

**Financial and Compliance Report**

**Akron/Summit Convention & Visitors Bureau, Inc.**

**December 31, 2011 and 2010**

A large, stylized, light blue 'BC' logo is positioned in the background, partially obscured by a diagonal blue gradient that runs from the top-left corner towards the bottom-right. The 'B' and 'C' are interconnected and have a modern, rounded font style.

**BRUNER-COX LLP**

Business Consultants & Certified Public Accountants





# Dave Yost • Auditor of State

Board of Directors  
Akron/Summit Convention and Visitors Bureau, Inc.  
77 East Mill Street  
Akron, Ohio 44308

We have reviewed the *Independent Auditor's Report* of the Akron/Summit Convention and Visitors Bureau, Inc., Summit County, prepared by Bruner-Cox, LLP, for the audit period January 1, 2011 through December 31, 2011. 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 Akron/Summit 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

March 22, 2012

**This page intentionally left blank.**

## **CONTENTS**

<b>INDEPENDENT AUDITOR'S REPORT</b>	<b>1</b>
<b>FINANCIAL STATEMENTS</b>	
Management Discussion and Analysis	3
Statements of Net Assets	8
Statements of Revenue, Expenses and Changes in Net Assets	10
Statements of Cash Flows	12
Notes to Financial Statements	14
<b>INDEPENDENT AUDITOR'S REPORT ON OTHER FINANCIAL INFORMATION</b>	<b>22</b>
<b>OTHER FINANCIAL INFORMATION</b>	
Schedules of Revenue, Expenses and Changes in Net Assets – Bureau	23
Schedules of Revenue, Expenses and Changes in Net Assets – Center	24
Schedules of Revenue, Expenses and Changes in Net Assets – Greystone	25
Schedules of Revenue, Expenses and Changes in Net Assets – Creperie	26
<b>INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS</b>	<b>27</b>

**This page intentionally left blank.**

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Akron/Summit Convention & Visitors Bureau, Inc.  
Akron, Ohio

We have audited the accompanying statements of net assets of Akron/Summit Convention & Visitors Bureau, Inc. as of December 31, 2011 and 2010, and the related statements of revenue, expenses and changes in net assets, and of cash flows for the years then ended. These financial statements are the responsibility of Akron/Summit Convention & Visitors Bureau, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes 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 on the effectiveness of the Akron/Summit Convention & Visitors Bureau, Inc.'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 audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets of Akron/Summit Convention & Visitors Bureau, Inc. as of December 31, 2011 and 2010, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated March 2, 2012 on our consideration of Akron/Summit Convention & Visitors Bureau, Inc.'s control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 results of our audit.

Board of Directors  
Akron/Summit Convention & Visitors Bureau, Inc.

Management's discussion and analysis on pages 3 - 7 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. 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.

*Bruner • Cox, LLP*

Akron, Ohio  
March 2, 2012



**MANAGEMENT DISCUSSION AND ANALYSIS**  
**AKRON/SUMMIT CONVENTION & VISITORS BUREAU, INC.**

**For the years ended December 31, 2011 and 2010**

---

Assets exceeded liabilities by \$1,920,000  
Net assets decreased by \$167,000

The following Management Discussion and Analysis (MD&A) provides a summary overview of the financial performance of the Akron/Summit Convention & Visitors Bureau, Inc. (herein referred to as the ASCVB) for the years ended December 31, 2011 and 2010. This information in the MD&A should be read in conjunction with ASCVB's financial statements and corresponding notes to the financial statements.

**Financial Highlights and Outlook**

Market Share and demand in the Greater Akron area increased in 2011 and is expected to trend up incrementally in 2012. The major factors of this summation are based on the following:

The Bureau and the Center have focused energies on remaining fluid with trends of the marketplace to fill calendar gaps and increase occupancy during slower time periods.

- Area Bed Tax Collection increase in 2011 of 7.6% over 2010 collections
  - 2011 Total Collections: \$3,827,805 | 2010 Total Collections: \$3,557,133
- Smith Travel Research reports (for the Greater Akron MSA through December 2011) showcase the following results for 2011 vs. 2010:

	<u>Akron MSA</u>	<u>Statewide</u>
○ Occupancy:	53.7% = Increase of 9.0%	55.8% = Increase of 6.2%
○ Avg. Daily Rate:	\$76.64 = Increase of 3.5%	\$79.29 = Increase of 2.9%
○ RevPAR:	\$41.16 = Increase of 12.8%	\$44.25 = Increase of 9.3%

  - The above numbers reflect a higher than average increase and market share capture rate for the area
- Growth in the business core continues to provide year round Frequent Business Travelers i.e. Austen BioInnovation Institute in Akron, Bridgestone America's New Technical Center, Goodyear's new World Headquarters, growth at the University of Akron, expanded campuses at Children's Hospital, SUMMA and Akron General Medical Center
- Hotel market share growth has continued to stay on pace to provide ample occupancy levels to support cash flow surplus resulting in renovations, capital improvements and re-investment into hotel properties
  - Numerous properties in Akron/Summit County have changed "national flags"
    - Both ascending and descending in brand level(s)
  - Room demand is created on a continuous basis by the John S. Knight Center for Regional & National events, State Association Conventions and Convention Center based Trade Shows
- Number of Events:
  - In 2011 the Center hosted:
    - 176 Events vs. 190 in 2010 - decrease of 7.9%
    - 363,000 Visitors vs. 398,000 in 2010 - decrease of 8.8%
  - In 2010 Greystone Hall hosted
    - 115 Events vs. 119 in 2010 - decrease of 3.4%
    - 21,500 Visitors - increase of 7.5%

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### AKRON/SUMMIT CONVENTION & VISITORS BUREAU, INC.

