

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

**AUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2005**





**Auditor of State  
Betty Montgomery**

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

We have reviewed the *Independent Auditors' Report* of the Toledo-Lucas County Convention and Visitors Bureau, Inc., prepared by Weber O'Brien, Ltd, for the audit period January 1, 2005 through December 31, 2005. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

*Betty Montgomery*

BETTY MONTGOMERY  
Auditor of State

June 16, 2006

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TOLEDO-LUCAS COUNTY CONVENTION AND VISITORS BUREAU, INC.

AUDITED FINANCIAL STATEMENTS

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## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statement of net assets of the Toledo-Lucas County Convention and Visitors Bureau, Inc. and of its discretely presented component unit, Greater Toledo Convention and Visitors Bureau, (collectively the "Organization") as of December 31, 2005, and the related statements of revenues, expenses, and changes in net assets and of cash flows for the year then ended, which collectively comprise the Organization's basic financial statements. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Organization's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2005, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States.

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

In accordance with *Government Auditing Standards*, we have also issued a report dated March 21, 2006 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis information on pages 3 - 8 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consist principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.



March 21, 2006

**TOLEDO LUCAS COUNTY CONVENTION AND VISITORS BUREAU, INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Year Ended December 31, 2005**

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. (herein referred to as the TLCCVB) and its discretely presented component unit, Greater Toledo Convention and Visitors Bureau (herein referred to as the GTCVB) (collectively called the Organization) for the year ended December 31, 2005. This information in the MD&A should be read in conjunction with the TLCCVB financial statements and corresponding notes to the financial statements.

**Financial Highlights**

- Assets exceeded liabilities for the Organization by \$924,093 as of December 31, 2005.
- Net assets increased for the Organization by \$432,041 in 2005.
- Debt decreased \$511,117. There was one new addition to debt to finance the purchase of four turbines.

**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, TLCCVB is defined as a "primary government", the GTCVB 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:

- Statements of Net Assets - This statement presents information on all the Organization's assets and liabilities, with the difference between the two reported as net assets.
- Statements of Revenues, Expenses, and Changes in Net Assets - This statement shows how the Organization's net assets have changed during the most recent year. Revenue is reported generally when earned, and expenses are reported when incurred.
- Statements of Cash Flows - This statement reports cash and cash equivalent activities for the fiscal year resulting from operating, capital and related financial activities, and investing activities.
- The notes to the financial statements provide additional information that is essential to a full understanding of the financial statements.



**TOLEDO LUCAS COUNTY CONVENTION AND VISITORS BUREAU, INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Year Ended December 31, 2005**

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

The tables below provide a summary of the Organization's financial position and operations for 2005 and 2004, respectively. The Organization implemented Governmental Accounting Standards Board Statement 34, Basic Financial Statements- and Management's discussion and Analysis-for State and Local Governments in 2004. Certain amounts may vary slightly due to differences caused by rounding to thousands.

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

	<u>TLCCVB</u>			<u>GTCVB</u>		
	<u>2005</u>	<u>2004</u>	<u>Change</u>	<u>2005</u>	<u>2004</u>	<u>Change</u>
Current Assets	\$ 2,176	\$ 2,071	\$ 105	\$ 871	\$ 713	\$ 158
Restricted Assets	3,048	2,990	58	-0-	-0-	-0-
Capital Assets, Net	9,982	10,316	( 334)	21	21	-0-
Other Assets	<u>288</u>	<u>318</u>	<u>( 30)</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total Assets	15,494	15,695	( 201)	892	734	158
Current Liabilities	1,660	1,524	136	75	80	(5)
Long Term Liabilities, Net	<u>13,727</u>	<u>14,333</u>	<u>( 606)</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total Liabilities	15,387	15,857	( 470)	75	80	(5)
Invested in Capital Assets	( 4,738)	( 4,915)	177	-0-	-0-	-0-
Restricted	3,048	2,990	58	-0-	-0-	-0-
Unrestricted	<u>1,797</u>	<u>1,763</u>	<u>34</u>	<u>817</u>	<u>654</u>	<u>163</u>
Total Net Assets	\$ 107	(\$ 162)	\$ 269	\$ 817	\$ 654	\$ 163

During 2005, net assets increased by \$432,041. The majority of this increase was due to the following:

- Cash has increased \$317,000 from 2004.
- Accounts receivable decreased by \$81,000 largely due to event billings, billings to a co-tenant and commissions. The decrease in billings was offset somewhat by increased hotel/motel receivables.
- Capital assets decreased by \$334,000. This is largely due to depreciation. There were purchases (approx. \$667,000) for capital improvements. The largest portion of this was for turbines, which will be used to contain utility costs in the future.
- Long-term liabilities decreased by \$511,000 as a result of scheduled debt service payments, which was the largest portion of the decline in long-term liabilities. There was one new loan to finance the turbine project (\$388,000).

