



OHIO AUDITOR OF STATE  
**KEITH FABER**





**AKRON/SUMMIT CONVENTION & VISITORS BUREAU, INC.**  
**SUMMIT COUNTY**  
**DECEMBER 31, 2020**

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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

Akron/Summit Convention & Visitors Bureau, Inc.  
Summit County  
John S. Knight Center  
77 East Mill Street  
Akron, Ohio 44308

To the Board of Directors:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the Akron/Summit Convention & Visitors Bureau, Inc., Summit County, Ohio (the ASCVB), as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the ASCVB's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the ASCVB's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the ASCVB's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the ASCVB, as of December 31, 2020 and 2019, and the changes in its financial position and its cash flows for the years then ended in accordance with the accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

As discussed in Note 13 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the ASCVB. We did not modify our opinion regarding this matter.

### **Other Matters**

#### *Prior Period Financial Statements Audited by a Predecessor Auditor*

The financial statements of the Akron/Summit Convention & Visitors Bureau, Inc, Summit County, Ohio (the ASCVB), as of and for the year ended December 31, 2019, were audited by predecessor auditor whose report dated June 12, 2020, expressed an unmodified opinion on those statements.

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require this presentation to include *management's discussion and analysis* listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

#### *Other Information*

Our audit was conducted to opine on the ASCVB's basic financial statements taken as a whole.

The schedules of revenues, expenses and changes in net position for the Convention & Visitors Bureau, John S. Knight Center, and Greystone Hall are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedules of revenues, expenses and changes in net position for the Convention & Visitors Bureau, John S. Knight Center, and Greystone Hall are the responsibility of management, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, these schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2021, on our consideration of the ASCVB's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine 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 ASCVB's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

October 21, 2021

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**Akron/Summit Convention & Visitors Bureau, Inc.**  
**Management's Discussion and Analysis**  
**For the Years Ended December 31, 2020 and 2019**  
**(Unaudited)**

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, 2020 and 2019. Information in the MD&A should be read in conjunction with the ASCVB's financial statements and corresponding notes to the financial statements.

**Financial Highlights and Outlook**

The following information on the travel trends and booking pace for the Akron/Summit Convention & Visitors Bureau (Bureau), John S. Knight Center (Center) and Greystone Hall (Greystone) is based on analysis of past, existing and future initiatives, as well as fundamental industry indicators.

The continuation and unknown trajectory of the COVID-19 pandemic and the devastating effect it is having on the hospitality economy has created an impact that will have significant repercussions on the ASCVB's financial position, cash flow, and operating revenue for an unforeseen time period.

The 16,000+ men and women of Greater Akron's hospitality workforce (desk clerks, housekeepers, waiters, bartenders and restaurant personnel) are part of an industry that experienced a 51% unemployment rate due to COVID-19. The devastating ramification of COVID-19 on the hospitality industry and workforce includes lost wages, decimated industry revenue and tax collection decline. Based on mandated closures and industry restrictions, revenue (operating and tax) was virtually halted. Recovering from these tremendous and unprecedented challenges will require an investment of time, energy and resources. We are committed to supporting the men and women of the hospitality industry that have driven "this place we call home" to a return to our previous financial viability.

In mid-March of 2020, the ASCVB moved to layoff 1/3 of its staff and implemented a 15% salary reduction for all full-time employees in an attempt to help move toward financial stability.

Financial assistance and relief was provided by the Federal government in the form of a \$150,000 Economic Impact Disaster Loan (EIDL), a \$10,000 EIDL advance and a pass-through grant from Summit County in the form of a \$250,000 CARES Act grant.

The ASCVB will continue to navigate uncharted waters with conditions primarily outside of its control, heightened by many unknowns, including: pandemic resurgence, business traveler restrictions, and meeting planner's and leisure traveler's level of comfort to re-engage in the hospitality ecosystem.

The following will review efforts and results before and during COVID-19 and look forward to the potential realities in navigating towards a new normal:

The subsequent information is offered as a synopsis of the key elements of this analysis:

- Summit County bed tax gross collections showed a decrease in 2020 of 47.5 % vs. 2019
  - 2020 Total Gross County Collections: \$2,557,326
  - 2019 Total Gross County Collections: \$4,867,146

**Akron/Summit Convention & Visitors Bureau, Inc.**  
**Management's Discussion and Analysis**  
**For the Years Ended December 31, 2020 and 2019**  
**(Unaudited)**

- Smith Travel Research reports (for the Summit County MSA through December 2020) indicated the following results for 2020 vs. 2019

