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

A COMPONENT UNIT OF THE COUNTY OF LUCAS, OHIO

Basic Financial Statements and Supplementary Information

Year Ended December 31, 2016

With Independent Auditors' Report



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 Auditors' Report* of the Toledo-Lucas County Convention and Visitors Bureau, Inc., Lucas County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2016 through December 31, 2016. 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

May 25, 2017

This page intentionally left blank.

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

TABLE OF CONTENTS	PAGE
Independent Auditors' Report	1-2
Management's Discussion and Analysis	3-6
Financial Statements for the Year Ended December 31, 2016	
Statement of Net Position	7
Statement of Revenues, Expenses and Changes in Net Position	8
Statement of Cash Flows	9
Notes to Financial Statements	10-17
Supplementary Information	
Combining Schedule of TLCCVB Net Position	18
Combining Schedule of TLCCVB Revenues, Expense and Changes in Net Position	19
Combining Schedule of TLCCVB Cash Flows	20
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	21-22

This page intentionally left blank.

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the Toledo-Lucas County Convention & Visitors Bureau, Inc., a component unit of the County of Lucas, Ohio, and its discretely presented component unit, Destination Toledo, Inc. (collectively, the "Organization") as of and for the year ended December 31, 2016, 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.

Auditors' 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 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 from 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 auditors' 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 & Visitors Bureau, Inc., a component unit of the County of Lucas, Ohio, and its discretely presented component unit, Destination Toledo, Inc. as of December 31, 2016, 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.

two maritime plaza, ste. 202
toledo, oh 43604

www.cshco.com
p. 419.243.0218
f. 419.243.9264

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis listed in the table of contents 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 combining schedules on pages 20 through 22 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 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 April 26, 2017 on our consideration of the Toledo-Lucas County Convention & Visitors Bureau, Inc.'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 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 Toledo-Lucas County Convention & Visitors Bureau, Inc.'s internal control over financial reporting and compliance.

Clark, Schaefer, Hackett & Co.

Toledo, Ohio
April 26, 2017

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, ("TLCCVB"), and its discretely presented component unit, Destination Toledo, Inc. ("DT") (collectively, the "Organization") for the fiscal year ended December 31, 2016. This information in the MD&A should be read in conjunction with the Organization's financial statements and the corresponding notes to the financial statements.

Financial Highlights

- The Huntington Center hosted 20 concerts, 8 family shows, 18 entertainment events and 43 Walleye games.
- The SeaGate Centre hosted 16 banquets, 20 consumer shows, 16 conventions, 2 concerts, 12 family shows, 9 assemblies and 31 meetings.
- Assets exceeded liabilities for the TLCCVB by \$6,600,890 as of December 31, 2016.
- Current assets increased by \$255,013 and current liabilities decreased by \$134,455 for the TLCCVB over the 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, as amended, the County of Lucas, Ohio (the "County"), is defined as a "primary government" and the TLCCVB is considered a component unit of the primary government. For purposes of the TLCCVB financial statements, the TLCCVB is defined as a "primary government", and 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.
- 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.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

The table below provides a summary of the Organization's financial position and operations for 2016 and 2015, respectively. Certain amounts may vary slightly due to differences caused by rounding to thousands.

Condensed statements of net position

December 31

(Amounts in thousands)

	TLCCVB		Change	DT		Change
	2016	2015		2016	2015	
Current assets	\$ 5,692	\$ 5,437	\$ 255	\$ 202	\$ 153	\$ 49
Capital assets, net	<u>3,995</u>	<u>3,154</u>	<u>841</u>	<u>10</u>	<u>17</u>	<u>(7)</u>
Total assets	9,688	8,591	1,096	212	170	42
Current liabilities	3,087	3,221	(134)	97	59	38
Net investment in capital assets	3,995	3,154	841	10	17	(7)
Restricted	1,194	1,589	(395)	-	-	-
Unrestricted	<u>1,412</u>	<u>627</u>	<u>785</u>	<u>106</u>	<u>94</u>	<u>12</u>
Total net position	<u>\$ 6,601</u>	<u>\$ 5,370</u>	<u>\$ 1,231</u>	<u>\$ 116</u>	<u>\$ 111</u>	<u>\$ 5</u>