**TOLEDO LUCAS COUNTY CONVENTION AND VISITORS BUREAU, INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Year Ended December 31, 2005**

The following table summarizes the changes in revenues and expenses for the Organization between 2004 and 2005:

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

	<u>TLCCVB</u>			<u>GTCVB</u>		
	<u>2005</u>	<u>2004</u>	<u>Change</u>	<u>2005</u>	<u>2004</u>	<u>Change</u>
<b><u>Operating Revenues</u></b>						
Hotel/Motel Tax	\$ 939	\$ 806	\$ 133	\$1,160	\$1,119	\$ 41
Sales	1,065	1,143	( 78)	-0-	-0-	-0-
Parking	542	397	145	-0-	-0-	-0-
Lucas County Subsidy	150	150	-0-	-0-	-0-	-0-
Other	<u>489</u>	<u>482</u>	<u>7</u>	<u>102</u>	<u>88</u>	<u>14</u>
Total Operating Revenue	3,185	2,978	207	1,262	1,207	55
<b><u>Operating Expenses</u></b>						
Payroll and benefits	1,720	1,771	( 51)	459	440	19
Marketing/ Advertising	69	95	( 26)	422	444	( 22)
Utilities	491	448	43	10	9	1
Supplies	269	257	12	11	7	4
Insurance	108	107	1	-0-	-0-	-0-
Other	<u>235</u>	<u>135</u>	<u>100</u>	<u>193</u>	<u>179</u>	<u>14</u>
Total Operating Expense	<u>2,892</u>	<u>2,813</u>	<u>79</u>	<u>1,095</u>	<u>1,079</u>	<u>16</u>
Operating Income before						
Depreciation	293	165	128	167	128	39
Depreciation	<u>985</u>	<u>1,004</u>	<u>( 19)</u>	<u>14</u>	<u>21</u>	<u>( 7)</u>
Operating Income after						
Depreciation	( 692)	( 839)	147	153	107	46
<b><u>Non-Operating</u></b>						
Hotel/Motel Tax	1,696	1,689	7	-0-	-0-	-0-
Other	<u>( 735)</u>	<u>( 839)</u>	<u>104</u>	<u>10</u>	<u>3</u>	<u>7</u>
Total Non-operating	<u>961</u>	<u>850</u>	<u>111</u>	<u>10</u>	<u>3</u>	<u>7</u>
Net Change in Net Assets	\$ 269	\$ 11	\$ 258	\$ 163	\$ 110	\$ 53

Operating revenues consist of a portion of Hotel/Motel taxes collected on rooms occupied, with amounts in excess of debt service requirements used for operating purposes. These revenues are a function of price and occupancy. A hotel/motel tax of 3% is levied by Lucas County, Ohio and an additional 3% is levied by the City of Toledo; these taxes are collected by the County and distributed as revenue to the TLCCVB for Bond interest and debt repayment. An additional 2% of hotel/motel tax is levied for use by the GTCVB, and is distributed directly to the GTCVB.

**TOLEDO LUCAS COUNTY CONVENTION AND VISITORS BUREAU, INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Year Ended December 31, 2005**

The remaining revenues largely come from convention facility sales, and funding by the County of Lucas.

- Hotel/Motel Taxes (in total) increased by \$181,000 in 2005. The revenues have been stable for the previous 2 years, but down after the events of September 11, 2001.
- Revenues from convention center sales decreased by \$78,000 in 2005. There was an adjustment to report where some inter and intra entity sales previously reported as sales have been eliminated and reduced the applicable expense areas.
- Revenue from Lucas County was \$150,000 in 2005, the same as in 2004.

**Operating expenses**

- Interest expense decreased due to the reduction of the Long-Term debt balance.
- Marketing and advertising decreased due to a reduction in expenditures by both the TLCCVB & GTCVB.
- Utilities have been stable. Any increase was recognized in the natural gas area.
- Other expenses were up largely due to an increase in printing & photography costs on the GTCVB side, and increased rents and repair costs on the TLCCVB side.

**Capital Assets**

At the end of 2005, the Organization had \$10,003,000 (net of accumulated depreciation) invested in capital assets. The investment in capital assets includes the convention facility with over 75,000 square feet of exhibit hall space, a 374-car underground parking garage, and related meeting and back of house space and supporting furniture, fixtures and equipment.

The investment in capital assets decreased by \$334,000 during 2005. The primary change in capital assets was the current year depreciation expense of \$998,000. This was offset largely by the purchase of the four turbines for \$586,000.

