTS, CONTINUED**  
**Year Ended December 31, 2013**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**Subsequent Events**

Management has evaluated events and transactions from December 31, 2013 through May 21, 2014 for possible recognition or disclosure in these financial statements. This date is the date these financials were available to be issued. Management has concluded that there are no events that require recognition or disclosure.

**NOTE 2 - CASH AND INVESTMENTS**

**Deposits**

Protection of TLCCVB and DT's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the finance director by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution. As a non-profit organization, there are no Ohio Revised Code statutory requirements regarding the investment of funds held by the Organization.

Custodial credit risk for deposits is the risk that in the event of bank failure, TLCCVB and DT will not be able to recover deposits or collateral securities that are in the possession of an outside party. As of December 31, 2013, the carrying amount of TLCCVB and DT's deposits were \$3,918,186 and \$182,328 respectively. At year end, none of TLCCVB's bank balance of \$4,186,921 was exposed to custodial credit risk because they were uninsured and collateralized by the financial institution's collateral pool. At year end, none of DT's bank balance of \$205,443 was exposed to custodial credit risk because it was FDIC insured.

Demand deposits are collateralized at 105 percent of all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities, school districts, and district corporations. Obligations pledged to secure deposits must be delivered to a bank other than the institution in which the deposit is made. Written custodial agreements are required.

**Investments**

In accordance with the investment policy of TLCCVB and DT, authorized investments include: zero coupon treasury notes, zero coupon corporate bonds, certificates of deposit, sweep accounts and FDIC insured savings accounts with maturities less than one year. Neither entity had any investments as of December 31, 2013.

**TOLEDO-LUCAS COUNTY CONVENTION AND VISITORS BUREAU, INC.**  
**A COMPONENT UNIT OF THE COUNTY OF LUCAS, OHIO**  
**NOTES TO FINANCIAL STATEMENTS, CONTINUED**  
**Year Ended December 31, 2013**

**NOTE 3 - PARKING RIGHTS**

During 2007, the Organization purchased the rights to a portion of the parking spaces in the garage for \$1,175,000. The parking rights purchased were recorded as a capital asset in accordance with Governmental Accounting Standards Board (GASB) Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, which establishes standards of accounting and financial reporting for intangible assets. As these rights have an indefinite life, they are not amortized.

**NOTE 4 - CAPITAL ASSETS AND DEPRECIATION**

Capital asset activity for the year ended December 31, 2013 is as follows:

| <u>TLCCVB</u>                                           | Balance at<br>January 1,<br><u>2013</u> | <u>Additions</u> | <u>Dispositions</u> | Balance at<br>December 31,<br><u>2013</u> |
|---------------------------------------------------------|-----------------------------------------|------------------|---------------------|-------------------------------------------|
| Historical Cost:                                        |                                         |                  |                     |                                           |
| Parking Rights                                          | \$1,175,000                             | \$ -0-           | \$-0-               | \$1,175,000                               |
| Depreciable Capital Assets                              |                                         |                  |                     |                                           |
| Building Improvements                                   | 1,258,835                               | 668,397          | -0-                 | 1,927,232                                 |
| Furniture and Fixtures                                  | 72,070                                  | 197,699          | -0-                 | 269,769                                   |
| Machinery and Equipment                                 | 133,387                                 | 323,097          | -0-                 | 456,484                                   |
| Computer Equipment                                      | 44,018                                  | -0-              | -0-                 | 44,018                                    |
| Other Capital Assets                                    | <u>2,683</u>                            | <u>-0-</u>       | <u>-0-</u>          | <u>2,683</u>                              |
| Total Historical Cost                                   | 2,685,993                               | 1,189,193        | -0-                 | 3,875,186                                 |
| Accumulated Depreciation:                               |                                         |                  |                     |                                           |
| Building Improvements                                   | 631,124                                 | 130,749          | -0-                 | 761,873                                   |
| Furniture and Fixtures                                  | 38,808                                  | 37,163           | -0-                 | 75,971                                    |
| Machinery and Equipment                                 | 97,473                                  | 35,906           | -0-                 | 133,379                                   |
| Computer Equipment                                      | 18,777                                  | 9,936            | -0-                 | 28,713                                    |
| Other Capital Assets                                    | <u>2,472</u>                            | <u>210</u>       | <u>-0-</u>          | <u>2,682</u>                              |
| Total Accumulated<br>Depreciation                       | <u>788,654</u>                          | <u>213,964</u>   | <u>-0-</u>          | <u>1,002,618</u>                          |
| Capital Assets, Net                                     | <u>\$1,897,339</u>                      | <u>\$975,229</u> | <u>\$-0-</u>        | <u>\$2,872,568</u>                        |
| Depreciation Expense Charged<br>to Operating Activities |                                         | <u>\$213,964</u> |                     |                                           |