During 2016, net position increased by \$1,230,359 for the TLCCVB and increased by \$4,851 for DT. The majority of these changes related to the TLCCVB and were due to the following:

- Current assets increased by \$255,013 primarily due to an increase in trade receivables.
- Capital assets increased by \$840,891 primarily due to improvements to the SeaGate Convention Centre.
- Current liabilities decreased by \$134,455 due to less advance ticket sales because of event payouts.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following table summarizes the changes in revenues and expenses for the Organization between 2016 and 2015:

Condensed statements of revenues, expenses, and changes in net position Years ended December 31 (Amounts in thousands)

	TLCCVB		Change	DT		Change
	2016	2015		2016	2015	
Operating revenues						
Event revenue	\$ 2,155	\$ 1,683	\$ 472	\$ -	\$ -	\$ -
Parking	679	621	59	-	-	-
Lucas County	1,950	2,651	(701)	800	629	17
Other	2,574	2,396	177	99	101	(2)
Total operating revenue	<u>7,358</u>	<u>7,351</u>	<u>7</u>	<u>899</u>	<u>730</u>	<u>169</u>
Operating expenses						
Payroll and benefits	2,674	2,594	82	497	481	16
Contracted services	1,301	1,197	103	24	28	(4)
Marketing/advertising	44	33	11	164	114	50
Utilities	704	697	7	3	3	-
Supplies	509	496	12	4	3	1
Insurance	179	175	4	5	2	3
Other	365	265	100	191	172	19
Total operating expense	<u>5,776</u>	<u>5,457</u>	<u>319</u>	<u>888</u>	<u>803</u>	<u>85</u>
Operating income (loss)						
before depreciation	1,582	1,894	(312)	11	(73)	84
Depreciation	<u>326</u>	<u>325</u>	<u>1</u>	<u>6</u>	<u>9</u>	<u>(3)</u>
Operating income (loss)						
after depreciation	1,256	1,569	(313)	5	(82)	87
Non-operating						
Other	<u>(26)</u>	<u>(37)</u>	<u>11</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in net position	<u>\$ 1,230</u>	<u>\$ 1,532</u>	<u>\$ (302)</u>	<u>\$ 5</u>	<u>\$ (82)</u>	<u>\$ 87</u>

Operating revenues include lodging taxes provided by the County to fund operations and capital improvements. The amount of subsidies received by the TLCCVB was \$1,950,061 and by DT was \$800,335 for the year ended December 31, 2016. The remaining revenues largely come from related event revenues.

- TLCCVB event income increased by \$472,179 in 2016 due to more events held at the Huntington Center and SeaGate Convention Centre.
- Parking income for the TLCCVB increased by \$58,750 in 2016.
- Other income increased in 2016 by \$177,042.
- Lucas County provided \$618,418 in capital funding for current and future projects at Seagate Centre and Huntington Center.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

Operating Expenses

- Utilities increased for the TLCCVB by \$7,122 in 2016.
- Payroll and fringe benefits increased for the TLCCVB by \$81,551 due primarily to increases in wages and benefits and increased labor hours due to increased events.
- Advertising cost for DT increased by \$49,898 due to efforts by DT to focus on advertising deemed effective.
- Supplies increased by \$12,321 for TLCCVB due to change in classification of expenses and fewer concerts at Huntington Center in 2016.
- Contracted services increased by \$103,499 due to increased numbers of events and increased management fee.

Capital Assets

At the end of 2016, the TLCCVB had \$3,995,301 (net of accumulated depreciation) invested in capital assets. Current year depreciation expense was \$325,824. 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 decreased by \$6,376 due to depreciation.