For the years ended December 31, 2011 and 2010

---

#### Financial Highlights and Outlook (Continued)

- Greystone Hall's Management agreement with the City of Akron provides for increased vibrancy in the downtown footprint
  - Impacting the number of event and the propensity of visitors to come downtown
  - Projecting additional top line revenue for Food Service Department
  - 2011/2012 brought Solidification of office tenants
    - Two Year Leases for: Downtown Akron Partnership, Actors' Summit, Beauty Lounge and Carmen's Studio
- Continued efforts to maximize food purchases and payroll expenditures
- Focus on ease of bookings to blend with the increase trending of short turn times
- New on-line efforts for clients utilization to diversify their marketing and grow overall attendance increasing top-line revenue streams
- Repositioning of Downtown Hotel Room Inventory
  - The Ramada Plaza Hotel (formerly the Akron City Centre Hotel) now with 247 rooms under a national "flag"
  - Currently the downtown hotel market segment is underserved with demand in surplus of the supply
  - Possible growth to the downtown hotel inventory with two additional hotels; 110 room Courtyard by Marriott hotel in the Northside district and a 120-room Hampton Inn adjacent to the John S. Knight Center in downtown Akron
- Continued growth of Social Media and web-based initiatives are being pressed forward to capitalize on explosive growth, rapid change and inexpensive penetration costs
- Repeat and frequent demand suppliers are Regional and National events, State Association Conventions and Convention Center based Trade Shows
- Adult and Youth Sporting Groups provide solid shoulders to the historically high occupancy summer months
- Continued efforts with solid results in niche specific market segments
  - i.e. Corporate Express Package and Wedding "All-Inclusive Pricing"
- Cuyahoga Valley National Park located adjacent to downtown and connected via the Ohio & Erie Towpath, one of the Ten Most Visited National Parks and recently named in National Geographic's Top 10 Urban Escapes
  - Provides an untapped market to grow emersion, experiential and niche travel markets re: bird watching, cooking, wine tasting
- Akron-Canton Airport continues to set increased traffic records, including one of the fastest growing airports in the country in 2010
  - An expanded runway system has allowed the airport to add additional destinations and hub-based flights to its daily lift pattern providing for low-fare access to the area resulting in increased business travel

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### AKRON/SUMMIT CONVENTION & VISITORS BUREAU, INC.

For the years ended December 31, 2011 and 2010

#### Overview of the Financial Statements

ASCVB's financial statements are prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America, promulgated by the Governmental Accounting Standards Board (GASB).

The basic financial statements of ASCVB 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 – These statements present information on all ASCVB's assets and liabilities, with the difference between the two reported as net assets.
- Statements of Revenue, Expenses and Changes in Net Assets – These statements show how ASCVB'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 – These statements report cash and cash equivalent activities for the year resulting from operating, capital and related financing activities, and investing activities.
- The notes to the financial statements provide additional information that is essential to a full understanding of the financial statements.

#### Financial Analysis of ASCVB's Net Assets and Revenues, Expenses and Changes in Net Assets

The tables below provide a summary of ASCVB's financial position and operations for 2011, 2010 and 2009. Certain amounts may vary slightly due to differences caused by rounding to thousands.

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

	2011	Change	2010	Change	2009
Current assets	\$ 1,773	(1)%	\$ 1,798	11%	\$ 1,613
Capital assets, net of accumulated depreciation and amortization	717	6%	674	(15)%	789
Long-term assets	639	(24)%	846	(22)%	1,086
<b>Total assets</b>	<b>\$ 3,129</b>	<b>(6)%</b>	<b>\$ 3,318</b>	<b>(5)%</b>	<b>\$ 3,488</b>
Current liabilities	\$ 932	15%	\$ 807	12%	\$ 718
Long-term liabilities	277	(35)%	424	(30)%	608
<b>Total liabilities</b>	<b>\$ 1,209</b>	<b>(2)%</b>	<b>\$ 1,231</b>	<b>(7)%</b>	<b>\$ 1,326</b>
Unrestricted deficit	\$ (880)	40%	\$ (629)	11%	\$ (566)
Investment in capital assets	560	18%	476	(7)%	514
Restricted for capital assets	2,240	0%	2,240	1%	2,214
<b>Total net assets</b>	<b>\$ 1,920</b>	<b>(8)%</b>	<b>\$ 2,087</b>	<b>(3)%</b>	<b>\$ 2,162</b>

During 2011 and 2010, net assets decreased by \$167 and \$75 respectively.

**MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)**

**AKRON/SUMMIT CONVENTION & VISITORS BUREAU, INC.**

**For the years ended December 31, 2011 and 2010**

**Financial Analysis of ASCVB's Net Assets and Revenues, Expenses and Changes in Net Assets (Continued)**

The following table summarized the changes in revenue and expenses for ASCVB between 2011, 2010 and 2009:

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

	2011	Change	2010	Change	2009
<b>OPERATING REVENUES</b>					
Hotel/motel tax	\$ 2,907	7%	\$ 2,709	5%	\$ 2,582
Space, food and ancillary service	2,381	1%	2,350	21%	1,939
<b>Total operating revenue</b>	<b>5,288</b>	<b>5%</b>	<b>5,059</b>	<b>12%</b>	<b>4,521</b>
<b>OPERATING EXPENSES</b>					
Payroll and benefits	3,056	13%	2,715	15%	2,367
Property insurance	112	(3)%	115	6%	108
Utilities	332	(9)%	363	(12)%	413
Advertising and promotion	357	1%	353	(14)%	410
Supplies	48	(6)%	51	13%	45
Maintenance and repairs	236	3%	230	2%	225
Contracted services	358	(3)%	369	(6)%	392
Food services	627	6%	594	9%	544
Other	146	(3)%	151	17%	129
Bad debt expense - net of recoveries	3	(25)%	4	(20)%	5
<b>Total expenses</b>	<b>5,275</b>	<b>7%</b>	<b>4,945</b>	<b>7%</b>	<b>4,638</b>
<b>Operating income before depreciation and amortization</b>	<b>13</b>	<b>(89)%</b>	<b>114</b>	<b>(197)%</b>	<b>(117)</b>
Depreciation and amortization	187	6%	176	(9)%	193
<b>Operating loss</b>	<b>(174)</b>	<b>181%</b>	<b>(62)</b>	<b>(80)%</b>	<b>(310)</b>
<b>NONOPERATING REVENUES</b>					
Investment and other income (loss)	7	(158)%	(12)	(132)%	38
<b>Net change in assets</b>	<b>\$ (167)</b>	<b>126%</b>	<b>\$ (74)</b>	<b>(73)%</b>	<b>\$ (272)</b>

**Operating Revenues**

Operating revenues consist of a portion of hotel/motel taxes collected on rooms occupied. These revenues are a function of price and occupancy. A hotel/motel tax is levied by Summit County and the City of Akron; these taxes are collected by the County and distributed as revenue to ASCVB for operations. The remaining revenues largely come from convention facility sales.

## **MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)**

### **AKRON/SUMMIT CONVENTION & VISITORS BUREAU, INC.**

**For the years ended December 31, 2011 and 2010**

---

#### **Operating Expenses**

Operating expenses increased by \$330,000 primarily from increases in wage and benefit expenses due to increased staffing levels to handle additional volume. There was also an increase in payroll related taxes, notably workers' compensation taxes.

#### **Capital Assets**

At the end of 2011, ASCVB had \$560,000 invested in capital assets. The investment in capital assets includes improvement to the John S. Knight Convention Center.

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

#### **Economic Factors**

Despite strained economic factors, ASCVB has been able to contain costs. ASCVB anticipates a flat revenue stream and will continue to contain costs to stay within the operating budget.

#### **Contacting ASCVB's Financial Management**

This report is designed to provide a general overview of ASCVB's finance for all interested parties. Questions and requests for additional information regarding this report should be addressed to the Executive Director, Akron/Summit Convention & Visitors Bureau, Inc., 77 E. Mill Street, Akron, Ohio 44308.

**STATEMENTS OF NET ASSETS**

**AKRON/SUMMIT CONVENTION & VISITORS BUREAU, INC.**

**December 31, 2011 and 2010**

<b>ASSETS</b>	<b>2011</b>	<b>2010</b>
<b>Current assets</b>		
Cash and cash equivalents	\$ 111,914	\$ 467,531
Short-term investments	286,357	161,206
Accounts receivable less allowance for doubtful accounts of \$10,000 in 2011 and 2010	350,867	291,812
Accounts receivable		
Summit County	755,586	652,514
City of Akron	60,972	37,351
Inventory	75,567	73,892
Prepaid expenses	131,757	113,403
	<b>1,773,020</b>	<b>1,797,709</b>
<b>Capital assets</b>		
Property and equipment, net of accumulated depreciation and amortization	716,834	673,731
<b>Long-term assets</b>		
Accounts receivable, net of current	166,971	241,170
Long-term investments	472,129	604,919
	<b>639,100</b>	<b>846,089</b>
	<b>1,773,020</b>	<b>1,797,709</b>
<b>Total assets</b>	<b>\$ 3,128,954</b>	<b>\$ 3,317,529</b>

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

<b>LIABILITIES AND NET ASSETS</b>	<b>2011</b>	<b>2010</b>
<b>Current liabilities</b>		
Capital lease obligation, current portion	\$ 100,648	\$ 81,190
Accounts payable	113,232	100,067
Accrued expenses	239,774	165,544
Deferred revenues and customer deposits, current portion	477,808	459,473
<b>Total current liabilities</b>	<b>931,462</b>	<b>806,274</b>
<b>Long-term liabilities</b>		
Capital lease obligation, net of current	55,996	118,816
Deferred revenue and customer deposits, net of current	221,373	305,253
<b>Total long-term liabilities</b>	<b>277,369</b>	<b>424,069</b>
<b>Total liabilities</b>	<b>\$ 1,208,831</b>	<b>\$ 1,230,343</b>
<b>Net assets</b>		
Unrestricted (deficit)	\$ (879,981)	\$ (628,781)
Investment in capital assets	560,189	475,676
Restricted for capital assets	2,239,915	2,240,291
<b>Total net assets</b>	<b>\$ 1,920,123</b>	<b>\$ 2,087,186</b>

**STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS**

**AKRON/SUMMIT CONVENTION & VISITORS BUREAU, INC.**

**For the years ended December 31, 2011 and 2010**

	<b>2011</b>	<b>2010</b>
<b>OPERATING REVENUES</b>		
Summit County	\$ 2,731,610	\$ 2,534,007
City of Akron	175,000	175,000
Space income	285,627	285,866
Rental income	71,100	54,800
Food service	1,433,347	1,416,719
Ancillary service	589,167	593,055
Everything Akron Store	1,748	(81)
<b>Total operating revenues</b>	<b>5,287,599</b>	<b>5,059,366</b>
<b>OPERATING EXPENSES</b>		
Salaries and wages	2,460,658	2,238,618
Payroll taxes and employee benefits	595,290	476,319
Property insurance	111,703	114,759
Utilities	331,796	362,756
Promotion	209,107	196,858
Bad debt expense - net of recoveries	3,357	4,096
Advertising and printing	132,984	146,583
Office supplies and accessories	22,071	15,507
Postage	14,858	23,517
Dues and subscriptions	10,888	11,577
Professional fees	61,712	98,311
Travel	30,418	34,534
Maintenance and repairs	235,632	230,257
Contracted services	296,679	270,708
Food services	627,467	594,308
Lease	18,500	14,530
Audiovisual	21,480	48,744
Trade shows	8,075	5,565
Video conferencing	6,611	4,078
Start up costs	18,377	-
Miscellaneous	57,397	53,500
<b>Total operating expenses</b>	<b>5,275,060</b>	<b>4,945,125</b>
<b>Operating income before depreciation and amortization</b>	<b>12,539</b>	<b>114,241</b>
Depreciation and amortization	186,771	176,464
<b>Operating loss</b>	<b>(174,232)</b>	<b>(62,223)</b>



**STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS (CONTINUED)**

**AKRON/SUMMIT CONVENTION & VISITORS BUREAU, INC.**

**For the years ended December 31, 2011 and 2010**

	<b>2011</b>	2010
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Utility reimbursement to City of Akron	\$ -	\$ (38,368)
Interest expense	<b>(16,505)</b>	(19,170)
Investment and other income	<b>23,674</b>	45,214
	<hr/>	<hr/>
<b>Total nonoperating revenues (expenses)</b>	<b>7,169</b>	(12,324)
	<hr/>	<hr/>
<b>Change in net assets</b>	<b>(167,063)</b>	(74,547)
	<hr/>	<hr/>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>2,087,186</b>	2,161,733
	<hr/>	<hr/>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 1,920,123</b>	\$ 2,087,186
	<hr/>	<hr/>

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

## STATEMENTS OF CASH FLOWS

### AKRON/SUMMIT CONVENTION & VISITORS BUREAU, INC.

For the years ended December 31, 2011 and 2010

	2011	2010
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers, taxes and subsidies	\$ 5,110,505	\$ 5,013,833
Cash payments to suppliers for goods and services	(2,225,976)	(2,134,760)
Cash payments to employees for services	(2,981,718)	(2,758,084)
	<hr/>	<hr/>
<b>Cash provided by (used in) operating activities</b>	<b>(97,189)</b>	120,989
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Cash payments for interest	(16,505)	(19,170)
Purchases of capital assets	(180,148)	(61,229)
Payments on capital lease obligations	(93,088)	(74,952)
	<hr/>	<hr/>
<b>Cash used in capital financing activities</b>	<b>(289,741)</b>	(155,351)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest on investments	31,320	36,772
Redemption of investments	160,000	-
Purchase of investments	(160,007)	-
	<hr/>	<hr/>
<b>Cash provided by investing activities</b>	<b>31,313</b>	36,772
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(355,617)</b>	2,410
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>467,531</b>	465,121
	<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 111,914</b>	<b>\$ 467,531</b>
	<hr/> <hr/>	<hr/> <hr/>

**STATEMENTS OF CASH FLOWS (CONTINUED)**

**AKRON/SUMMIT CONVENTION & VISITORS BUREAU, INC.**

**For the years ended December 31, 2011 and 2010**

	<b>2011</b>	<b>2010</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Operating loss	\$ (174,232)	\$ (62,223)
Noncash items included in change in operating loss		
Depreciation and amortization	<b>186,771</b>	176,464
Changes in assets and liabilities		
Accounts receivable	<b>15,144</b>	112,586
Accounts receivable - Summit County	<b>(103,072)</b>	(50,619)
Accounts receivable - City of Akron	<b>(23,621)</b>	12,208
Inventory	<b>(1,675)</b>	(9,049)
Prepaid expenses	<b>(18,354)</b>	217
Accounts payable	<b>13,165</b>	27,869
Accrued expenses	<b>74,230</b>	33,244
Deferred revenues and customer deposits	<b>(65,545)</b>	(119,708)
<b>Cash provided by (used in) operating activities</b>	<b>\$ (97,189)</b>	<b>\$ 120,989</b>
<b>SUPPLEMENTAL DISCLOSURES OF NONCASH FINANCING ACTIVITIES</b>		
Capital lease obligation incurred for the use of equipment	<b>\$ 49,726</b>	\$ -
<b>SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING ACTIVITIES</b>		
Unrealized (gain) loss on investments	<b>\$ 8,535</b>	\$ (8,442)

## NOTES TO FINANCIAL STATEMENTS

### AKRON/SUMMIT CONVENTION & VISITORS BUREAU, INC.

---

#### **Note 1. Summary of Significant Accounting Policies**

##### **Reporting Entity**

Akron/Summit Convention & Visitors Bureau, Inc. (ASCVB) is a non-profit organization governed by a Board of Directors comprised of fifteen (15) members. Appointments are made to the Board of Directors by the City of Akron (8) and the County of Summit (7).

The Board of Directors governs the operation of the Akron/Summit Convention & Visitors Bureau, Inc. (ASCVB), the John S. Knight Center (JSK), and Greystone Hall (Greystone). It is the purpose of the ASCVB to actively promote the Akron/Summit County area as an ideal location for conventions of all sizes, plus tourism for the area's various points of interest. It is the purpose of the JSK to completely manage and maintain the John S. Knight Center and Greystone Hall, convention centers (owned by the City of Akron) located in downtown Akron.