**TOLEDO-LUCAS COUNTY CONVENTION AND VISITORS BUREAU, INC.**  
**A COMPONENT UNIT OF THE COUNTY OF LUCAS, OHIO**  
**NOTES TO FINANCIAL STATEMENTS, CONTINUED**  
**Year Ended December 31, 2013**

**NOTE 4 - CAPITAL ASSETS AND DEPRECIATION, Continued**

| <u>DT</u>                                               | Balance at<br>January 1,<br><u>2013</u> | <u>Additions</u> | <u>Dispositions</u> | Balance at<br>December 31,<br><u>2013</u> |
|---------------------------------------------------------|-----------------------------------------|------------------|---------------------|-------------------------------------------|
| Historical Cost:                                        |                                         |                  |                     |                                           |
| Furniture and Fixtures                                  | \$154,913                               | \$12,400         | \$-0-               | \$167,313                                 |
| Building Improvements                                   | <u>12,201</u>                           | <u>-0-</u>       | <u>-0-</u>          | <u>12,201</u>                             |
| Total Historical Cost                                   | 167,114                                 | 12,400           | -0-                 | 179,514                                   |
| Accumulated Depreciation:                               |                                         |                  |                     |                                           |
| Furniture and Fixtures                                  | 152,983                                 | 4,865            | -0-                 | 157,848                                   |
| Building Improvements                                   | <u>999</u>                              | <u>2,440</u>     | <u>-0-</u>          | <u>3,439</u>                              |
| Total Accumulated<br>Depreciation                       | <u>153,982</u>                          | <u>7,305</u>     | <u>-0-</u>          | <u>161,287</u>                            |
| Capital Assets, Net                                     | <u>\$ 13,132</u>                        | <u>\$ 5,095</u>  | <u>\$-0-</u>        | <u>\$ 18,227</u>                          |
| Depreciation Expense Charged<br>to Operating Activities |                                         | <u>\$ 7,305</u>  |                     |                                           |

**NOTE 5 - NOTES PAYABLE**

Notes outstanding at December 31, 2013 are as follows:

| Notes              | Balance at<br>December 31,<br><u>2012</u> | <u>Additions</u> | <u>Reductions</u> | Balance at<br>December 31,<br><u>2013</u> | Due Within<br><u>One Year</u> |
|--------------------|-------------------------------------------|------------------|-------------------|-------------------------------------------|-------------------------------|
| Payable to<br>Bank | \$951,228                                 | \$ -0-           | \$202,477         | \$748,751                                 | \$89,597                      |

During 2007 TLCCVB entered into a promissory note with Huntington Bank to finance the purchase of the Garage parking rights from a partner. The note was refinanced during 2011 for a term of 5 years with monthly payments of \$7,385 including interest at a rate of 5.5% and a balloon payment at maturity for the remaining principal and interest. The note is due in January 2016. This loan is secured by certain real estate, assignment of rents, and a deposit account aggregating \$235,000 and is shown as restricted cash in the accompanying statement of net position.