	<u>Summit MSA</u>	<u>Statewide</u>
• Occupancy:	42.6% = Decrease of 25.4%	39.9% = Decrease of 34.2%
• Average Daily Rate:	\$71.57 = Decrease of 19.0%	\$81.15 = Decrease of 19.5%
• RevPAR:	\$30.52 = Decrease of 39.5%	\$32.36 = Decrease of 47.1%

- There were no new products, increased inventory or rooms created in the market in 2020.
- Hotel rate and yield management within sales efforts through COVID-19 and diminished demand challenges continue to have a significant impact for property revenue units.
- Staffing challenges, notably highest in food service and housekeeping positions, create substantial challenges to property management and profit margins.
- Distribution channels and cost of goods continue to present challenges for the industry.
- Hotel Development:
  - The BLU-Tique Hotel in downtown Akron with 71 rooms opened on NYE '19 and temporarily closed mid-March due the effects of COVID-19.
  - Expectations for hotel development in direct proximity to the Center has decelerated.
- Number of Events:
  - The Center hosted:
    - 26 Events in 2020 vs. 160 in 2019
  - Greystone Hall hosted:
    - 20 Events in 2020 vs. 108 in 2019
  - Overall attendance numbers for hosted events were significantly decreased due to social distancing mandates and restrictions.
- Multiple campaigns from Akron[RE]Bound to [RE]Activate Akron were launched to encourage spending at the ASCVB's hospitality partners whether "at-home, "drive-up" or "mask-up".
- The Let's Start Planning campaign for the Center continues to evolve with respectful messaging based on current traveler sentiment as people are ready to start meeting and traveling again.
- Phase I of the City of Akron TIGER Grant street infrastructure and enhancement project has been completed and Phase II has begun on Main St. providing much needed and long awaited upgrades.
- Pivotal sales efforts, promotion, social media and advertising based on COVID-19 are underway.
- Driving use of on-line access and tool-kits for the ASCVB's external hospitality partners through Akron[RE]Bound and the ASCVB's CRM system will further create efficiencies, engagement frequency and cost savings.
- The DEFY Convention Campaign continues and will afford the ASCVB access to local "champions" to broaden the messaging of the significance of hosting groups to the hospitality ecosystem.
- The use of social media, pay-per-click and third-party directed campaigns built with engaging content allows for low cost and high volume channels to communicate with travelers.
- The Partnerships in Motion activities that historically were hosted four times annually had to be cancelled, creating a limited amount of in-person connections with our hospitality partners.
- While some of the ASCVB's outdoor iconic events and attractions saw increased numbers, they will now have to re-position themselves for new ways to engage, retain and build their client base. Also the following, but not limited to, have seen a significant impact based on COVID-19: Stan Hywet Hall & Gardens, Akron Art Museum, Akron Civic Theatre, All-American Soap Box Derby, Hale Farm & Village, Akron Marathon, Akron Zoo, Cuyahoga Valley Scenic Railroad, MGM Grand Casino and the Cuyahoga Valley National Park.

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- The Bridgestone Senior Players Championship is in year three of a four-year commitment and pivoted to a non-spectator event for 2020 greatly reducing the economic impact on the industry.
- The Akron-Canton Airport has completed their gate expansion and modernization program allowing for marketing to increase flights and destinations.
- Working toward a new understanding of state, regional and national events, convention center based trade shows and corporate activities that have been part of the ASCVB's overall business mix as the industry re-invents itself remain a top priority.
- Greystone's management agreement with the City of Akron resulted in a negative balance sheet for the first time in 5+ years due to COVID-19 restrictions and limitations.
- Through a keen awareness of market trends and traveler sentiment, the ASCVB will position each of the business units for operational achievement, departmental cost control and customer service proficiencies.

### **Overview of the Financial Statements**

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

- Statement of Net Position – This statement presents information on all of the ASCVB's assets and liabilities, with the difference between the two reported as net position.
- Statement of Revenues, Expenses and Changes in Net Position – This statement shows how the ASCVB'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 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.

**Akron/Summit Convention & Visitors Bureau, Inc.**  
**Management's Discussion and Analysis**  
**For the Years Ended December 31, 2020 and 2019**  
**(Unaudited)**

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

The table below provides a summary of the ASCVB's financial position and operations for 2020, 2019 and 2018. Certain amounts may vary slightly due to differences caused by rounding to thousands.