Capital asset acquisitions are capitalized at cost and depreciated using the straight-line method, based upon estimated useful lives of the assets.

**Debt Administration**

At December 31, 2005 the Bureau had total long-term debt outstanding of \$14,720,000 compared to \$15,231,000 at December 31, 2004. During 2005, the Organization repaid \$899,000 in principal on outstanding debt. This debt includes a capital lease for a copier.

**TOLEDO LUCAS COUNTY CONVENTION AND VISITORS BUREAU, INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Year Ended December 31, 2005**

**Debt Administration, Continued**

There was one new note payable to bank issued for \$388,000 for the purchase of the turbines.

During 1996 the Bureau issued Fixed Rate Special Revenue Bonds, refunding the Series 1988 and 1991 Demand Special Revenue Bonds that were outstanding. These Bonds were for the construction of the Convention Centre and its furniture and fixtures. Accrued interest from October 1985 through September 1991 on the 1991 Variable Rate Demand and Special Revenue bond of \$753,000 still exists and is payable in October, 2010.

Interest on the Series 1996 Bonds is payable semiannually on April 1 and October 1 of each year. Interest rates on the Bonds range from 4.85% - 5.70% through 2015. Interest has been accrued on all bonds through December 31, 2005.

Annual debt service requirements for the bonds are met through the collection of hotel/motel taxes. The Bond Indenture requires that proceeds from the hotel/motel tax as well as from earnings received through investments must first be used to meet annual debt service obligations. Only after these obligations are met can tax proceeds and investments be used to offset on-going improvements to and operations of the convention center. The Organization has pledged all present and future receipts at the 6% level consisting of the hotel/motel tax receipts and any deposit accounts, along with investment income to be used for the debt service requirements.

In accordance with the Bond Indenture, a bond service reserve fund has been established as special trust funds to provide for the payment of the bond principal and interest in the event the amount in the debt service fund is insufficient. The balance in this fund is currently approximately \$1,704,000. Also included in restricted funds are hotel/motel tax receipts collected between debt service payment dates.

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

	<u>2005</u>	<u>2004</u>	<u>Change</u>
Bonds Payable	\$13,570	\$14,460	(\$890)
Note Payable to Bank	386	0	386
Notes Payable	753	753	0
Capital leases	11	18	( 7)
Other	<u>0</u>	<u>0</u>	<u>0</u>
Total Debt	\$14,720	\$15,231	(\$511)

**TOLEDO LUCAS COUNTY CONVENTION AND VISITORS BUREAU, INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Year Ended December 31, 2005**

**Economic Factors**

Economic factors, as well as events of September 11, 2001, have impacted the convention and travel industry nationwide. This is true in Toledo/Lucas County as well. Revenues resulting from hotel/motel usage decreased in 2001 after years of growth. Convention attendance, as well as booking also decreased during this period of time. This caused a decline in facility income that parallels the decrease in hotel/motel taxes. The good news is that over the past year (as in 2004), the hotel/motel market and booking are beginning to improve.

Even with reduced levels of hotel/motel revenue, the Organization has been able to meet all debt service obligations without using reserve funds. The reduced levels of revenue have decreased the amount of excess hotel/motel funds available for other expenses. This has caused the Organization to carefully review expenses and cut staff in non-critical areas. This past year the hotel/motel revenues have rebounded, and we are optimistic for the year ahead.

The University of Toledo in late 2005 moved most of its operations out of the portion of the Seagate Centre which they own. Management is in negotiation with the University of Toledo regarding reimbursement in 2006 and beyond for a portion of operating and maintenance costs. No agreement is currently in place.

**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 VISITORS BUREAU, INC.  
 STATEMENT OF NET ASSETS  
 December 31, 2005

ASSETS

	<u>Toledo-Lucas County Convention and Visitors Bureau, Inc.</u>	<u>Discretely Presented Component Unit Greater Toledo Convention and Visitors Bureau</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 1,703,893	\$ 704,863
Accounts receivable		
Trade, net of allowance of \$28,620 and \$2,030, respectively	123,572	16,338
Hotel/motel tax receivables	348,214	149,948
Prepaid expenses	77	-0-
<b>Total Current Assets</b>	2,175,756	871,149
<b>RESTRICTED ASSETS FOR DEBT SERVICE</b>		
Trustee held investments	3,048,360	-0-
<b>Total Restricted Assets</b>	3,048,360	-0-
<b>CAPITAL ASSETS</b>		
Building	26,741,431	-0-
Furniture and fixtures	3,196,702	185,471
Other capital assets	384,015	-0-
<b>Total depreciable capital assets</b>	30,322,148	185,471
Accumulated depreciation and amortization	( 20,340,336)	( 164,483)
<b>Net depreciable capital assets</b>	9,981,812	20,988
<b>OTHER ASSETS - Deferred Bond Issuance Costs</b>	288,244	-0-
<b>TOTAL ASSETS</b>	15,494,172	892,137