**TOLEDO-LUCAS COUNTY CONVENTION AND VISITORS BUREAU, INC.**  
**A COMPONENT UNIT OF THE COUNTY OF LUCAS, OHIO**  
**NOTES TO FINANCIAL STATEMENTS, CONTINUED**  
**Year Ended December 31, 2013**

**NOTE 5 - NOTES PAYABLE, Continued**

During 2009 TLCCVB entered into a promissory note with Huntington Bank to finance the purchase of a chiller to produce air conditioning and reduce utility costs. The chiller project was partially funded by a State of Ohio Grant, with the balance being funded by a favorable interest rate loan, which was secured through Huntington Bank under a "linked deposit program" established by the Ohio Revised Code. The loan requires monthly payments of \$3,337 at an interest rate of 3.50%.

Maturities of notes payable principal and interest are as follows:

| <u>Fiscal Year</u> | <u>Principal</u>        | <u>Interest</u>         |
|--------------------|-------------------------|-------------------------|
| 2014               | \$ 89,597               | \$ 38,502               |
| 2015               | 49,113                  | 32,117                  |
| 2016               | <u>610,041</u>          | <u>2,796</u>            |
| <b>Total</b>       | <b><u>\$748,751</u></b> | <b><u>\$ 73,415</u></b> |

**NOTE 6 - RELATED PARTY TRANSACTIONS**

TLCCVB, under an operating lease agreement, leases the convention center and arena from the Lucas County Commissioners for a nominal annual fee. The agreement commenced on February 1, 2009 and extends through January 31, 2039.

TLCCVB retains a law firm of which a partner is a Trustee of the TLCCVB. TLCCVB incurred fees from this firm amounting to \$51,434 in 2013.

The DT reimburses TLCCVB for various personnel and administrative services provided. Total reimbursements for the year ended December 31, 2013 were approximately \$67,000.

The DT leases office space from TLCCVB on a month-to-month basis for \$750 per month. Total rental expense under the month-to-month lease was \$9,000 for the year ended December 31, 2013.

**NOTE 7 - RETIREMENT AND OTHER BENEFIT PLANS**

TLCCVB has a retirement and savings plan for hourly and salaried employees under the SMG retirement and savings plan, which is administered by Fidelity. Contributions by TLCCVB are discretionary based on employees' deferral contribution on an annual basis. Employer contributions to the plan were \$12,747 for the year ended December 31, 2013. DT has a defined contribution retirement plans for eligible employees, created under the authority of a resolution of the governing board. The DT employee plan is administered by John Hancock Retirement Plan Services. Under the provisions of the DT 401(k) plan, DT contributes an amount equal to 4% of its employees' gross salaries. In addition, DT makes

**TOLEDO-LUCAS COUNTY CONVENTION AND VISITORS BUREAU, INC.**  
**A COMPONENT UNIT OF THE COUNTY OF LUCAS, OHIO**  
**NOTES TO FINANCIAL STATEMENTS, CONTINUED**  
**Year Ended December 31, 2013**

**NOTE 7 - RETIREMENT AND OTHER BENEFIT PLANS, Continued**

matching contributions at a rate of 75% of employee contributions up to a maximum of 1% of an employee's gross salary. Employer contributions to the plans were \$17,095 for the year ended December 31, 2013.

TLCCVB participates in an industry-wide, defined contribution, multi-employer pension plan for its union stage employees that provides for pension benefits. Contributions are based on 10% of hours worked. Pension expense under the plan amounted to \$38,236. As of the date of this report, management is not aware of any unfunded pension expense or withdrawal liability.

**NOTE 8 - INSURANCE**

The Organization maintains comprehensive insurance coverage with private carriers for health, real property, building contents and vehicles. There were no significant reductions in coverage from the prior year and settled claims were not in excess of coverage in any of the past three years. The Organization is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets and injuries to employees.

The Organization also maintains Directors' and Officers' liability insurance with an aggregate limit of insurance of \$2,000,000.