In 2011, ASCVB began operations of the Creperie, a small restaurant located in Greystone Hall.

Akron/Summit Convention & Visitors Bureau, Inc. (ASCVB), as defined by Governmental Accounting Standards Board (GASB) Statement No. 14 is a "primary government". A fundamental characteristic of a primary government is that it is a fiscally independent entity.

##### **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 a single enterprise fund.

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. ASCVB 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 Certified Public Accountants not-for-profit model at the date of the GASB 34 statement.

Pursuant to the Governmental Accounting Standards Board (GASB) Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting, ASCVB 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. ASCVB 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.

## NOTES TO FINANCIAL STATEMENTS

### AKRON/SUMMIT CONVENTION & VISITORS BUREAU, INC.

---

#### **Note 1. Summary of Significant Accounting Policies (Continued)**

##### **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 ASCVB are included on the statement of net assets. The statements of revenue, expenses, and changes in net assets presents increases (i.e., revenue) and decreases (i.e., expenses) in total net assets. The statements of cash flows provide information about how ASCVB finances and meets the cash flow needs of its enterprise activity.

##### **Use of Estimates**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America 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.

##### **Concentration of Credit Risk**

ASCVB maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. ASCVB has not experienced any losses in such accounts. Management believes it is not exposed to any significant credit risk on cash.

##### **Cash and Cash Equivalents**

ASCVB considers all highly liquid investments, with a maturity of three months or less when purchased, to be cash equivalents.

##### **Fair Value of Financial Instruments**

The carrying amounts of financial instruments, including cash, cash equivalents, accounts receivable, accounts payable, accrued liabilities, and short-term borrowings, approximates fair value due to the short maturity of these instruments. The carrying amount of capital leases approximates fair value because the fixed rates are based on current rates offered to the ASCVB for debt with similar terms and maturities.

##### **Accounts Receivable and Allowance for Doubtful Accounts**

Accounts receivable represents amounts due from customers for events held at the John S. Knight Center and Greystone Hall; credit is extended based on an evaluation of a business or individual's financial condition and generally, collateral is not required. Receivables are carried at original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts on a periodic basis. Amounts due on events taking place in excess of one year are classified as long term. Management determines the allowance for doubtful accounts by identifying delinquent accounts for events that have taken place during the year and using historical experience. Receivables are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded when received.

## NOTES TO FINANCIAL STATEMENTS

### AKRON/SUMMIT CONVENTION & VISITORS BUREAU, INC.

---

#### **Note 1. Summary of Significant Accounting Policies (Continued)**

##### **Accounts Receivable - Summit County**

Accounts receivable - Summit County represent amounts due from the County of Summit for hotel/motel tax collected in the final quarter of the calendar year.

##### **Inventory**

Inventory consists of food, beverages and related supplies and is carried at the lower of cost (first in, first out) or market.

##### **Capital Assets**

Capital assets are stated at cost less accumulated depreciation and amortization. The cost of maintenance and repairs is expensed as incurred; significant renewals and betterments are generally capitalized. When assets are retired or otherwise disposed of, the costs and related accumulated depreciation and amortization are removed from the accounts and any resulting gain or loss is recognized in income for the period. Depreciation and amortization of property and equipment is computed using the straight-line method over the estimated useful lives of the respective assets.

##### **Advertising**

Advertising costs are expensed when incurred and included in operating expenses. Total advertising cost expensed was \$132,984 and \$146,583 for the years ended December 31, 2011 and 2010, respectively.

##### **Revenue Recognition**

ASCVB recognizes revenues at the time persuasive evidence of an arrangement exists, the service is provided or prices are fixed or determinable and collection is reasonably assured.

##### **Deferred Revenues**

Income from space, food, and ancillary services for scheduled events is deferred and recognized in the periods in which the events take place.

##### **Income Taxes**

ASCVB is exempt from income taxes under the current provisions of the Internal Revenue Code, Section 501(c)(6).

ASCVB follows the Accounting for Uncertainty in Income Taxes topic of the Financial Accounting Standards Board Accounting Standards Codification, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, ASCVB may recognize the tax benefit from an uncertain position only if it is more-likely-than-not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The guidance on accounting for uncertainty in income taxes also addresses derecognition, classification, interest and penalties on income taxes, and accounting in interim periods.

## NOTES TO FINANCIAL STATEMENTS

### AKRON/SUMMIT CONVENTION & VISITORS BUREAU, INC.

---

#### **Note 1. Summary of Significant Accounting Policies (Continued)**

With few exceptions, ASCVB is no longer subject to income tax examinations by tax authorities for years before 2008.

#### **Reclassifications**

Certain information previously reported in the December 31, 2010 financial statements has been reclassified with no effect on the change in net assets to conform with the current year's presentation.

#### **Note 2. Fair Value Measurements**

ASCVB accounts for assets and liabilities in accordance with the Fair Value Measurements and Disclosure topic of the FASB Accounting Standards Codification. This topic, among other things, defines fair value, establishes a consistent framework for measuring fair value and expands disclosure for each major asset and liability category measured at fair value on either a recurring or nonrecurring basis. The Fair Value Measurements and Disclosure topic clarifies that fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability.

