AUDITED FINANCIAL STATEMENTS

CANTON/STARK COUNTY CONVENTION AND VISITORS' BUREAU
CANTON, OHIO

December 31, 1999

CONTENTS

STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Board of Trustees
Canton Regional Chamber of Commerce
Canton, Ohio

We have reviewed the Independent Auditor's Report of the Canton/Stark County Convention and Visitors' Bureau, Stark County, prepared by Hall, Kistler & Company, LLP, for the audit period January 1, 1999 through December 31, 1999. 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 Hall, Kistler & Company, LLP is responsible for compliance with these laws and regulations.

JIM PETRO
Auditor of State

May 8, 2000

HALL, KISTLER & COMPANY LLP
Certified Public Accountants
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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Canton Regional Chamber of Commerce
Canton, Ohio

We have audited the accompanying statement of financial position of the Canton/Stark County Convention and Visitors' Bureau (Bureau), an affiliate of the Canton Regional Chamber of Commerce, as of December 31, 1999, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Bureau's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our 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 Canton/Stark County Convention and Visitors' Bureau as of December 31, 1999, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2000, on our consideration of the Bureau's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Hall, Kistler + Company LLP

Certified Public Accountants

Canton, Ohio
March 30, 2000

STATEMENT OF FINANCIAL POSITION

CANTON/STARK COUNTY CONVENTION AND VISITORS' BUREAU

December 31, 1999

ASSETS	
Cash and cash equivalents	$ 348,445
Accounts receivable	198,178
Advance for furniture and fixtures	80,000
Prepaid expenses	38,195
Investments	84,828
Office equipment	144,742
Promotional	76,050
	220,792
Less accumulated depreciation	149,887
	70,905
TOTAL ASSETS	$ 820,551

LIABILITIES AND NET ASSETS	
Accounts payable - trade	$ 12,748
Payable to Canton Regional Chamber of Commerce	10,284
Accrued expenses	10,997
TOTAL LIABILITIES	34,029
Unrestricted net assets	786,522
TOTAL LIABILITIES AND NET ASSETS	$ 820,551

See notes to financial statements.

STATEMENT OF ACTIVITIES

CANTON/STARK COUNTY CONVENTION AND VISITORS' BUREAU

Year ended December 31, 1999

Revenues	
County motel/hotel tax receipts	$ 770,768
Special projects	156,173
Investment income	18,277
Total revenues	945,218
Expenses	
Convention Department	186,664
Sports Promotion Department	362,505
Tourism Department - General	271,042
Tourist Information Center - Pro Football Hall of Fame	39,203
Visitor Information Center - Akron-Canton Airport	11,424
Total expenses	870,838
Change in net assets	74,380
Net assets at beginning of year	712,142
Net assets at end of year	$ 786,522

See notes to financial statements.

STATEMENT OF CASH FLOWS

CANTON/STARK COUNTY CONVENTION AND VISITORS' BUREAU

Year ended December 31, 1999

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	$ 74,380
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Depreciation	41,008
Loss on investments reported at fair value	2,207
(Increase) decrease in assets:	
Accounts receivable	(6,090)
Prepaid expenses	20,351
Increase (decrease) in liabilities:	
Accounts payable	(1,144)
Payable to Canton Regional Chamber of Commerce	(7,976)
Accrued expenses	3,302
Total adjustments	51,658
Net cash provided by operating activities	126,038
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from investment maturities	30,000
Purchase of investments	(40,947)
Purchase of property and equipment	(12,929)
Net cash (used in) investing activities	(23,876)
CASH FLOWS FROM FINANCING ACTIVITIES	
Advance for furniture and fixtures	(80,000)
Net cash (used in) financing activities	(80,000)
NET INCREASE IN CASH AND CASH EQUIVALENTS	22,162
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	326,283
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 348,445

See notes to financial statements.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Affiliated Entity

The Canton/Stark County Convention and Visitors' Bureau (Bureau) is a department of the Canton Regional Chamber of Commerce (Chamber). The Bureau receives financial support from Stark County through revenues collected from a motel/hotel room tax. In order to ensure the observance of the limitations and restrictions placed on these funds, the activities of the Bureau are reported separately from those of the Chamber. Transactions between the affiliates are for the reimbursement of direct expenses and are in the normal course of business.