**Condensed Statements of Net Position**

**December 31**

**(Amounts in thousands)**

	2020	Change	2019	Change	2018
Current assets	\$ 4,055	-19%	\$ 4,984	2%	\$ 4,888
Capital assets, net of accumulated depreciation and amortization	591	0%	592	4%	570
Long-term assets	52	-66%	155	-19%	192
<b>Total assets</b>	<b>4,698</b>	<b>-18%</b>	<b>5,731</b>	<b>1%</b>	<b>5,650</b>
Current liabilities	1,331	-14%	1,545	17%	1,321
Long-term liabilities	271	30%	208	-13%	239
<b>Total liabilities</b>	<b>1,602</b>	<b>-9%</b>	<b>1,753</b>	<b>12%</b>	<b>1,560</b>
Net investment in capital assets	591	2%	582	6%	548
Restricted for capital assets	1,688	0%	1,688	-3%	1,733
Unrestricted (deficit)	817	-52%	1,708	-6%	1,809
<b>Total net position</b>	<b>3,096</b>	<b>-22%</b>	<b>3,978</b>	<b>-3%</b>	<b>4,090</b>
<b>Total liabilities and net position</b>	<b>\$ 4,698</b>	<b>-18%</b>	<b>\$ 5,731</b>	<b>1%</b>	<b>\$ 5,650</b>

During 2020, net position decreased by approximately \$882,000 and during 2019, net position decreased by approximately \$112,000.

**Akron/Summit Convention & Visitors Bureau, Inc.**  
**Management's Discussion and Analysis**  
**For the Years Ended December 31, 2020 and 2019**  
**(Unaudited)**

The following table summarize the changes in revenue and expenses for the ASCVB between 2020, 2019 and 2018.

**Condensed Statements of Revenue, Expenses and Changes in Net Position**  
**For the Years Ended December 31**  
**(Amounts in thousands)**

	2020	Change	2019	Change	2018
<b><u>Operating Revenues</u></b>					
Hotel/motel tax	\$ 1,952	-46%	\$ 3,608	-6%	\$ 3,840
Space, rent, and food and ancillary service	912	-71%	3,167	-6%	3,386
<b>Total operating revenues</b>	<b>2,864</b>	<b>-58%</b>	<b>6,775</b>	<b>-6%</b>	<b>7,226</b>
<b><u>Operating Expenses</u></b>					
Payroll and benefits	2,599	-32%	3,839	4%	3,700
Property insurance	101	-1%	102	1%	101
Utilities	273	-28%	377	0%	378
Advertising and promotion	302	-53%	649	-2%	662
Supplies	25	-64%	69	-3%	71
Maintenance and repairs	199	-21%	253	-11%	283
Contracted services	85	-76%	350	-22%	448
Food services	264	-71%	896	-4%	936
Depreciation and amortization	143	13%	126	-26%	170
Other	150	-34%	229	4%	221
<b>Total operating expenses</b>	<b>4,141</b>	<b>-40%</b>	<b>6,890</b>	<b>-1%</b>	<b>6,970</b>
<b><u>Nonoperating Revenues (Expenses)</u></b>					
Investment and other income (loss)	395	13067%	3	130%	(10)
<b>Total nonoperating revenues and expenses</b>	<b>395</b>	<b>13067%</b>	<b>3</b>	<b>130%</b>	<b>(10)</b>
<b>Change in net position</b>	<b>\$ (882)</b>	<b>-688%</b>	<b>\$ (112)</b>	<b>-146%</b>	<b>\$ 246</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 the ASCVB for operations. The remaining revenues largely come from convention facility sales. During 2020, the ASCVB received CARES Act and Economic Impact Disaster Loan funds made available due to the COVID-19 pandemic.

**Operating Expenses**

Operating expenses decreased by approximately \$2,749,000 due to the lack of events held during 2020 and a decrease in personnel expenses.

**Akron/Summit Convention & Visitors Bureau, Inc.**  
**Management's Discussion and Analysis**  
**For the Years Ended December 31, 2020 and 2019**  
**(Unaudited)**

**Capital Assets**

At the end of 2020, the ASCVB had approximately \$591,000 invested in capital assets. The net investment in capital assets includes improvements 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. See Note 4 to the financial statements for additional information.

**Long-term Debt**

At the end of 2020, the ASCVB had one outstanding loan totaling \$150,000. See Note 8 to the financial statements for additional information.