Fair Value Measurements and Disclosures applies to all assets and liabilities that are being measured and reported on a fair value basis. Fair Value Measurements and Disclosures requires disclosure that establishes a framework for measuring fair value in accounting principles generally accepted in the United States of America, and expands disclosure about fair value measurements. This statement enables the reader of the financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values. The statement requires that assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

- Level 1: Quoted market prices in active markets for identical assets or liabilities.
- Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data.
- Level 3: Unobservable inputs that are not corroborated by market data.

In determining the appropriate levels, ASCVB performs a detailed analysis of the assets and liabilities that are subject to Fair Value Measurements and Disclosures.

The ASCVB holds investments in government obligations and certificates of deposit. The fair value of these government obligations and certificates of deposit is the market value based on quoted market prices, when available, or market prices provided by recognized broker dealers and are considered a Level 1 item. For the years ended December 31, 2011 and 2010, the application of valuation techniques applied to similar assets and liabilities have been consistent.

**NOTES TO FINANCIAL STATEMENTS**

**AKRON/SUMMIT CONVENTION & VISITORS BUREAU, INC.**

**Note 3. Capital Assets**

A summary of capital assets at December 31 is presented below:

	Balance at January 1, 2011	Additions	Dispositions	Balance at December 31, 2011
<b>Historical cost</b>				
Furniture, fixtures and equipment	\$ 1,199,964	\$ 54,454	\$ -	\$ 1,254,418
Computer software	31,103	499	-	31,602
Vehicles	26,956	13,314	26,956	13,314
Leasehold improvements	1,165,679	111,881	-	1,277,560
Equipment under capital leases	390,294	49,726	-	440,020
<b>Total historical cost</b>	<b>2,813,996</b>	<b>229,874</b>	<b>26,956</b>	<b>3,016,914</b>
<b>Accumulated depreciation and amortization</b>				
Furniture, fixtures and equipment	1,023,792	61,435	-	1,085,227
Computer software	24,681	2,686	-	27,367
Vehicles	26,956	2,663	26,956	2,663
Leasehold improvements	958,798	70,600	-	1,029,398
Equipment under capital leases	106,038	49,387	-	155,425
<b>Total accumulated depreciation and amortization</b>	<b>2,140,265</b>	<b>186,771</b>	<b>26,956</b>	<b>2,300,080</b>
	<b>\$ 673,731</b>	<b>\$ 43,103</b>	<b>\$ -</b>	<b>\$ 716,834</b>
	Balance at January 1, 2010	Additions	Dispositions	Balance at December 31, 2010
<b>Historical cost</b>				
Furniture, fixtures and equipment	\$ 1,154,248	\$ 49,029	\$ 3,313	\$ 1,199,964
Computer software	31,103	-	-	31,103
Vehicles	26,956	-	-	26,956
Leasehold improvements	1,153,479	12,200	-	1,165,679
Equipment under capital leases	390,294	-	-	390,294
<b>Total historical cost</b>	<b>2,756,080</b>	<b>61,229</b>	<b>3,313</b>	<b>2,813,996</b>
<b>Accumulated depreciation and amortization</b>				
Furniture, fixtures and equipment	950,821	76,284	3,313	1,023,792
Computer software	21,921	2,760	-	24,681
Vehicles	26,956	-	-	26,956
Leasehold improvements	905,082	53,716	-	958,798
Equipment under capital leases	62,334	43,704	-	106,038
<b>Total accumulated depreciation and amortization</b>	<b>1,967,114</b>	<b>176,464</b>	<b>3,313</b>	<b>2,140,265</b>
	<b>\$ 788,966</b>	<b>\$ (115,235)</b>	<b>\$ -</b>	<b>\$ 673,731</b>

Depreciation and amortization expense was \$186,771 and \$176,464 for 2011 and 2010, respectively.



## NOTES TO FINANCIAL STATEMENTS

### AKRON/SUMMIT CONVENTION & VISITORS BUREAU, INC.

---

#### **Note 4. Investments**

ASCVB's investment portfolio at December 31, 2011 consists of certificates of deposit and U.S. Treasury notes with various interest rates ranging from 1.75% to 4.125% and maturity dates of August 31, 2012 through December 21, 2015. Investment income for 2011 and 2010 was \$11,604 and \$29,385, respectively.

#### **Note 5. Retirement Plans**

ASCVB sponsors an employee benefit plan, which qualifies under Section 401(k) of the Internal Revenue Code. The plan covers all employees including those covered by the collective bargaining union agreement that choose to participate and meet certain age and service requirements. The plan allows the employees to defer up to 15% of their annual compensation. At its discretion, ASCVB may elect to match employee contributions or make non-elective contributions. There were no employer contributions to the plan during 2011 and 2010.

#### **Note 6. Short-Term Borrowings**

During 2011, ASCVB entered into a line of credit borrowing agreement with a bank. Under the terms of this agreement, ASCVB has available a \$500,000 line of credit. Interest is payable monthly at the bank's prime lending rate (3.25% at December 31, 2011) and is collateralized by ASCVB's investment account. There were no borrowings under this agreement at December 31, 2011.

At December 31, 2010, ASCVB had a loan management account agreement with an investment company. The agreement called for interest to be charged at a variable interest rate. ASCVB's investment account served as collateral on the account. The amount available to borrow under this arrangement was limited to a percentage of the market value in the investment account. There was approximately \$705,000 available under this agreement at December 31, 2010. There were no borrowings under this agreement at December 31, 2010. This account was closed in 2011.

#### **Note 7. Commitments and Contingencies**

##### **Operating Leases**

ASCVB leases the John S. Knight Center from the City of Akron for a nominal rental of \$1 per year. This approximates the fair market value of the rental based on the revenues generated and expenses incurred by the facility.