Economic Factors

Economic factors have started to improve in the convention and travel industry nationwide. This is true in Toledo/Lucas County as well. Convention attendance, as well as bookings increased during this period of time. Bookings increased in 2016 and we are optimistic that they will be at the same level or increase in 2017. The good news was that over the past several years the hotel/motel market and booking began to improve. The operations of the Arena continue to be strong as well as are ticket sales for the events. The Convention Center 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 VISITORS BUREAU, INC.
A COMPONENT UNIT OF THE COUNTY OF LUCAS, OHIO**

**STATEMENT OF NET POSITION
DECEMBER 31, 2016**

	Toledo-Lucas County Convention and Visitors Bureau, Inc.	Discretely Presented Component Unit Destination Toledo, Inc.
ASSETS		
Current assets		
Cash and cash equivalents	\$ 4,600,816	\$ 191,798
Accounts receivable		
Trade	688,797	10,093
Sponsorship receivable	353,958	-
Prepaid expenses	48,827	-
Total current assets	5,692,398	201,891
Noncurrent assets		
Capital assets:		
Parking rights	1,175,000	-
Depreciable capital assets, net	2,820,301	10,312
Total capital assets	3,995,301	10,312
Total assets	9,687,699	212,203
LIABILITIES		
Current liabilities		
Accounts payable - trade	663,703	6,017
Accounts payable - Lucas County	18,530	-
Accrued payroll and payroll taxes	262,515	28,698
Accrued real estate taxes and special assessments	97,489	-
Other accrued liabilities	221	-
Advance ticket sales	593,811	-
Unearned revenue	1,373,031	61,827
Security deposits	77,509	-
Total liabilities	3,086,809	96,542
NET POSITION		
Net position		
Investment in capital assets	3,995,301	10,312
Restricted for capital improvements	1,193,559	-
Unrestricted	1,412,030	105,349
Total net position	\$ 6,600,890	\$ 115,661

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, 2016**

	Toledo-Lucas County Convention and Visitors Bureau, Inc.	Discretely Presented Component Unit Destination Toledo, Inc.
Operating revenues		
Event revenue	\$ 2,155,316	\$ -
Other ticketing and sponsorship revenue	753,178	-
Parking, net of expenses of \$31,911	679,445	-
Food & beverage	1,671,266	-
Lucas County	1,950,061	800,335
Membership dues	-	66,713
Other	148,978	32,240
Total operating revenues	7,358,244	899,288
Operating expenses		
Payroll and fringe benefits	2,675,345	497,377
Utilities	703,682	3,218
Supplies, maintenance and other	508,582	3,844
Contracted services	1,300,753	24,192
Miscellaneous	15,121	37,644
Building and equipment rent	148,438	11,464
Insurance	179,163	4,777
Marketing and advertising	44,039	163,533
Legal and accounting	66,279	40,603
Real estate taxes and special assessments	96,012	-
Travel and entertainment	26,974	48,530
Dues, memberships and subscriptions	8,872	10,242
Provision for losses on accounts receivable	-	8,250
Postage	3,126	9,132
Photography, printing and publications	-	25,253
Total operating expenses	5,776,386	888,059
Operating income before depreciation and amortization	1,581,858	11,229
Depreciation and amortization	325,824	6,378
Operating income	1,256,034	4,851
Nonoperating revenues (expenses)		
Other nonoperating expenses	(26,637)	-
Interest income	962	-
Net nonoperating (expenses)	(25,675)	-
Change in net position	1,230,359	4,851
Net position, beginning of year	5,370,531	110,810
Net position, end of year	\$ 6,600,890	\$ 115,661