**NOTE 9 - MANAGEMENT AGREEMENTS**

The TLCCVB entered into management agreements with SMG during 2007 and 2009 to manage its facilities. The agreements were amended and consolidated on January 1, 2013 and will expire on December 31, 2017 with an option for the TLCCVB to extend for an additional five year term. The management agreement provides for a current annual fixed fee of approximately \$236,000, with additional compensation based on achieving predetermined revenue goals. Total fees paid to SMG were \$386,777 for the year ended December 31, 2013.

The TLCCVB entered into a management agreement late in 2001, renewed in 2012, with the Board of Lucas County Commissioners to manage Lucas County owned parking lots for an annual fee that increases 4% every year through 2022, with the fee to be received by March 1<sup>st</sup>. The fee is being paid to TLCCVB to cover all costs including labor, repair and maintenance, taxes and utilities of the lots. Management income for 2013 was \$101,079 and is included in parking revenue.

**TOLEDO-LUCAS COUNTY CONVENTION AND VISITORS BUREAU, INC.**  
**A COMPONENT UNIT OF THE COUNTY OF LUCAS, OHIO**  
**NOTES TO FINANCIAL STATEMENTS, CONTINUED**  
**Year Ended December 31, 2013**

**NOTE 9 - MANAGEMENT AGREEMENTS, Continued**

The parking receipts from these lots are to replace the receipts from the lots lost resulting from the construction of a new ballpark. 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 TLCCVB. 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 75% to the TLCCVB and 25% to the owner. Net parking receipts to the Organization for 2013 under the above arrangement were \$33,753.

The TLCCVB has entered into an agreement with AVI Foodsystems, Inc. (AVI) to manage its food and beverage operations. The agreement expires June 30, 2019. Under this agreement, AVI retains the proceeds of food and beverage sales at TLCCVB facilities and pays the TLCCVB a guaranteed annual amount and additional compensation if facility sales exceed certain target amounts. If facility food and beverage sales exceed certain targets, the TLCCVB may be obligated to pay an incentive management fees to AVI. The TLCCVB received approximately \$1,499,600 under this agreement in 2013. The incentive management fee paid to AVI during 2013 under this agreement was \$252,812.

**NOTE 10 - CONTINGENCIES**

In connection with the consolidation and amendment of the management agreement with SMG in 2013, SMG made a capital contribution to TLCCVB in the amount of \$400,000 to be used to fund mutually agreed upon projects at the arena and convention center. The remaining unspent amount as of December 31, 2013 of \$291,640 is included on the statement of net position in unearned revenue. In the event of the expiration or termination of TLCCVB's management agreement with SMG, the TLCCVB may be required to re-pay certain amounts of the contribution to SMG.

In connection the management agreement with AVI, AVI made a capital contribution to TLCCVB in the amount of \$500,000 to be used to acquire certain fixtures and equipment and fund mutually agreed upon projects at the arena and convention center. The unspent amount as of December 31, 2013 of \$140,811 is included on the statement of net position in unearned revenue. In the event of the expiration or termination of TLCCVB's management agreement with AVI, the TLCCVB may be required to re-pay certain amounts of the contribution to AVI.

**NOTE 11 - ECONOMIC DEPENDENCY AND UNCERTAINTY**

The TLCCVB and the DT are dependent on Lucas County to subsidize their operations. Amounts received from Lucas County by the TLCCVB and the DT during 2013 was \$1,009,123 and \$854,348, respectively. Subsidies received from Lucas County are subject to annual appropriation by the County, and it is uncertain what amount will be received from the County in the future.

TOLEDO-LUCAS COUNTY CONVENTION AND VISTORS BUREAU, INC.  
A COMPONENT UNIT OF THE COUNTY OF LUCAS, OHIO  
COMBINING STATEMENT OF TLCCVB NET POSTION  
December 31, 2013