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

TOLEDO-LUCAS COUNTY CONVENTION AND VISITORS BUREAU, INC.  
STATEMENT OF NET ASSETS, CONTINUED  
December 31, 2005

LIABILITIES AND NET ASSETS

	<u>Toledo-Lucas County Convention and Visitors Bureau, Inc.</u>	<u>Discretely Presented Component Unit Greater Toledo Convention and Visitors Bureau</u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable - trade	\$ 125,405	\$ 17,983
Current portion of long term liabilities	993,189	-0-
Accrued payroll and payroll taxes	187,315	19,363
Accrued interest	189,736	-0-
Accrued real estate taxes and special assessments	48,464	-0-
Other accrued liabilities	1,306	23
Security deposits	109,561	-0-
Deferred revenue	5,566	37,585
	<hr/>	<hr/>
<b>Total Current Liabilities</b>	<b>1,660,542</b>	<b>74,954</b>
<b>LONG TERM LIABILITIES</b>		
Bonds payable	13,570,000	-0-
Note payable to bank	385,954	-0-
Note payable - non-interest bearing	753,331	-0-
Capital lease obligations	10,624	-0-
Subtotal	14,719,909	-0-
Less: Current portion	( 993,189)	-0-
	<hr/>	<hr/>
<b>Net Long Term Liabilities</b>	<b>13,726,720</b>	<b>-0-</b>
<b>TOTAL LIABILITIES</b>	<b>15,387,262</b>	<b>74,954</b>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	( 4,738,097)	-0-
Restricted for debt service	3,048,360	-0-
Unrestricted	1,796,647	817,183
	<hr/>	<hr/>
<b>TOTAL NET ASSETS</b>	<b>\$ 106,910</b>	<b>\$ 817,183</b>

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

TOLEDO-LUCAS COUNTY CONVENTION AND VISITORS BUREAU, INC.  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
Year Ended December 31, 2005

	<u>Toledo-Lucas County Convention and Visitors Bureau, Inc.</u>	<u>Discretely Presented Component Unit Greater Toledo Convention and Visitors Bureau</u>
<b>OPERATING REVENUES</b>		
Hotel/motel tax receipts	\$ 938,747	\$ 1,160,193
Convention facilities	1,064,909	-0-
Parking, net of expenses of \$358,481	542,427	-0-
Gladieux subsidy	277,972	-0-
Lucas County subsidy and State Grant	299,524	-0-
Membership dues	-0-	86,112
Earnings from sale of exclusive rights	41,300	-0-
Cooperative projects	-0-	9,481
Other	19,697	6,144
	3,184,576	1,261,930
<b>OPERATING EXPENSES</b>		
Payroll and fringe benefits	1,719,910	459,240
Utilities	490,879	9,928
Supplies, maintenance and other	269,624	11,022
Miscellaneous	174,627	30,082
Security	132,238	-0-
Insurance	108,427	443
Building and equipment rent	100,564	12,000
Marketing and advertising	69,064	421,579
Legal and Accounting	40,130	2,701
Provision for losses on accounts receivable	22,622	-0-
Real estate taxes and special assessments	22,043	-0-
Travel and entertainment	21,467	38,822
Dues, memberships and subscriptions	8,328	944
Postage	2,521	34,415
Photography, printing and publications	-0-	67,206
Sales tax expense	-0-	6,985
Less: Expenses reimbursed by The University of Toledo and other co-tenants	( 290,245)	-0-
	2,892,199	1,095,367
<b>Operating Income before Depreciation</b>	292,377	166,563
Depreciation	984,307	13,595
<b>Operating Income (Loss)</b>	( 691,930)	152,968
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Hotel/motel tax receipts	1,695,844	-0-
Interest and amortization of bond discount and finance costs	( 842,785)	-0-
Interest income	104,987	10,158
Unrealized gain on investments	2,799	-0-
<b>Net Nonoperating Revenues</b>	960,845	10,158
<b>CHANGE IN NET ASSETS</b>	268,915	163,126
<b>NET ASSETS (DEFICIT) - BEGINNING</b>	( 162,005)	654,057
<b>NET ASSETS - ENDING</b>	\$ 106,910	\$ 817,183

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



**TOLEDO - LUCAS COUNTY CONVENTION AND VISITORS BUREAU, INC.**  
**STATEMENT OF CASH FLOWS**  
**Year Ended December 31, 2005**