## NOTES TO FINANCIAL STATEMENTS

### AKRON/SUMMIT CONVENTION & VISITORS BUREAU, INC.

**Note 7. Commitments and Contingencies (Continued)**

ASCVB also leases certain equipment and vehicles under noncancelable leases expiring in various years through 2015. Rental expense for operating leases was \$27,469 and \$38,339 for the years ended December 31, 2011 and 2010, respectively. The following is a schedule by years of future minimum rental payments required under operating leases with terms in excess of one year as of December 31, 2011.

2012	\$	35,238
2013		28,089
2014		24,908
2015		17,490
2016		1
Thereafter		3
		\$ 105,729

**Capital Lease**

ASCVB leases certain equipment under capital lease arrangements. The asset and liability under these arrangements are recorded at the lower of present value of the minimum lease payments or the fair value of the assets. The equipment held under the capital lease arrangements at December 31, 2011 and 2010 is as follows.

	2011	2010
Equipment and leasehold improvements	\$ 440,020	\$ 390,294
Less accumulated amortization	155,425	106,038
	\$ 284,595	\$ 284,256

The amortization on assets acquired under capital leases is included with depreciation expense on owned assets. The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of December 31, 2011:

2012	\$	109,593
2013		47,028
2014		11,603
<b>Total minimum lease payments</b>		168,224
Less amounts representing interest		11,580
<b>Present value of minimum lease payments</b>		156,644
Less current portion		100,648
		\$ 55,996

## NOTES TO FINANCIAL STATEMENTS

### AKRON/SUMMIT CONVENTION & VISITORS BUREAU, INC.

---

#### **Note 8. Concentrations**

##### **Collective Bargaining Agreement**

The two full-time and the majority of the part-time employees of the John S. Knight Center are covered by a collective bargaining agreement. The agreement covers the period beginning July 1, 2011 and expires June 30, 2014.

#### **Note 9. Related Party Transactions**

ASCVB receives operating revenues in the form of bed tax collections from the City of Akron and Summit County. The City of Akron also reimburses ASCVB for expenses related to repairs and maintenance and capital improvements to Greystone Hall. The receivable balance was \$60,972 and \$37,351 at December 31, 2011 and 2010, respectively.

#### **Note 10. Restricted Funds for Capital Assets**

Under the term of the lease agreement with the City of Akron discussed in Note 7, ASCVB is required to "establish and fund a recurring capital cost fund to pay for repairs and maintenance" of the Center and improvements. The amount of restricted funds was \$2,239,915 and \$2,240,291 at December 31, 2011 and 2010, respectively.

#### **Note 11. Subsequent Events**

Subsequent events have been evaluated through March 2, 2012, which is the date the financial statements were available to be issued.

In February 2012, management announced the closing of the Creperie.

## **INDEPENDENT AUDITOR'S REPORT ON OTHER FINANCIAL INFORMATION**

Board of Directors  
Akron/Summit Convention & Visitors Bureau, Inc.  
Akron, Ohio

Our audits were conducted for the purpose of forming an opinion on the financial statements of Akron/Summit Convention & Visitors Bureau, Inc. taken as a whole. The following schedules of revenue, expenses and changes in net assets for the Bureau, Center, Greystone, and Creperie on pages 23 - 26 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements taken as a whole.

*Bruner. Cox, LLP*

Akron, Ohio  
March 2, 2012

**SCHEDULES OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS – BUREAU**

**AKRON/SUMMIT CONVENTION & VISITORS BUREAU, INC.**

**For the years ended December 31, 2011 and 2010**

	<b>2011</b>	<b>2010</b>
<b>OPERATING REVENUES</b>		
Summit County	\$ 2,731,610	\$ 2,534,007
City of Akron	175,000	175,000
Everything Akron Store	1,748	(81)
<b>Total operating revenues</b>	<b>2,908,358</b>	<b>2,708,926</b>
<b>OPERATING EXPENSES</b>		
Salaries and wages	451,680	468,942
Payroll taxes and employee benefits	88,385	90,758
Property insurance	10,032	12,628
Utilities	11,979	12,043
Promotion	182,242	173,128
Advertising and printing	112,401	121,664
Office supplies and accessories	5,052	4,106
Postage	8,493	14,906
Dues and subscriptions	8,106	7,808
Professional fees	19,987	35,674
Travel	20,048	25,682
Maintenance and repairs	19,693	20,348
Lease	6,529	5,379
Trade shows	5,738	3,315
Miscellaneous	6,416	3,901
<b>Total operating expenses</b>	<b>956,781</b>	<b>1,000,282</b>
<b>Operating income before depreciation and amortization</b>	<b>1,951,577</b>	<b>1,708,644</b>
Depreciation and amortization	2,663	-
<b>Operating income</b>	<b>1,948,914</b>	<b>1,708,644</b>
<b>NONOPERATING REVENUE</b>		
Management fee	-	38,368
Investment and other income	23,674	45,214
<b>Total nonoperating revenue</b>	<b>23,674</b>	<b>83,582</b>
<b>Change in net assets</b>	<b>\$ 1,972,588</b>	<b>\$ 1,792,226</b>