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, 2016**

	Toledo-Lucas County Convention and Visitors Bureau, Inc.	Discretely Presented Component Unit Destination Toledo, Inc.
Cash flows from operating activities		
Cash received from customers, contributions and subsidies	\$ 6,638,310	\$ 919,734
Cash payments to suppliers for goods and services	(2,875,982)	(382,736)
Cash payments to employees for services	<u>(2,619,716)</u>	<u>(490,769)</u>
Net cash provided by operating activities	<u>1,142,612</u>	<u>46,229</u>
Cash flows from capital and related financing activities		
Purchases of capital assets	(1,166,715)	-
Fiscal charges paid	<u>(26,637)</u>	<u>-</u>
Net cash (used in) capital and related financing activities	<u>(1,193,352)</u>	<u>-</u>
Cash flows provided by investing activities		
Interest received	<u>962</u>	<u>-</u>
(Decrease) increase in cash and cash equivalents	(49,778)	46,229
Cash and cash equivalents, beginning of year	<u>4,650,594</u>	<u>145,569</u>
Cash and cash equivalents, end of year	<u>\$ 4,600,816</u>	<u>\$ 191,798</u>
Cash flows from operating activities		
Operating income	\$ 1,256,034	\$ 4,851
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization	325,824	6,378
Provisions for losses on accounts receivable	-	8,250
Changes in operating assets and liabilities which provided (used) cash:		
Accounts receivable	(288,424)	(10,219)
Sponsorship receivable	(13,874)	-
Other assets	(2,493)	-
Accrued real estate taxes	1,483	-
Accounts payable	196,120	(304)
Accrued payroll and payroll taxes	55,629	6,608
Unearned revenue	(410,864)	30,665
Other accrued liabilities	<u>23,177</u>	<u>-</u>
Net cash provided by operating activities	<u>\$ 1,142,612</u>	<u>\$ 46,229</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

1. DESCRIPTION OF THE REPORTING ENTITY

The Toledo-Lucas County Convention and Visitors Bureau, Inc., a component unit of the County of Lucas, Ohio, (“TLCCVB”), operates the SeaGate Centre (a convention center) and Huntington Center (an arena) in the City of Toledo, Ohio. 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 its discretely presented component unit, Destination Toledo, Inc. (“DT”) (collectively, the “Organization”), which was established to encourage and promote the utilization of convention, restaurant, hotel, motel and entertainment facilities in Toledo, Ohio, 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 the County which opened October 2009. TLCCVB and DT are supported primarily through event revenues, private contributions, and 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, DT.

The 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, as amended, 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 this criteria, TLCCVB is determined to be a component unit of Lucas County and DT is determined to be a component unit of TLCCVB.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The accompanying financial statements are 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.

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

NOTES TO FINANCIAL STATEMENTS

B. 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.

C. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the 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.

D. 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.

E. 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.

F. 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. TLCCVB and 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.

G. Revenues

Operating revenues are those revenues generated directly from TLCCVB's primary business activities. These revenues include TLCCVB's portion of the County's hotel/lodging tax, event revenue, food and beverage, and sponsorships. The amount of hotel/lodging tax received by the TLCCVB and DT from the County was \$1,950,061 and \$800,335, respectively, for the year ended December 31, 2016.

H. 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.

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

NOTES TO FINANCIAL STATEMENTS

I. 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 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.

J. 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.

K. Net Position

Net position represents the difference between assets and liabilities. The net investment 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 net position for TLCCVB as of December 31, 2016 is \$1,193,559, which consists of capital contributions from management agreements to be spent on future capital improvements.

The Board of Trustees (the "Board") of TLCCVB has designated unrestricted net position aggregating 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, 2016 for TLCCVB and DT are \$1,412,030 and \$105,349, respectively.

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

NOTES TO FINANCIAL STATEMENTS

3. 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, 2016, the carrying amount of TLCCVB and DT's deposits were \$4,600,816 and \$191,798, respectively. At year-end, none of TLCCVB's bank balance of \$4,600,816 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 \$191,798 was exposed to custodial credit risk because it was FDIC insured.

Demand notes are collateralized at 105% 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 corporation. 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, 2016.

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

NOTES TO FINANCIAL STATEMENTS

4. PARKING RIGHTS

During 2007, the Organization purchased the rights to a portion of the parking spaces in the SeaGate Centre Parking 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.