**Economic Factors**

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

**Contacting the ASCVB's Financial Management**

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

**Akron/Summit Convention & Visitors Bureau, Inc.**  
**Statement of Net Position**  
**December 31, 2020 and 2019**

<u>Assets</u>	2020	2019
<b>Current Assets</b>		
Cash and cash equivalents	\$ 1,991,367	\$ 825,977
Short-term investments	568,412	2,104,095
Accounts receivable less allowance for doubtful accounts of \$10,000 in 2020 and 2019	827,093	867,756
Accounts receivable:		
Summit County	482,890	939,979
City of Akron	26,341	35,078
Inventory	50,412	67,830
Prepaid expenses	108,185	143,695
<b>Total Current Assets</b>	4,054,700	4,984,410
<b>Noncurrent Assets</b>		
Property and equipment, net of depreciation and amortization	591,264	592,146
Accounts receivable, net of current	51,616	154,448
<b>Total Noncurrent Assets</b>	642,880	746,594
<b>Total Assets</b>	4,697,580	5,731,004
 <b>Liabilities</b>		
<b>Current Liabilities</b>		
Capital lease obligation, current portion	-	10,600
Accounts payable	69,919	134,138
Accrued expenses	350,411	428,834
Unearned revenue and customer deposits, current portion	910,820	971,448
<b>Total Current Liabilities</b>	1,331,150	1,545,020
<b>Long-term Liabilities</b>		
Small Business Administration loan	150,000	-
Unearned revenue and customer deposits, net of current	120,458	208,370
<b>Total Long-term Liabilities</b>	270,458	208,370
<b>Total Liabilities</b>	1,601,608	1,753,390
 <b>Net Position</b>		
Net investment in capital assets	591,264	581,546
Restricted for capital assets	1,688,222	1,688,222
Unrestricted	816,486	1,707,846
<b>Total Net Position</b>	\$ 3,095,972	\$ 3,977,614

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

**Akron/Summit Convention & Visitors Bureau, Inc.**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**For the Years Ended December 31, 2020 and 2019**

	2020	2019
<b><u>Operating Revenues:</u></b>		
Summit County	\$ 1,813,848	\$ 3,470,372
City of Akron	138,000	138,000
Space income	144,495	449,365
Rental income	92,716	82,098
Food service	475,091	1,910,522
Ancillary service	200,205	724,351
<b>Total Operating Revenues</b>	<b>2,864,355</b>	<b>6,774,708</b>
<b><u>Operating Expenses:</u></b>		
Salaries and wages	2,034,680	2,994,984
Payroll taxes and employee benefits	564,100	843,801
Property insurance	100,843	102,312
Utilities	272,690	376,753
Promotion	211,228	446,473
Advertising and printing	90,978	202,720
Office supplies and accessories	17,192	41,729
Postage	8,974	12,369
Dues and subscriptions	17,281	15,412
Professional fees	31,964	51,429
Travel	18,284	60,909
Maintenance and repairs	199,372	253,067
Contracted services	84,889	299,370
Food services	263,943	896,437
Lease	4,933	4,900
Audiovisual	15,775	64,730
Trade shows	3,778	8,459
Miscellaneous	57,658	88,122
Depreciation and amortization	142,813	125,548
<b>Total Operating Expenses</b>	<b>4,141,375</b>	<b>6,889,524</b>
Operating Income (Loss)	(1,277,020)	(114,816)
<b><u>Non-Operating Revenues (Expenses):</u></b>		
Utility reimbursement to City of Akron	6,525	(45,126)
Interest income (expense)	(234)	(644)
Economic Impact Disaster Loan (EIDL) Advance	10,000	-
Summit County CARES Act grant	250,000	-
Investment and other income	129,087	48,201
<b>Total Non-Operating Revenues (Expenses)</b>	<b>395,378</b>	<b>2,431</b>
Change in Net Position	(881,642)	(112,385)
<b>Net Position, Beginning of Year</b>	<b>3,977,614</b>	<b>4,089,999</b>
<b>Net Position, End of Year</b>	<b>\$ 3,095,972</b>	<b>\$ 3,977,614</b>

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



**Akron/Summit Convention & Visitors Bureau, Inc.**  
**Statement of Cash Flows**  
**For the Years Ended December 31, 2020 and 2019**

	2020	2019
<b><u>Cash Flows from Operating Activities:</u></b>		
Cash received from customers, taxes and subsidies	\$ 3,325,136	\$ 7,012,105
Cash payments to suppliers for goods and services	(1,411,073)	(2,957,986)
Cash payments to employees for services	(2,677,203)	(3,735,478)
<b>Net cash provided (used) by operating activities</b>	(763,140)	318,641
<b><u>Cash Flows from Capital and Related Financing Activities:</u></b>		
Cash refunds (payments) of interest	(234)	(644)
Purchases of capital assets	(141,931)	(147,314)
Payments on capital lease obligations	(10,600)	(12,360)
Payments of utility reimbursements	6,525	(45,125)
Summit County grant proceeds	255,000	-
EIDL advance proceeds	10,000	-
BWC refund of prior period expense	81,320	-
Small Business Administration loan proceeds	150,000	-
<b>Net cash provided (used) by capital and related financing activities</b>	350,080	(205,443)
<b><u>Cash Flows from Investing Activities:</u></b>		
Interest on investments	43,450	48,201
Redemption of investments	2,102,000	1,513,241
Purchase of investments	(567,000)	(2,102,000)
<b>Net cash provided (used) by investing activities</b>	1,578,450	(540,558)
Increase (decrease) in cash and cash equivalents	1,165,390	(427,360)
<b>Cash and Cash Equivalents, Beginning of Year</b>	825,977	1,253,337
<b>Cash and Cash Equivalents, End of Year</b>	\$ 1,991,367	\$ 825,977
<b><u>Reconciliation of Operating Loss to Net Cash Provided (Used) by Operating Activities</u></b>		
Operating income	\$ (1,277,020)	\$ (114,816)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation and amortization	142,813	125,548
Increase/decrease in operating assets and liabilities		
Accounts receivable	143,495	(147,072)
Accounts receivable - Summit County	457,089	128,213
Accounts receivable - City of Akron	8,737	138,867
Inventory	17,418	107
Prepaid expenses	35,510	(17,146)
Accounts payable	(64,219)	(15,756)
Accrued expenses	(78,423)	103,307
Unearned revenue and customer deposits	(148,540)	117,389
<b>Total adjustments</b>	513,880	433,457
<b>Net cash provided (used) by operating activities</b>	\$ (763,140)	\$ 318,641