	<u>Toledo-Lucas County Convention and Visitors Bureau, Inc.</u>	<u>Discretely Presented Component Unit Greater Toledo Convention and Visitors Bureau</u>
<b>CASH FLOWS FROM OPERATIONS</b>		
Cash Received from Customers, Taxes and Subsidies	\$ 3,242,207	\$ 1,247,205
Cash Payments to Suppliers for Goods and Services	( 1,153,007)	( 642,053)
Cash Payments to Employees for Services	( 1,683,162)	( 450,780)
<b>NET CASH PROVIDED BY OPERATIONS</b>	<u>406,038</u>	<u>154,372</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Cash received for debt service	1,695,844	-0-
Proceeds on Long Term Debt	388,448	-0-
Repayment of Long Term Debt	( 892,810)	-0-
Repayment of Capital Lease Obligations	( 6,755)	-0-
Interest paid	( 824,238)	-0-
<b>NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>360,489</u>	<u>-0-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	49,721	10,158
Purchases of Property and Equipment	( 650,109)	( 13,552)
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<u>( 600,388)</u>	<u>( 3,394)</u>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	166,139	150,978
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>1,537,754</u>	<u>553,885</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 1,703,893</u>	<u>\$ 704,863</u>
<b>CASH FLOWS FROM OPERATIONS</b>		
Operating income (loss)	(\$ 691,930)	\$ 152,968
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation and amortization	984,307	13,595
Changes in operating assets and liabilities that increase (decrease) cash flows:		
Accounts receivable	87,333	( 6,865)
Hotel/motel tax receivables	( 25,492)	( 11,212)
Other assets and liabilities	1,291	5,872
Security deposits	39,039	-0-
Accrued real estate taxes	2,847	-0-
Accounts payable	( 23,895)	( 11,798)
Accrued payroll and payroll taxes	36,748	8,460
Deferred revenue	( 4,210)	3,352
Total adjustments	<u>1,097,968</u>	<u>1,404</u>
<b>NET CASH PROVIDED BY OPERATIONS</b>	<u>\$ 406,038</u>	<u>\$ 154,372</u>

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

**TOLEDO-LUCAS COUNTY CONVENTION AND VISITORS BUREAU, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2005**

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

**Reporting Entity**

Toledo-Lucas County Convention and Visitors Bureau, Inc. (TLCCVB) operates the SeaGate Centre (a convention and convocation center) in the City of Toledo. The SeaGate Centre is comprised of two components: (1) a convention facility which is owned by TLCCVB and (2) convocation space (classrooms and meeting rooms) which is owned by The University of Toledo. The Greater Toledo Convention and Visitors Bureau (GTCVB), a component unit, was established to encourage and promote the utilization of convention, restaurant, hotel, motel and entertainment facilities in Toledo and the surrounding areas. Upon the dissolution of GTCVB, any remaining assets after payment of all obligations will be distributed to the TLCCVB. TLCCVB is supported primarily through hotel/motel taxes that account for approximately 60% of revenue in 2005.

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

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, GTCVB is determined to be a component unit.

**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.

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.

**TOLEDO-LUCAS COUNTY CONVENTION AND VISITORS BUREAU, INC.**  
**NOTES TO FINANCIAL STATEMENTS, CONTINUED**  
**Year Ended December 31, 2005**

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

**Basis of Accounting, Continued**

Pursuant to GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the Organization follows GASB guidance as applicable to proprietary funds and Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements. The Organization also follows Financial Accounting Standards Board Statements and Interpretations, issued after November 30, 1989 that are developed for business enterprises, except those that conflict with or contradict GASB pronouncements.

**Measurement Focus**

The enterprise fund is accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the Organization are included on the statement of net assets. The statement of changes in net assets presents increases (i.e., revenue) and decreases (i.e., expenses) in total net assets. 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.

**Investments**

Investments are stated at fair values.

**Deferred Bond Issuance Costs**

Deferred bond issuance costs are stated at cost and are being amortized over the life of the related indebtedness on the straight-line basis.