Nature of Activities

The Bureau spotlights Stark County as a travel and tourism destination through target market advertising efforts and the creation of fulfillment publications. The Bureau also promotes the community as a successful meeting, convention and trade show destination. All levels of sporting events, statewide and nationally, are actively solicited and secured by the Bureau.

Basis of Accounting

The financial statements of the Bureau have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

Basis of Presentation

In order to ensure observance of limitations and restrictions placed on the use of the resources available to the Bureau, the accounts of the Bureau are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with activities or objectives specified.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value with gains or losses included in the statement of activities. Investment income which includes interest, dividends, net realized gains or losses on fair value of investments and other investment income shall be reported in the period earned as increases in unrestricted net assets.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash Equivalents

The Bureau considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. Cash equivalents are carried at cost, which approximates market.

Concentration of Credit Risk

At December 31, 1999, cash and cash equivalent balances per the banks were in excess of Federally insured limits by approximately $348,445.

Property and Equipment

Property and equipment are stated at cost. Depreciation is computed using the straight-line method based upon the estimated useful lives of the assets, which are generally 5 to 10 years.

Revenue Recognition

Revenue and expenses are recorded on the accrual basis. County motel/hotel room tax is recognized as earned in the period in which applicable tax receipts are collected. Revenue received for future sports promotion advertising is deferred to the applicable year.

Contributed Services

A significant portion of the Bureau's sporting events programs are conducted by unpaid volunteers. The value of these contributed services is not reflected in the financial statements.

Income Taxes

The Bureau is exempt from Federal income taxes under Section 501(c)(6) of the Internal Revenue Code, except for advertising revenues and program administration fees.

NOTE B - ADVANCE FOR FURNITURE AND FIXTURES

The Chamber and the Canton Regional Chamber of Commerce Foundation are purchasing a condominium unit that is currently under construction. As of December 31, 1999, the Bureau advanced $80,000 to the Chamber for the Bureau's share of furniture and fixtures to be purchased for the condominium unit.

NOTE C - INVESTMENTS

Investments are in debt securities with maturity dates of more than three months and are recorded at fair value. Investments consist of U.S. Treasury notes valued at $84,828 at December 31, 1999.

Investment income is recorded in the aggregate on the statement of activities and consists of the following at December 31, 1999:

Interest	$ 20,484
(Loss) on investments reported at fair value	(2,207)
	$ 18,277

NOTE D - CONCENTRATIONS

Approximately 93% of the Bureau's accounts receivable were due from Stark County for the motel/hotel room tax. Approximately 81% of the Bureau's support was provided from Stark County through revenues collected from motel/hotel room tax.

NOTE E - LEASES

The Bureau leases two facilities on a month to month basis. Rental expense for operating leases consists of the following:

Office space from an affiliate	$ 13,337
Tourist Information Center	5,300
	$ 18,637

NOTE F - RETIREMENT PLAN

The Bureau has a 401(k) defined contribution profit-sharing plan which covers substantially all full-time employees. Under this plan, the Bureau will match employee contributions up to 3% of their gross wages. In addition, the Bureau may make discretionary contributions to the plan.

Charges to expense relating to the above plans amounted to $7,874.

NOTE G - ALLOCATION OF EXPENSES

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

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

Board of Trustees
Canton Regional Chamber of Commerce
Canton, Ohio

We have audited the financial statements of the Canton/Stark County Convention and Visitors' Bureau (Bureau), an affiliate of the Canton Regional Chamber of Commerce, as of and for the year ended December 31, 1999, and have issued our report thereon dated March 30, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

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

This report is intended for the information of the audit committee, management and the State of Ohio Auditor and is not intended to be and should not be used by anyone other than these specified parties.

Hall, Kistler + Company LLP

Certified Public Accountants

Canton, Ohio
March 30, 2000

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OFFICE OF THE AUDITOR

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CANTON/STARK COUNTY CONVENTION AND VISITORS' BUREAU

STARK 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.

By: Susan Babbitt

Date: MAY 18, 2000