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

**Akron/Summit Convention & Visitors Bureau, Inc.**  
**Summit County**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2020 and 2019**

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**Note 1 – Description of the Entity**

The Akron/Summit Convention & Visitors Bureau, Inc. (the ASCVB) is a non-profit organization governed by a Board of Directors composed of fifteen (15) members. Appointments are made to the Board of Directors by the City of Akron (7), Summit County (7) and the Tri County Labor Council (1).

The Board of Directors governs the operation of the ASCVB, including the John S. Knight Center (the Center), 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 also the purpose of the ASCVB 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.

***Reporting Entity***

The reporting entity has been defined in accordance with GASB Statement No. 14, *The Financial Reporting Entity* as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus and Amendment of GASB Statements No. 14 and No. 34*. The reporting entity is composed of the primary government. The primary government consists of all organizations, activities, and functions that are not legally separate from the ASCVB. For the ASCVB, this includes general operations.

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

The financial statements of the ASCVB have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Pursuant to GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance*, the Authority follows GASB guidance as applicable to proprietary funds.

The ASCVB's financial statements consist of a statement of net position, a statement of revenues, expenses and changes in net position, and a statement of cash flows. The ASCVB uses a single proprietary fund to maintain its financial records on an accrual basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Proprietary fund reporting focuses on the determination of the changes in net position, financial position and cash flows. A proprietary fund may be used to account for any activity for which a fee is charged to external users for goods and services.

***Measurement Focus and Basis of Accounting***

The proprietary fund is accounted for on a flow of economic resources measurement focus and the accrual basis of accounting. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the ASCVB are included on the statement of net position. The statement of changes in net position presents increases (revenues) and decreases (expenses) in total net position. The statement of cash flows provides information about how the ASCVB finances and meets the cash flow needs of its enterprise activity.

**Akron/Summit Convention & Visitors Bureau, Inc.**  
**Summit County**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2020 and 2019**

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**Note 2 – Summary of Significant Accounting Policies (continued)**

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the ASCVB's proprietary fund are bed tax revenues collected by the County Fiscal Officer and event revenue. Operating expenses for the proprietary fund include the costs of facility maintenance, operation of the John S. Knight Center and Greystone Hall, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

***Cash and Investments***

Cash and cash equivalents include investments with original maturities of three months or less at the time of purchase. Cash equivalents are carried at fair value. Investments with an initial maturity of more than three months are reported as investments. An analysis of the ASCVB's investment account at year end is provided in Note 3.

***Capital Assets***

All capital assets (including land, structures and equipment) are capitalized at cost and updated for additions and retirements during the fiscal period. Donated capital assets are recorded at their acquisition values as of the date received. The ASCVB maintains a capitalization threshold of \$2,500. The ASCVB does not possess any infrastructure. Improvements are capitalized, but the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except land and construction in progress are depreciated using the straight-line method over the estimated useful lives of the respective assets:

Furniture, fixtures and equipment	5-10 years
Computer software	5 years
Vehicles	5 years
Leasehold improvements	5-10 years
Equipment under capital leases	5-10 years

***Recognition of Revenues and Expenses***

The ASCVB accounts for transactions using the accrual basis of accounting. Revenues are recognized in the period earned and expenses are recognized in the period incurred.

The 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. Income from space, food and ancillary services for scheduled events is deferred and recognized in the period in which the event takes place.

**Akron/Summit Convention & Visitors Bureau, Inc.**  
**Summit County**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2020 and 2019**

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**Note 2 – Summary of Significant Accounting Policies (continued)**

***Inventory***

Inventory consists of food, beverages and related supplies and is carried at the lower of cost (first in, first out) or market. The expenses are recorded upon consumption.