**SCHEDULES OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS – CENTER**

**AKRON/SUMMIT CONVENTION & VISITORS BUREAU, INC.**

**For the years ended December 31, 2011 and 2010**

	2011	2010
<b>OPERATING REVENUES</b>		
Space income	\$ 275,520	\$ 272,341
Food service	941,989	1,048,783
Ancillary service	555,439	573,857
<b>Total operating revenues</b>	<b>1,772,948</b>	<b>1,894,981</b>
<b>OPERATING EXPENSES</b>		
Salaries and wages	1,623,069	1,588,658
Payroll taxes and employee benefits	435,755	374,076
Property insurance	90,329	89,240
Utilities	314,913	348,836
Promotion	22,696	14,934
Bad debt expense - net of recoveries	3,357	4,096
Advertising and printing	16,207	22,980
Office supplies and accessories	11,886	10,066
Postage	6,006	8,099
Dues and subscriptions	2,782	3,769
Professional fees	33,524	52,111
Travel	10,214	8,852
Maintenance and repairs	207,663	186,706
Contracted services	283,239	264,970
Food services	445,461	478,516
Lease	11,971	9,151
Audiovisual	20,117	48,011
Trade shows	2,337	2,250
Video conferencing	6,611	4,078
Miscellaneous	48,294	49,599
<b>Total operating expenses</b>	<b>3,596,431</b>	<b>3,568,998</b>
<b>Operating loss before depreciation and amortization</b>	<b>(1,823,483)</b>	<b>(1,674,017)</b>
Depreciation and amortization	166,004	169,924
<b>Operating loss</b>	<b>(1,989,487)</b>	<b>(1,843,941)</b>
<b>NONOPERATING EXPENSES</b>		
Interest expense	(16,505)	(19,170)
<b>Total nonoperating expenses</b>	<b>(16,505)</b>	<b>(19,170)</b>
<b>Change in net assets</b>	<b>\$ (2,005,992)</b>	<b>\$ (1,863,111)</b>

**SCHEDULES OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS – GREYSTONE**

**AKRON/SUMMIT CONVENTION & VISITORS BUREAU, INC.**

**For the years ended December 31, 2011 and 2010**

	<b>2011</b>	<b>2010</b>
<b>OPERATING REVENUES</b>		
Space income	\$ 10,107	\$ 13,525
Rent Income	71,100	54,800
Food service	465,317	367,936
Ancillary service	33,728	19,198
<b>Total operating revenues</b>	<b>580,252</b>	455,459
<b>OPERATING EXPENSES</b>		
Salaries and wages	349,096	181,018
Payroll taxes and employee benefits	65,163	11,485
Property insurance	11,342	12,891
Utilities	4,479	1,877
Promotion	4,169	8,796
Advertising and printing	3,429	1,939
Office supplies and accessories	5,053	1,335
Postage	359	512
Professional fees	7,243	10,526
Travel	156	-
Maintenance and repairs	7,568	23,203
Contracted services	13,440	5,738
Food services	167,305	115,792
Audiovisual	1,363	733
<b>Total operating expenses</b>	<b>640,165</b>	375,845
<b>Operating income (loss) before depreciation and amortization</b>	<b>(59,913)</b>	79,614
Depreciation and amortization	6,540	6,540
<b>Operating income (loss)</b>	<b>(66,453)</b>	73,074
<b>NONOPERATING EXPENSES</b>		
Management fee	-	(38,368)
Utility reimbursement to City of Akron	-	(38,368)
<b>Total nonoperating expenses</b>	<b>-</b>	(76,736)
<b>Change in net assets</b>	<b>\$ (66,453)</b>	<b>\$ (3,662)</b>

**SCHEDULES OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS – CREPERIE**

**AKRON/SUMMIT CONVENTION & VISITORS BUREAU, INC.**

**For the year ended December 31, 2011**

	<b>2011</b>
<b>OPERATING REVENUE</b>	
Food service	<u>\$ 26,041</u>
<b>Total operating revenue</b>	<b>26,041</b>
<b>OPERATING EXPENSES</b>	
Salaries and wages	<b>36,813</b>
Payroll taxes and employee benefits	<b>5,987</b>
Utilities	<b>425</b>
Advertising and printing	<b>947</b>
Office supplies and accessories	<b>80</b>
Professional fees	<b>958</b>
Maintenance and repairs	<b>708</b>
Food services	<b>14,701</b>
Startup costs	<b>18,377</b>
Miscellaneous	<u><b>2,687</b></u>
<b>Total operating expenses</b>	<u><b>81,683</b></u>
<b>Operating loss before depreciation and amortization</b>	<b>(55,642)</b>
Depreciation and amortization	<u><b>11,564</b></u>
<b>Operating loss</b>	<u><b>(67,206)</b></u>
<b>Change in net assets</b>	<u><u><b>\$ (67,206)</b></u></u>



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

Board of Directors  
Akron/Summit Convention & Visitors Bureau, Inc.  
Akron, Ohio

We have audited the financial statements of Akron/Summit Convention & Visitors Bureau, Inc. as of and for the year ended December 31, 2011, and have issued our report thereon dated March 2, 2012. 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Akron/Summit Convention & Visitors Bureau, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Akron/Summit Convention & Visitors Bureau, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Akron/Summit Convention & Visitors Bureau, Inc.'s internal control over financial reporting.

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 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Akron/Summit Convention & Visitors Bureau, Inc.'s financial 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 instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Board of Directors  
Akron/Summit Convention & Visitors Bureau, Inc.

This report is intended solely for the information and use of the County of Summit, City of Akron, Board of Directors and management and is not intended to be and should not be used by any one other than those specified parties.

*Bruner. Cox, LLP*

Akron, Ohio  
March 2, 2012



# Dave Yost • Auditor of State

**AKRON/SUMMIT CONVENTION AND VISITORS BUREAU, INC.**

**SUMMIT 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  
APRIL 5, 2012**