|                                                   | <u>Huntington</u><br><u>Center</u> | <u>SeaGate</u><br><u>Convention</u><br><u>Centre</u> | <u>Eliminating</u><br><u>Entries</u> | <u>TLCCVB</u><br><u>Consolidated</u><br><u>Total</u> |
|---------------------------------------------------|------------------------------------|------------------------------------------------------|--------------------------------------|------------------------------------------------------|
| <b>ASSETS</b>                                     |                                    |                                                      |                                      |                                                      |
| <b>CURRENT ASSETS</b>                             |                                    |                                                      |                                      |                                                      |
| Cash and cash equivalents                         | \$ 2,642,891                       | \$ 1,040,295                                         | \$ -0-                               | \$ 3,683,186                                         |
| Accounts receivable trade                         | 451,364                            | 448,304                                              | ( 377,019)                           | 522,649                                              |
| Sponsorship receivable                            | 353,483                            | -0-                                                  | -0-                                  | 353,483                                              |
| Prepaid expenses                                  | 29,285                             | 35,833                                               | -0-                                  | 65,118                                               |
| <b>Total Current Assets</b>                       | <u>3,477,023</u>                   | <u>1,524,432</u>                                     | <u>( 377,019)</u>                    | <u>4,624,436</u>                                     |
| <b>CAPITAL ASSETS</b>                             |                                    |                                                      |                                      |                                                      |
| Parking rights                                    | -0-                                | 1,175,000                                            | -0-                                  | 1,175,000                                            |
| Capital assets, net                               | 236,513                            | 1,461,055                                            | -0-                                  | 1,697,568                                            |
| <b>Total Capital Assets</b>                       | <u>236,513</u>                     | <u>2,636,055</u>                                     | <u>-0-</u>                           | <u>2,872,568</u>                                     |
| <b>OTHER ASSETS- restricted cash</b>              | <u>-0-</u>                         | <u>235,000</u>                                       | <u>-0-</u>                           | <u>235,000</u>                                       |
| <b>Total Assets</b>                               | <u>3,713,536</u>                   | <u>4,395,487</u>                                     | <u>( 377,019)</u>                    | <u>7,732,004</u>                                     |
| <b>LIABILITIES</b>                                |                                    |                                                      |                                      |                                                      |
| <b>CURRENT LIABILITIES</b>                        |                                    |                                                      |                                      |                                                      |
| Accounts payable -Trade                           | 740,180                            | 209,097                                              | ( 377,019)                           | 572,258                                              |
| Accounts payable - Lucas County                   | -0-                                | 18,530                                               | -0-                                  | 18,530                                               |
| Current portion long term liabilities             | -0-                                | 89,597                                               | -0-                                  | 89,597                                               |
| Accrued payroll and payroll taxes                 | 85,197                             | 134,985                                              | -0-                                  | 220,182                                              |
| Accrued real estate taxes and special assessments | -0-                                | 39,867                                               | -0-                                  | 39,867                                               |
| Other accrued liabilities                         | 9,107                              | 3,226                                                | -0-                                  | 12,333                                               |
| Advance ticket sales                              | 986,877                            | 11,691                                               | -0-                                  | 998,568                                              |
| Unearned Income                                   | 804,085                            | 444,440                                              | -0-                                  | 1,248,525                                            |
| Security deposits                                 | 16,200                             | 53,843                                               | -0-                                  | 70,043                                               |
| <b>Total Current Liabilities</b>                  | <u>2,641,646</u>                   | <u>1,005,276</u>                                     | <u>( 377,019)</u>                    | <u>3,269,903</u>                                     |
| <b>LONG TERM LIABILITIES</b>                      |                                    |                                                      |                                      |                                                      |
| Notes payable to bank                             | -0-                                | 748,751                                              | -0-                                  | 748,751                                              |
| Less: Current portion                             | -0-                                | ( 89,597)                                            | -0-                                  | ( 89,597)                                            |
| <b>Total Long Term Liabilities</b>                | <u>-0-</u>                         | <u>659,154</u>                                       | <u>-0-</u>                           | <u>659,154</u>                                       |
| <b>Total Liabilities</b>                          | <u>2,641,646</u>                   | <u>1,664,430</u>                                     | <u>( 377,019)</u>                    | <u>3,929,057</u>                                     |
| <b>NET POSITION:</b>                              |                                    |                                                      |                                      |                                                      |
| Invested in capital assets, net of related debt   | 236,513                            | 1,887,304                                            | -0-                                  | 2,123,817                                            |
| Restricted for capital improvements               | 54,377                             | 943,094                                              | -0-                                  | 997,471                                              |
| Restricted for advertising                        | 118,206                            | -0-                                                  | -0-                                  | 118,206                                              |
| Unrestricted                                      | 662,794                            | ( 99,341)                                            | -0-                                  | 563,453                                              |
| <b>TOTAL NET POSITION</b>                         | <u>\$ 1,071,890</u>                | <u>\$ 2,731,057</u>                                  | <u>\$ -0-</u>                        | <u>\$ 3,802,947</u>                                  |