**TOLEDO-LUCAS COUNTY CONVENTION AND VISITORS BUREAU, INC.**  
**NOTES TO FINANCIAL STATEMENTS, CONTINUED**  
**Year Ended December 31, 2005**

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

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

**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.

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

**Revenues**

A hotel/motel tax of 3% is levied by Lucas County, Ohio and an additional 3% is levied by the City of Toledo; these taxes are collected by the County and distributed as revenue to TLCCVB for bond interest and debt repayment. The excess of annual hotel/motel tax receipts over debt service payments and mandatory debt reserve fund additions is distributed to TLCCVB and can be used for operating purposes. Such excess amounts are shown as operating income in the financial statements. Effective September 1997, a 1% hotel/motel tax was enacted by Lucas County, Ohio, to be collected by the County and distributed as revenue to GTCVB and is to be used for marketing purposes. In February 1998, the rate was increased to 1½% through June 1998 and 2% thereafter. This revenue is recognized in the period in which the underlying hotel/motel tax revenue is generated as evidenced by collection by the County. A portion of the tax is classified as non-operating as it is restricted for payments relating to debt service. Approximately 53% of the TLCCVB's total revenues and 91% of GTCVB's total revenues for 2005 were derived from this source. Accounts receivable from this source approximated 76% of total accounts

**TOLEDO-LUCAS COUNTY CONVENTION AND VISITORS BUREAU, INC.**  
**NOTES TO FINANCIAL STATEMENTS, CONTINUED**  
**Year Ended December 31, 2005**

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

**Revenues, Continued**

receivable at December 31, 2005 for the TLCCVB. Accounts receivable from this source are considered to be fully collectible; accordingly, no allowance for uncollectible accounts is required.

**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.

**Deferred Revenue**

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

**Income Taxes**

TLCCVB and GTCVB 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 GTCVB to be exempt from federal income taxes under Section 501(c)(3) and Section 501 (c)(6), respectively, of the Internal Revenue Code. However, income from certain activities not directly related to their tax-exempt purpose is subject to taxation as unrelated business income.

Unrelated business income is immaterial. Accordingly, no provision for income taxes has been included in the accompanying financial statements.

**Net Assets**

Net assets represent the difference between assets and liabilities. Net assets 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. Restricted net assets consist of monies and other resources that are restricted to satisfy debt service requirements as specified in debt agreements.

**TOLEDO-LUCAS COUNTY CONVENTION AND VISITORS BUREAU, INC.**  
**NOTES TO FINANCIAL STATEMENTS, CONTINUED**  
**Year Ended December 31, 2005**

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

**Net Assets, Continued**

The Board of Trustees of the TLCCVB has designated unrestricted net assets aggregating \$603,625 for capital improvements and expansion, and future debt payments related to the outstanding interest of \$753,331 owed on the 1991 Variable Rate Demand and Special Revenue bonds. The amount designated for capital improvements and expansion was \$210,552 and the amount designated for repayment of the outstanding interest owed on the 1991 bonds was \$393,073. Such amounts are not restricted, and may be designated for other purposes or eliminated at the discretion of the Board.

**New Accounting Pronouncement**

The Organization has adopted GASB Statement No. 40, *Deposit and Investment Disclosures*, for the year ended December 31, 2005, which modifies the disclosure requirements for cash and investments.

**NOTE 2 - CASH AND INVESTMENTS**

Protection of TLCCVB and GTCVB'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.

**Deposits**

Custodial credit risk for deposits is the risk that in the event of bank failure, TLCCVB and GTCVB will not be able to recover deposits or collateral securities that are in the possession of an outside party. As of December 31, 2005, the carrying amount of TLCCVB and GTCVB's deposits were \$1,703,893 and \$704,863, respectively. At year end, \$1,610,506 of TLCCVB's bank balance of \$1,710,506 and \$613,525 of GTCVB's bank balance of \$713,525 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution in TLCCVB's and GTCVB's names.

Demand deposits and certificates of deposit are collateralized at 105 percent of all deposits not covered by federal deposit insurance. Obligations that may be pledged

TOLEDO-LUCAS COUNTY CONVENTION AND VISITORS BUREAU, INC.  
 NOTES TO FINANCIAL STATEMENTS, CONTINUED  
 Year Ended December 31, 2005

**NOTE 2 - CASH AND INVESTMENTS, Continued**

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**

As of December 31, 2005, TLCCVB had the following investments:

	<u>Fair Value</u>
FHLMC	\$ 662,872
FNMA	365,014
GNMA	22,069
Fifth Third US Treasury Money Market Fund	<u>1,998,405</u>
Total Investments	<u>\$3,048,360</u>

Interest Rate Risk - Board Resolutions requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of TLCCVB or GTCVB, and must be purchased with the exception that it will be held to maturity.

Credit Risk - Fifth Third U.S. Treasury money market fund carries a rating of AAA by Standard and Poor's rating agency.

Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of counterparty, TLCCVB and GTCVB will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. TLCCVB and GTCVB have no policies which addresses custodial credit risk.

Concentration of Credit Risk - TLCCVB and GTCVB places no limit on the amount it may invest in any one issuer.