***Use of Estimates***

The preparation of the financial statements in accordance with GAAP 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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

Accounts receivable represents amounts invoiced to/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.

Accounts receivable – Summit County represents amounts due from Summit County for bed tax collected in the final quarter of the calendar year.

Accounts receivable – City of Akron represents amounts due from the City of Akron per the ASCVB's management agreement with the city.

***Income Taxes***

The ASCVB is exempt from income taxes under the current provisions of the Internal Revenue Code, Section 501(c)(6). With few exceptions, the ASCVB is no longer subject to income tax examinations by tax authorities for years before 2011.

**Akron/Summit Convention & Visitors Bureau, Inc.**  
**Summit County**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2020 and 2019**

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**Note 2 – Summary of Significant Accounting Policies (continued)**

***Net Position***

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. The net position component “net investment in capital assets,” consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed by creditors, grantors or laws or regulations of other governments. The ASCVB applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**Note 3 – Deposits and Investments**

State statutes classify monies held by the ASCVB into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the ASCVB treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Interim monies held by the ASCVB can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

**Akron/Summit Convention & Visitors Bureau, Inc.**  
**Summit County**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2020 and 2019**

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**Note 3 – Deposits and Investments (continued)**

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the ASCVB and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payments for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

***Cash on Hand***

At December 31, 2020 and 2019, the ASCVB had \$10,027 and \$32,155, respectively, in undeposited cash on hand, which is included on the Statement of Net Position as part of “Cash and Cash Equivalents”.

***Deposits***

At December 31, 2020 and 2019, the carrying amount of the ASCVB’s deposits was \$2,549,752 and \$2,897,917, respectively (including \$568,412 and \$2,104,095, respectively, of non-negotiable certificates of deposit), and the bank balance was \$950,896 and \$859,278, respectively. Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, as of December 31, 2020 and 2019, none of the ASCVB’s bank balance was exposed to custodial credit risk as discussed below.

Custodial credit risk is the risk that, in the event of bank failure, the ASCVB’s deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the ASCVB. Although the securities were held by the Federal Reserve Bank of Boston and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the ASCVB to a successful claim by the FDIC.

***Investments***

The ASCVB has no formal investment policy however, the ASCVB’s investments were limited to certificates of deposit at December 31, 2020 and 2019.

Interest Rate Risk: The ASCVB has no investment policy that addresses interest rate risk. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the ASCVB, and that an investment must be purchased with the expectation that it will be held to maturity.

Credit Risk: The ASCVB has no investment policy that specifically addresses credit risk beyond requiring the ASCVB to invest in securities authorized by State statute.

**Akron/Summit Convention & Visitors Bureau, Inc.**  
**Summit County**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2020 and 2019**

**Note 3 – Deposits and Investments (continued)**

Concentration of Credit Risk: The ASCVB places no limit on the amount that may be invested in any one issuer.

**Note 4 – Capital Assets**

Capital asset activity for the year ended December 31, 2020 was as follows:

	Balance 1/1/2020	Additions	Deletions	Balance 12/31/2020
<u>Historical Cost</u>				
Furniture, fixtures and equipment	\$ 1,305,377	\$ 141,931	\$ -	\$ 1,447,308
Computer software	499	-	-	499
Vehicles	13,314	-	-	13,314
Leasehold improvements	1,762,439	-	-	1,762,439
Equipment under capital leases	59,640	-	-	59,640
<i>Total historical cost</i>	<u>3,141,269</u>	<u>141,931</u>	<u>-</u>	<u>3,283,200</u>
<u>Accumulated Depreciation and Amortization</u>				
Furniture, fixtures and equipment	(1,012,276)	(100,001)	-	(1,112,277)
Computer software	(499)	-	-	(499)
Vehicles	(13,314)	-	-	(13,314)
Leasehold improvements	(1,498,184)	(36,848)	-	(1,535,032)
Equipment under capital leases	(24,850)	(5,964)	-	(30,814)
<i>Total accumulated depreciation and amortization</i>	<u>(2,549,123)</u>	<u>(142,813)</u>	<u>-</u>	<u>(2,691,936)</u>
Capital Assets, Net	<u>\$ 592,146</u>	<u>\$ (882)</u>	<u>\$ -</u>	<u>\$ 591,264</u>

Capital asset activity for the year ended December 31, 2019 was as follows:

	Balance 1/1/2019	Additions	Deletions	Balance 12/31/2019
<u>Historical Cost</u>				
Furniture, fixtures and equipment	\$ 1,302,597	\$ 116,402	\$ (113,622)	\$ 1,305,377
Computer software	499	-	-	499
Vehicles	13,314	-	-	13,314
Leasehold improvements	1,731,527	30,912	-	1,762,439
Equipment under capital leases	59,640	-	-	59,640
<i>Total historical cost</i>	<u>3,107,577</u>	<u>147,314</u>	<u>(113,622)</u>	<u>3,141,269</u>
<u>Accumulated Depreciation and Amortization</u>				
Furniture, fixtures and equipment	(1,031,230)	(94,668)	113,622	(1,012,276)
Computer software	(499)	-	-	(499)
Vehicles	(13,314)	-	-	(13,314)
Leasehold improvements	(1,473,268)	(24,916)	-	(1,498,184)
Equipment under capital leases	(18,886)	(5,964)	-	(24,850)
<i>Total accumulated depreciation and amortization</i>	<u>(2,537,197)</u>	<u>(125,548)</u>	<u>113,622</u>	<u>(2,549,123)</u>
Capital Assets, Net	<u>\$ 570,380</u>	<u>\$ 21,766</u>	<u>\$ -</u>	<u>\$ 592,146</u>

**Akron/Summit Convention & Visitors Bureau, Inc.**  
**Summit County**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2020 and 2019**

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**Note 5 – Operating Leases**

The ASCVB leases the John S. Knight Center from the City of Akron for a nominal rental of \$1 per year.

The ASCVB also leases certain equipment and vehicles under noncancelable leases expiring in various years through 2024. The following is a schedule of the future minimum lease payments required under the operating leases.

Year Ending December 31:	<u>Payment</u>
2021	\$ 5,400
2022	5,400
2023	5,400
2024	<u>450</u>
Total Minimum Lease Payment	<u><u>\$ 16,650</u></u>

**Note 6 – Retirement Plan**

The 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; and also requires the ASCVB to make a mandatory contribution of at least 3% of each employee's compensation to adhere to Safe Harbor 401(k) requirements. For the year ending 2020, an expense for employee contributions was accrued in the amount of \$56,087; and for the year ending 2019, an expense for employee contributions was made in the amount of \$71,814.

**Note 7 – Short-term Borrowings**

The ASCVB has a line of credit borrowing agreement with PNC bank. Under the terms of this agreement, the ASCVB has available a \$500,000 line of credit. Interest is payable monthly at the bank's prime lending rate (3.50% at December 31, 2020) and is collateralized by the ASCVB's investment account. There were no borrowings under this agreement at December 31, 2020 and 2019.



**Akron/Summit Convention & Visitors Bureau, Inc.**  
**Summit County**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2020 and 2019**

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**Note 8 – Long-term Debt**

As of December 31, 2020, the ASCVB had the following long-term debt outstanding:

	<u>Payment</u>	<u>Interest</u>
SBA EIDL #4610367809	\$ 150,000	2.75%

In May of 2020, the ASCVB received an Economic Impact Disaster Loan (EIDL) in the amount of \$150,000 from the Small Business Administration (SBA) in response to the COVID-19 pandemic. The purpose of this loan was to provide cash flows to businesses negatively impacted by the pandemic. The loan carries an interest rate of 2.75%. The first loan payment is not due until 12 months after the loan funds were received and the loan matures May 1, 2050.

**Note 9 – Collective Bargaining Agreement**

The two full-time and a majority of the part-time employees of the John S. Knight Center are covered by a collective bargaining agreement. An agreement was negotiated during 2017. The agreement covers the period beginning July 1, 2017 and expiring June 30, 2020. In May of 2020, a 1-year extension of this contract was agreed upon by both parties extending the agreement and all of its terms through June 30, 2021.

**Note 10 – Risk Management**

The ASCVB is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the years ended December 31, 2020 and 2019, the ASCVB contracted with SeibertKeck to obtain coverage for the risks listed below.

The ASCVB is covered for property damage, general liability, automobile liability, and other crime liabilities through the purchased coverage provided by SeibertKeck.

Settled claims have not exceeded this coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

**Note 11 – Restricted Net Position**

Under the terms of the lease agreement with the City of Akron discussed in Note 6, the ASCVB is required to “establish and fund a recurring capital cost fund to pay for repairs and maintenance” of the John S. Knight Center and related improvements. The amount of restricted funds was \$1,688,222 and \$1,688,222, respectively, at December 31, 2020 and 2019.

**Note 12 – Contingencies**

The ASCVB may be party to various legal proceedings. In the opinion of the ASCVB, the ultimate disposition of these proceedings will not have a materially adverse effect on the ASCVB’s financial position. No provision has been made in the financial statements for the effect, if any, of such contingencies.

**Akron/Summit Convention & Visitors Bureau, Inc.**  
**Summit County**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2020 and 2019**

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**Note 13 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the ASCVB. The ASCVB's investment portfolio has incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the ASCVB's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

The ASCVB received \$10,000 from the SBA for an EIDL advance, which was treated as a grant in the accompanying financial statements. The ASCVB also received a grant from Summit County totaling \$250,000 which was a sub-grant of their CARES Act funds.