5. CAPITAL ASSETS AND DEPRECIATION

Capital asset activity is as follows for the year ended December 31, 2016:

TLCCVB	Balance at January 1, 2016	Additions	Dispositions	Balance at December 31, 2016
Parking rights	\$ 1,175,000	\$ -	\$ -	\$ 1,175,000
Depreciable capital assets				
Building improvements	2,408,520	860,898	-	3,269,418
Furniture and fixtures	430,043	104,570	-	534,613
Machinery and equipment	649,193	190,336	104,817	734,712
Computer equipment	137,445	13,321	2,410	148,356
Other capital assets	2,683	-	-	2,683
Total depreciable assets	<u>3,627,884</u>	<u>1,169,125</u>	<u>107,227</u>	<u>4,689,782</u>
Accumulated depreciation:				
Building improvements	1,122,211	150,965	-	1,273,176
Furniture and fixtures	181,644	64,113	-	245,757
Machinery and equipment	284,949	91,763	104,817	271,895
Computer equipment	56,987	18,983	-	75,970
Other capital assets	2,683	-	-	2,683
Total accumulated depreciation	<u>1,648,474</u>	<u>325,824</u>	<u>104,817</u>	<u>1,869,481</u>
Capital assets being depreciated, net	<u>1,979,410</u>	<u>843,301</u>	<u>2,410</u>	<u>2,820,301</u>
Capital assets, net	<u>\$ 3,154,410</u>	<u>\$ 843,301</u>	<u>\$ 2,410</u>	<u>\$ 3,995,301</u>
Depreciation expense charged to operating activities		<u>\$ 325,824</u>		

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

NOTES TO FINANCIAL STATEMENTS

DT	Balance at January 1, 2016	Additions	Dispositions	Balance at December 31, 2016
Historical cost:				
Furniture and fixtures	\$ 173,355	\$ -	\$ -	\$ 173,355
Leasehold improvements	8,471	-	-	8,471
Building improvements	<u>12,201</u>	<u>-</u>	<u>-</u>	<u>12,201</u>
Total historical cost	<u>194,027</u>	<u>-</u>	<u>-</u>	<u>194,027</u>
Accumulated depreciation:				
Furniture and fixtures	167,324	3,475	-	170,799
Leasehold improvements	1,694	1,694	-	3,388
Building improvements	<u>8,319</u>	<u>1,209</u>	<u>-</u>	<u>9,528</u>
Total accumulated depreciation	<u>177,337</u>	<u>6,378</u>	<u>-</u>	<u>183,715</u>
Capital assets, net	<u>\$ 16,690</u>	<u>\$ (6,378)</u>	<u>\$ -</u>	<u>\$ 10,312</u>
Depreciation expense charged to operating activities		<u>\$ 6,378</u>		

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. The TLCCVB incurred fees from this firm amounting to \$50,416 for 2016.

DT reimburses TLCCVB for various personnel and administrative services provided. Total reimbursements for the year ended December 31, 2016 were approximately \$32,660.

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 2016.

TLCCVB and DT receive operating revenues in the form of lodging tax collections from Lucas County. Amounts received from the County by TLCCVB and DT during 2016 was \$1,950,061 and \$800,335, respectively.

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 \$16,769 in 2016. DT has a defined contribution retirement plan for eligible employees, created under the authority of a resolution of the governing

board. 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 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 \$20,611 for 2016.

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 gross wages earned. Pension expense under the plan amounted to \$32,475. As of the date of this report, management is not aware of any unfunded pension expense or withdrawal liability.

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.

9. MANAGEMENT AGREEMENTS

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 TLCCVB to extend for an additional five-year term. The agreements were amended and the extension was approved on December 13, 2016 and will expire December 31, 2022. The management agreement provides for a current annual fixed fee of approximately \$243,000, with additional compensation based on achieving predetermined revenue goals. Total fees paid to SMG were \$475,292 for 2016.

TLCCVB entered into a management agreement late in 2001, renewed in 2012, with the Board of Lucas County Commissioners to manage the County owned parking lots for an annual fee that increases by the preceding years Consumer Price Index through 2021, with the fee to be received by March 1. 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 2016 was \$100,287 and is included in parking revenue.

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 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 TLCCVB and 25% to the owner. Net parking receipts to the Organization for 2016 under the above arrangement were \$63,012.

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 TLCCVB a guaranteed annual amount and additional compensation if facility sales exceed certain target amounts. If facility food and beverage sales exceed certain targets, TLCCVB may be

obligated to pay an incentive management fees to AVI. TLCCVB received approximately \$1,643,105 under this agreement in 2016. The total management fee, including incentive, paid to AVI during 2016 under this agreement was \$303,918.