**TOLEDO-LUCAS COUNTY CONVENTION AND VISITORS BUREAU, INC.**  
**NOTES TO FINANCIAL STATEMENTS, CONTINUED**  
**Year Ended December 31, 2005**

**NOTE 3 - CAPITAL ASSETS AND DEPRECIATION**

Capital asset activity for the year ended December 31, 2005 is as follows:

<u>TLCCVB</u>	Balance at January 1, 2005	<u>Additions</u>	<u>Retirements</u>	Balance at December 31, 2005
Historical Cost:				
Building	\$26,120,422	\$621,009	\$ -0-	\$26,741,431
Furniture and Fixtures	3,196,702	-0-	-0-	3,196,702
Other Capital Assets	<u>351,270</u>	<u>32,745</u>	<u>-0-</u>	<u>384,015</u>
Total Historical Cost	29,668,394	653,754	-0-	30,322,148
Accumulated Depreciation:				
Building	15,941,081	948,937	-0-	16,890,018
Furniture and Fixtures	3,107,166	24,067	-0-	3,131,233
Other Capital Assets	<u>304,137</u>	<u>14,948</u>	<u>-0-</u>	<u>319,085</u>
Total Accumulated Depreciation	<u>19,352,384</u>	<u>987,952</u>	<u>-0-</u>	<u>20,340,336</u>
Capital Assets, Net	<u>\$10,316,010</u>	(\$334,198)	<u>\$ -0-</u>	\$ <u>9,981,812</u>
Depreciation Expense Charged to Operating Expense		<u>\$984,307</u>		
<u>GTCVB</u>	Balance at January 1, 2005	<u>Additions</u>	<u>Retirements</u>	Balance at December 31, 2005
Historical Cost:				
Furniture and Fixtures	\$171,920	\$ 13,551	\$ -0-	\$185,471
Accumulated Depreciation:				
Furniture and Fixtures	<u>150,889</u>	<u>13,594</u>	<u>-0-</u>	<u>164,483</u>
Capital Assets, Net	<u>\$ 21,031</u>	(\$ 43)	<u>\$ -0-</u>	\$ <u>20,988</u>
Depreciation Expense Charged to Operating Expense		<u>\$13,595</u>		



**TOLEDO-LUCAS COUNTY CONVENTION AND VISITORS BUREAU, INC.**  
**NOTES TO FINANCIAL STATEMENTS, CONTINUED**  
**Year Ended December 31, 2005**

**NOTE 4 - BONDS AND NOTES PAYABLE**

Bonds and notes outstanding at December 31, 2005 are as follows:

	Balance at December 31, <u>2004</u>	<u>Additions</u>	<u>Reductions</u>	Balance at December 31, <u>2005</u>	<u>Due Within One Year</u>
Bonds Payable	\$14,459,684	\$ -0-	\$889,684	\$13,570,000	\$930,000
Note Payable to Bank	-0-	388,763	2,809	385,954	54,849
Note Payable	<u>753,331</u>	<u>-0-</u>	<u>-0-</u>	<u>753,331</u>	<u>-0-</u>
Total	<u>\$15,213,015</u>	<u>\$388,763</u>	<u>\$892,493</u>	<u>\$14,709,285</u>	<u>\$984,849</u>

During 1996 TLCCVB issued \$20,290,000 Fixed Rate Special Revenue Refunding Bonds Series 1996 and refunded the Series 1988 and 1991 Variable Rate Demand Special Revenue Bonds. Accrued interest from October 1985 through September 1991 of \$753,331 on the 1991 Variable Rate Demand and Special Revenue Bonds still exists and is payable in October 2010. It is reported in the financial statements as the note payable, non-interest bearing.

Interest on the Series 1996 Bonds is payable on April 1 and October 1 of each year, with the interest rates fixed at a rate that is adjusted on an annual basis. The interest rate on the Series 1996 Bonds range from 4.85% - 5.70% through 2015. Annual principal retirements are payable October 1 each year.

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

The funds held by the trustee under the bond indenture agreements consist of certain investments and are classified in the balance sheet as restricted assets.

**TOLEDO-LUCAS COUNTY CONVENTION AND VISITORS BUREAU, INC.**  
**NOTES TO FINANCIAL STATEMENTS, CONTINUED**  
**Year Ended December 31, 2005**

**NOTE 4 - BONDS AND NOTES PAYABLE, Continued**

When the bonds are paid off TLCCVB will convey to the County the exclusive use and possession of the Convention Center and any additions made to the site. The County also has the right to acquire the Convention Center from the TLCCVB if the County provides sufficient funds to defease the bonds.