"The Accompanying Notes are an Integral  
Part of These Financial Statements"

TOLEDO-LUCAS COUNTY CONVENTION AND VISITORS BUREAU, INC.  
A COMPONENT UNIT OF THE COUNTY OF LUCAS, OHIO  
COMBINING STATEMENT OF TLCCVB REVENUES, EXPENSES AND CHANGES IN NET POSITION  
Year Ended December 31, 2013

|                                                              | Huntington<br>Center | SeaGate<br>Convention<br>Centre | Eliminating<br>Entries | TLCCVB<br>Consolidated<br>Total |
|--------------------------------------------------------------|----------------------|---------------------------------|------------------------|---------------------------------|
| <b>OPERATING REVENUES</b>                                    |                      |                                 |                        |                                 |
| Event revenue                                                | \$ 1,342,580         | \$ 830,788                      | \$ -0-                 | \$ 2,173,368                    |
| Other ticketing and sponsorship revenue                      | 659,363              | 8,850                           | -0-                    | 668,213                         |
| Parking, net of expenses of \$113,195                        | -0-                  | 553,957                         | -0-                    | 553,957                         |
| Food & beverage                                              | 857,527              | 309,558                         | -0-                    | 1,167,085                       |
| Lucas County subsidy                                         | -0-                  | 1,009,123                       | -0-                    | 1,009,123                       |
| Other                                                        | <u>75,523</u>        | <u>545,454</u>                  | <u>-0-</u>             | <u>620,977</u>                  |
| <b>Total Operating Revenues</b>                              | 2,934,993            | 3,257,730                       | -0-                    | 6,192,723                       |
| <b>OPERATING EXPENSES</b>                                    |                      |                                 |                        |                                 |
| Payroll and fringe benefits                                  | 1,030,882            | 1,105,854                       | -0-                    | 2,136,736                       |
| Utilities                                                    | 310,515              | 291,281                         | -0-                    | 601,796                         |
| Supplies, maintenance and other                              | 737,213              | 156,942                         | -0-                    | 894,155                         |
| Contracted services                                          | 788,886              | 390,236                         | -0-                    | 1,179,122                       |
| Miscellaneous                                                | 92,419               | 21,910                          | -0-                    | 114,329                         |
| Building and equipment rent                                  | 10,794               | 15,022                          | -0-                    | 25,816                          |
| Insurance                                                    | 87,854               | 78,024                          | -0-                    | 165,878                         |
| Marketing and advertising                                    | 2,679                | 48,295                          | -0-                    | 50,974                          |
| Legal and accounting                                         | 51,901               | 42,192                          | -0-                    | 94,093                          |
| Real estate taxes and special assessments                    | -0-                  | 38,666                          | -0-                    | 38,666                          |
| Travel and entertainment                                     | 14,973               | 7,202                           | -0-                    | 22,175                          |
| Dues, memberships and subscriptions                          | 9,743                | 5,578                           | -0-                    | 15,321                          |
| Provision for losses on accounts receivable                  | -0-                  | 12,518                          | -0-                    | 12,518                          |
| Postage                                                      | <u>2,335</u>         | <u>280</u>                      | <u>-0-</u>             | <u>2,615</u>                    |
| <b>Total Operating Expenses</b>                              | 3,140,194            | 2,214,000                       | -0-                    | 5,354,194                       |
| <b>Operating Income before Depreciation and Amortization</b> | ( 205,201)           | 1,043,730                       | -0-                    | 838,529                         |
| Depreciation and amortization                                | <u>6,758</u>         | <u>207,206</u>                  | <u>-0-</u>             | <u>213,964</u>                  |
| <b>Operating Income</b>                                      | ( 211,959)           | 836,524                         | -0-                    | 624,565                         |
| <b>NONOPERATING REVENUES (EXPENSES)</b>                      |                      |                                 |                        |                                 |
| Interest and finance costs                                   | ( 7,155)             | ( 58,135)                       | -0-                    | ( 65,290)                       |
| Interest income                                              | <u>94</u>            | <u>35</u>                       | <u>-0-</u>             | <u>129</u>                      |
| <b>Net Nonoperating Revenues (Expenses)</b>                  | ( 7,061)             | ( 58,100)                       | -0-                    | ( 65,161)                       |
| <b>CHANGE IN NET POSITION</b>                                | ( 219,020)           | 778,424                         | -0-                    | 559,404                         |
| <b>NET POSITION - BEGINNING</b>                              | <u>1,290,910</u>     | <u>1,952,633</u>                | <u>-0-</u>             | <u>3,243,543</u>                |
| <b>NET POSITION - ENDING</b>                                 | <u>\$ 1,071,890</u>  | <u>\$ 2,731,057</u>             | <u>\$ -0-</u>          | <u>\$ 3,802,947</u>             |