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, 2016 of \$255,751 is included in the statement of net position in unearned revenue. In the event of the expiration or termination of the TLCCVB's management agreement with SMG, the TLCCVB may be required to re-pay certain amounts of the contribution to SMG.

In connection with 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, 2016 of \$83,816 is included in the statement of net position in unearned revenue. In the event of the expiration or termination of TLCCVB's management agreement with AVI, TLCCVB may be required to re-pay certain amounts of the contribution to AVI.



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

**COMBINING SCHEDULE OF TLCCVB NET POSITION
DECEMBER 31, 2016**

	Huntington Center	SeaGate Convention Centre	Eliminating Entries	TLCCVB Consolidated Total
ASSETS				
Current assets				
Cash and cash equivalents	\$ 3,428,284	\$ 1,172,532	\$ -	\$ 4,600,816
Accounts receivable trade	623,453	158,122	(92,778)	688,797
Sponsorship receivable	353,958	-	-	353,958
Prepaid expenses	20,709	28,118	-	48,827
Total current assets	4,426,404	1,358,772	(92,778)	5,692,398
Noncurrent assets				
Capital assets:				
Parking rights	-	1,175,000	-	1,175,000
Capital assets, net	412,643	2,407,658	-	2,820,301
Total capital assets	412,643	3,582,658	-	3,995,301
Total assets	4,839,047	4,941,430	(92,778)	9,687,699
LIABILITIES				
Current liabilities				
Accounts payable - trade	517,781	238,700	(92,778)	663,703
Accounts payable - Lucas County	-	18,530	-	18,530
Accrued payroll and payroll taxes	117,086	145,429	-	262,515
Accrued real estate taxes and special assessments	-	97,489	-	97,489
Other accrued liabilities	-	221	-	221
Advance ticket sales	590,207	3,604	-	593,811
Unearned income	1,011,488	361,543	-	1,373,031
Security deposits	14,419	63,090	-	77,509
Total liabilities	2,250,981	928,606	(92,778)	3,086,809
NET POSITION				
Net position				
Net investment in capital assets	412,643	3,582,658	-	3,995,301
Restricted for capital improvements	1,117,106	76,453	-	1,193,559
Unrestricted	1,058,317	353,713	-	1,412,030
Total net position	\$ 2,588,066	\$ 4,012,824	\$ -	\$ 6,600,890

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

**COMBINING SCHEDULE OF TLCCVB REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2016**

	Huntington Center	SeaGate Convention Centre	Eliminating Entries	TLCCVB Consolidated Total
Operating revenues				
Event revenue	\$ 1,403,827	\$ 751,489	\$ -	\$ 2,155,316
Other ticketing and sponsorship revenue	753,178		-	753,178
Parking, net of expenses of \$31,911		679,445	-	679,445
Food & beverage	1,425,982	245,284	-	1,671,266
Lucas County	573,504	1,376,557	-	1,950,061
Other	29,972	119,006		148,978
Total operating revenues	4,186,463	3,171,781	-	7,358,244
Operating expenses				
Payroll and fringe benefits	1,539,016	1,136,329	-	2,675,345
Utilities	405,101	298,581	-	703,682
Supplies, maintenance and other	354,662	153,920	-	508,582
Contracted services	896,525	404,228	-	1,300,753
Miscellaneous	-	20,796	-	20,796
Building and equipment rent	124,548	18,215	-	142,763
Insurance	96,816	82,347	-	179,163
Marketing and advertising	3,735	40,304	-	44,039
Legal and accounting	35,073	31,206	-	66,279
Real estate taxes and special assessments	-	96,012	-	96,012
Travel and entertainment	13,880	13,094	-	26,974
Dues, memberships and subscriptions	5,545	3,327	-	8,872
Postage	2,514	612	-	3,126
Total operating expenses	3,477,415	2,298,971	-	5,776,386
Operating income before depreciation and amortization	709,048	872,810	-	1,581,858
Depreciation and amortization	29,364	296,460	-	325,824
Operating income	679,684	576,350	-	1,256,034
Nonoperating revenues (expenses)				
Other nonoperating expenses	(10,187)	(16,450)	-	(26,637)
Interest income	72	890	-	962
Net nonoperating (expenses)	(10,115)	(15,560)	-	(25,675)
Change in net position	669,569	560,790	-	1,230,359
Net position, beginning of year	1,918,497	3,452,034	-	5,370,531
Net position, ending of year	\$ 2,588,066	\$ 4,012,824	\$ -	\$ 6,600,890