During 2006 TLCCVB entered into a promissory note with Huntington Bank to finance the purchase of four turbines to generate electricity and reduce utility costs. The turbine 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 term of the loan is 80 months with payments of \$5,123 at an interest rate of 1.985%.

Maturities of bonds and notes payable principal and interest are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2006	\$ 984,849	\$ 766,203
2007	1,035,325	718,135
2008	1,086,434	663,126
2009	1,147,595	605,314
2010	1,962,096	544,195
2010 and Thereafter	<u>8,492,986</u>	<u>1,662,271</u>
<b>Total</b>	<b><u>\$14,709,285</u></b>	<b><u>\$4,959,244</u></b>

**NOTE 5 - RELATED PARTY TRANSACTIONS**

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

TLCCVB retains a law firm of which a Trustee of the TLCCVB is a partner. TLCCVB incurred fees from this firm amounting to \$15,933 in 2005.

The Organization retains a marketing firm of which a Trustee of the TLCCVB is a partner. The Organization incurred fees from this firm amounting to \$53,587 in 2005.

**TOLEDO-LUCAS COUNTY CONVENTION AND VISITORS BUREAU, INC.**  
**NOTES TO FINANCIAL STATEMENTS, CONTINUED**  
**Year Ended December 31, 2005**

**NOTE 6 - RETIREMENT AND OTHER BENEFIT PLANS**

TLCCVB and GTCVB both have defined contribution retirement plans for eligible employees, created under the authority of a resolution of the governing board. Under the provisions of the three plans, the TLCCVB salaried employees' retirement plan, the TLCCVB hourly employees' retirement plan and the GTCVB 401(k) plan, TLCCVB and GTCVB contribute an amount equal to 4% of its employees' gross salaries. In addition, TLCCVB makes a matching contribution at a rate of 75% of employee contributions up to a maximum of 1% of gross salary for both its employees and employees of GTCVB. Employer contributions to the plans during 2005 were \$72,661.

**NOTE 7 - LEASING TRANSACTIONS**

TLCCVB and GTCVB lease certain setup equipment and meeting room space from the University of Toledo on an as needed basis. Rentals during 2005 were \$30,088.

TLCCVB also leases a copier under a capital lease. The copier lease requires monthly payments of \$695 including interest at 6.5% through April 2007. The equipment under capital lease obligations is included in property and equipment at December 31, 2005 as follows:

	<u>2005</u>
Equipment	\$35,521
Accumulated amortization (amortization included in depreciation expense)	<u>26,048</u>
Net equipment	<u>\$ 9,473</u>

Future minimum payments, by year and in the aggregate, under the capitalized lease consists of the following:

<u>Fiscal Year</u>	<u>Amount</u>
2006	\$8,340
2007	2,780
2008 and thereafter	<u>-0-</u>
Total minimum lease payments	11,120
Less amount representing interest	<u>496</u>
Present value of minimum lease payments	10,624
Less current portion	<u>7,387</u>
Long-term portion	<u>\$3,237</u>

This lease agreement was terminated in January of 2006.

**TOLEDO-LUCAS COUNTY CONVENTION AND VISITORS BUREAU, INC.**  
**NOTES TO FINANCIAL STATEMENTS, CONTINUED**  
**Year Ended December 31, 2005**

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

**NOTE 9 - MANAGEMENT AGREEMENT**

TLCCVB entered into a management agreement late in 2001 with the Board of Lucas County Commissioners to manage Lucas County owned parking lots for an annual fee that increases 4% every year through 2011, 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 2005 was \$78,740 and is included in parking revenue.

The parking receipts from these lots are to replace the receipts from the lots lost for 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 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 40% to TLCCVB and 60% to the owner. Net parking receipts to the Organization for 2005 under the above arrangement were \$75,005.

**NOTE 10 - CONTINGENCY**

Management is currently in negotiations with the University of Toledo regarding reimbursement to the Organization for a portion of operating and maintenance costs incurred subsequent to the University vacating their portion of the facility in late 2005. The impact of this on the Organization is not presently determinable as no agreement is in place as yet.



**INDEPENDENT AUDITORS' 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

We have audited the statement of net assets of Toledo-Lucas County Convention and Visitors Bureau, Inc. and of its discretely presented component unit, Greater Toledo Convention and Visitors Bureau (Collectively "Organization"), as December 31, 2005 and the related statements of revenues, expenses, and changes in net assets and of cash flows for the year then ended, which collectively comprise the Organization's basic financial statements, and have issued our report thereon dated March 21, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's statements are free of 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

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

instances of noncompliance that are required to be reported under *Government Auditing Standards*.

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

*Webster Brinn Ltd.*

March 21, 2006



**Auditor of State  
Betty Montgomery**

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**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 29, 2006**