"The Accompanying Notes are an Integral  
Part of These Financial Statements"

TOLEDO - LUCAS COUNTY CONVENTION AND VISITORS BUREAU, INC.  
A COMPONENT UNIT OF THE COUNTY OF LUCAS, OHIO  
COMBINING STATEMENT OF TLCCVB CASH FLOWS  
Year Ended December 31, 2013

|                                                                      | Huntington<br><u>Center</u> | SeaGate<br>Convention<br><u>Centre</u> | Eliminating<br><u>Entries</u> | TLCCVB<br>Consolidated<br><u>Total</u> |
|----------------------------------------------------------------------|-----------------------------|----------------------------------------|-------------------------------|----------------------------------------|
| <b>CASH FLOWS FROM OPERATIONS</b>                                    |                             |                                        |                               |                                        |
| Cash Received from Customers, Contributions and Subsidies            | \$ 2,588,543                | \$ 3,293,428                           | \$ 253,960                    | \$ 6,135,931                           |
| Cash Payments to Suppliers for Goods and Services                    | ( 1,846,564)                | ( 1,104,761)                           | ( 253,960)                    | ( 3,205,285)                           |
| Cash Payments to Employees for Services                              | ( 1,075,818)                | ( 1,113,881)                           | -                             | ( 2,189,699)                           |
| <b>NET CASH PROVIDED BY (USED IN) OPERATIONS</b>                     | ( 333,839)                  | 1,074,786                              | -                             | 740,947                                |
| <b>CASH FLOWS FROM CAPITAL AND<br/>RELATED FINANCING ACTIVITIES</b>  |                             |                                        |                               |                                        |
| Purchases of Capital Assets                                          | ( 218,567)                  | ( 970,626)                             | -                             | ( 1,189,193)                           |
| Repayment of Long Term Debt                                          | -                           | ( 202,477)                             | -                             | ( 202,477)                             |
| Interest paid                                                        | ( 7,155)                    | ( 58,135)                              | -                             | ( 65,290)                              |
| <b>NET CASH USED IN CAPITAL<br/>AND RELATED FINANCING ACTIVITIES</b> | ( 225,722)                  | ( 1,231,238)                           | -                             | ( 1,456,960)                           |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                          |                             |                                        |                               |                                        |
| Interest received                                                    | 94                          | 35                                     | -                             | 129                                    |
| <b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>                     | 94                          | 35                                     | -                             | 129                                    |
| <b>INCREASE IN CASH AND CASH EQUIVALENTS</b>                         | ( 559,467)                  | ( 156,417)                             | -                             | ( 715,884)                             |
| <b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>                 | 3,202,358                   | 1,431,712                              | -                             | 4,634,070                              |
| <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>                       | <u>\$ 2,642,891</u>         | <u>\$ 1,275,295</u>                    | <u>\$ -</u>                   | <u>\$ 3,918,186</u>                    |