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

COMBINING SCHEDULE OF TLCCVB CASH FLOWS
YEAR ENDED DECEMBER 31, 2016

	Huntington Center	SeaGate Convention Centre	Eliminating Entries	TLCCVB Consolidated Total
Cash flows from operating activities				
Cash received from customers, contributions and subsidies	\$ 3,514,638	\$ 3,121,155	\$ 2,517	\$ 6,638,310
Cash payments to suppliers for goods and services	(1,870,689)	(1,002,776)	(2,517)	(2,875,982)
Cash payments to employees for services	<u>(1,512,788)</u>	<u>(1,106,928)</u>	<u>-</u>	<u>(2,619,716)</u>
Net cash provided by operating activities	<u>131,161</u>	<u>1,011,451</u>	<u>-</u>	<u>1,142,612</u>
Cash flows from capital and related financing activities				
Purchase/Disposition of capital assets	(111,577)	\$ (1,055,138)	-	(1,166,715)
Fiscal charges paid	<u>(10,187)</u>	<u>(16,450)</u>	<u>-</u>	<u>(26,637)</u>
Net cash (used in) capital and related financing activities	<u>(121,764)</u>	<u>(1,071,588)</u>	<u>-</u>	<u>(1,193,352)</u>
Cash flows provided by investing activities				
Interest received	<u>72</u>	<u>890</u>	<u>-</u>	<u>962</u>
Increase (decrease) in cash and cash equivalents	9,470	(59,247)	-	(49,777)
Cash and cash equivalents, beginning of year	<u>3,418,814</u>	<u>1,231,779</u>	<u>-</u>	<u>4,650,593</u>
Cash and cash equivalents, ending of year	<u>\$ 3,428,284</u>	<u>\$ 1,172,532</u>	<u>\$ -</u>	<u>\$ 4,600,816</u>
Cash flows from operating activities				
Operating income	\$ 679,684	\$ 576,350	\$ -	\$ 1,256,034
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation and amortization	29,364	296,460	-	325,824
Changes in operating assets and liabilities which provided (used) cash:				
Accounts receivable	(264,735)	(53,662)	29,973	(288,424)
Sponsorship receivable	(13,874)	-	-	(13,874)
Other assets	6,604	(9,097)	-	(2,493)
Accrued real estate taxes	-	1,483	-	1,483
Accounts payable	67,708	158,385	(29,973)	196,120
Accrued payroll and payroll taxes	26,228	29,401	-	55,629
Unearned revenue	(408,955)	(1,910)	-	(410,865)
Other accrued liabilities	9,137	14,041	-	23,178
Net cash provided by operating activities	<u>\$ 131,161</u>	<u>\$ 1,011,451</u>	<u>\$ -</u>	<u>\$ 1,142,612</u>

**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***

INDEPENDENT AUDITORS' REPORT

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

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 the Toledo-Lucas County Convention & Visitors Bureau, Inc., a component unit of the County of Lucas, Ohio, and its discretely presented component unit, Destination Toledo, Inc. (collectively, the "Organization") as of and for the year ended December 31, 2016 and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements and have issued our report thereon dated April 26, 2017.

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.

two maritime plaza, ste. 202
toledo, oh 43604

www.cshco.com
p. 419.243.0218
f. 419.243.9264

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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of 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 *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Clark, Schaefer, Hackett & Co.

Toledo, Ohio
April 26, 2017



Dave Yost • Auditor of State

TOLEDO LUCAS COUNTY CONVENTION AND VISITORS BUREAU

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 13, 2017**