"The Accompanying Notes are an Integral  
Part of These Financial Statements"

TOLEDO - LUCAS COUNTY CONVENTION AND VISITORS BUREAU, INC.  
A COMPONENT UNIT OF THE COUNTY OF LUCAS, OHIO  
COMBINING STATEMENT OF TLCCVB CASH FLOWS, CONTINUED  
Year Ended December 31, 2013

|                                                                                                   | <u>Huntington<br/>Center</u> | <u>SeaGate<br/>Convention<br/>Centre</u> | <u>Eliminating<br/>Entries</u> | <u>TLCCVB<br/>Consolidated<br/>Total</u> |
|---------------------------------------------------------------------------------------------------|------------------------------|------------------------------------------|--------------------------------|------------------------------------------|
| <b>CASH FLOWS FROM OPERATIONS</b>                                                                 |                              |                                          |                                |                                          |
| Operating income                                                                                  | (\$ 211,959)                 | \$ 836,524                               | \$ -0-                         | 624,565                                  |
| Adjustments to reconcile operating income to net cash provided by (used in) operating activities: |                              |                                          |                                |                                          |
| Depreciation and amortization                                                                     | 6,758                        | 207,206                                  | -0-                            | 213,964                                  |
| Changes in operating assets and liabilities that increase (decrease) cash flows:                  |                              |                                          |                                |                                          |
| Accounts receivable                                                                               | 286                          | 63,415                                   | 285,749                        | 349,450                                  |
| Sponsorship receivable                                                                            | ( 46,632)                    | -0-                                      | -0-                            | ( 46,632)                                |
| Other assets and liabilities                                                                      | ( 4,086)                     | ( 16,241)                                | -0-                            | ( 20,327)                                |
| Security deposits                                                                                 | 6,314                        | ( 9,312)                                 | -0-                            | ( 2,998)                                 |
| Accrued real estate taxes                                                                         | -0-                          | 1,792                                    | -0-                            | 1,792                                    |
| Accounts payable                                                                                  | 264,729                      | 61,203                                   | ( 285,749)                     | 40,183                                   |
| Accrued payroll and payroll taxes                                                                 | ( 44,936)                    | ( 8,027)                                 | -0-                            | ( 52,963)                                |
| Unearned Revenue                                                                                  | 5,044                        | ( 56,825)                                | -0-                            | ( 51,781)                                |
| Other accrued liabilities                                                                         | ( 309,357)                   | ( 4,949)                                 | -0-                            | ( 314,306)                               |
| Total adjustments                                                                                 | ( 121,880)                   | 238,262                                  | -0-                            | 116,382                                  |
| <b>NET CASH PROVIDED BY (USED IN) OPERATIONS</b>                                                  | <u>(\$ 333,839)</u>          | <u>\$ 1,074,786</u>                      | <u>\$ -0-</u>                  | <u>\$ 740,947</u>                        |

"The Accompanying Notes are an Integral  
Part of These Financial Statements"



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

To the Board of Trustees  
Toledo-Lucas County Convention and Visitors Bureau, Inc.  
Toledo, Ohio 43604

We have audited, in accordance with the 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, the financial statements of Toledo-Lucas County Convention and Visitors Bureau, Inc., a component unit of the County of Lucas, Ohio, and of its discretely presented component unit, Destination Toledo, Inc. (Collectively the "Organization"), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements and have issued our report thereon dated May 21, 2014.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the Organization in a separate letter dated May 21, 2014.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing or internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with the Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



May 21, 2014

**This page intentionally left blank.**



# Dave Yost • Auditor of State

**TOLEDO-LUCAS COUNTY CONVENTION AND VISITORS 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 24, 2014**