**Note 14 – Subsequent Events**

On January 26, 2021, the ASCVB obtained a Payroll Protection Program (PPP) loan from the SBA totaling \$681,177. Per the requirements of the SBA program, this loan will be forgiven provided that adequate tracking of eligible payroll costs is provided to the SBA within the required timeframe. The ASCVB intends to provide the necessary documentation for the requirements of this program.

In May of 2021, a 1-year extension of the union contract was agreed upon by both parties extending the agreement and all of its terms through June 30, 2022.

**Akron/Summit Convention & Visitors Bureau, Inc.**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Convention & Visitors Bureau**  
**For the Years Ended December 31, 2020 and 2019**

	2020	2019
<b><u>OPERATING REVENUES:</u></b>		
Summit County	\$ 1,813,848	\$ 3,470,372
City of Akron	138,000	138,000
<b>Total Operating Revenues</b>	1,951,848	3,608,372
<b><u>OPERATING EXPENSES:</u></b>		
Salaries and wages	440,718	598,974
Payroll taxes and employee benefits	125,192	193,757
Property insurance	10,156	10,231
Utilities	13,988	16,192
Promotion	193,242	387,502
Advertising and printing	78,070	161,566
Office supplies and accessories	2,159	6,173
Postage	5,390	7,600
Dues and subscriptions	16,576	14,708
Professional fees	13,381	22,365
Travel	14,539	46,320
Maintenance and repairs	3,003	4,669
Lease	2,467	2,450
Trade shows	3,778	8,459
Miscellaneous	15,838	8,275
<b>Total Operating Expenses</b>	938,497	1,489,241
Operating Income (Loss)	1,013,351	2,119,131
<b><u>NON-OPERATING REVENUES (EXPENSES):</u></b>		
Management Fee	(6,525)	45,125
EIDL Advance	10,000	-
Summit County CRF grant	250,000	-
Investment and other income	129,087	48,201
<b>Total Non-Operating Revenues (Expenses)</b>	382,562	93,326
Change in Net Position	\$ 1,395,913	\$ 2,212,457

**Akron/Summit Convention & Visitors Bureau, Inc.**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**John S. Knight Center**  
**For the Years Ended December 31, 2020 and 2019**

	2020	2019
<b><u>OPERATING REVENUES:</u></b>		
Space income	\$ 129,695	\$ 413,565
Food service	350,657	1,258,772
Ancillary service	192,758	695,944
<b>Total Operating Revenues</b>	673,110	2,368,281
<b><u>OPERATING EXPENSES:</u></b>		
Salaries and wages	1,454,880	2,065,269
Payroll taxes and employee benefits	414,922	599,006
Property insurance	80,054	81,288
Utilities	255,814	356,879
Promotion	14,828	50,007
Advertising and printing	11,523	36,549
Office supplies and accessories	8,612	23,317
Postage	3,584	4,769
Dues and subscriptions	705	704
Professional fees	12,223	22,202
Travel	3,488	13,318
Maintenance and repairs	190,840	238,353
Contracted services	81,918	295,553
Food services	214,619	635,462
Lease	2,466	2,450
Audiovisual	15,295	61,958
Miscellaneous	41,820	79,847
Depreciation and amortization	139,213	121,304
<b>Total Operating Expenses</b>	2,946,804	4,688,235
Operating Income (Loss)	(2,273,694)	(2,319,954)
<b><u>NON-OPERATING REVENUES (EXPENSES):</u></b>		
Interest income (expense)	(234)	(644)
<b>Total Non-Operating Revenues (Expenses)</b>	(234)	(644)
Change in Net Position	\$ (2,273,928)	\$ (2,320,598)

**Akron/Summit Convention & Visitors Bureau, Inc.**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Greystone Hall**  
**For the Years Ended December 31, 2020 and 2019**

	2020	2019
<b><u>OPERATING REVENUES:</u></b>		
Space income	\$ 14,800	\$ 35,800
Rental income	92,716	82,098
Food service	124,434	651,750
Ancillary service	7,447	28,407
<b>Total Operating Revenues</b>	<b>239,397</b>	<b>798,055</b>
<b><u>OPERATING EXPENSES:</u></b>		
Salaries and wages	139,082	330,741
Payroll taxes and employee benefits	23,986	51,038
Property insurance	10,633	10,793
Utilities	2,888	3,682
Promotion	3,158	8,964
Advertising and printing	1,385	4,605
Office supplies and accessories	6,421	12,239
Professional fees	6,360	6,862
Travel	257	1,271
Maintenance and repairs	5,529	10,045
Contracted services	2,971	3,817
Food services	49,324	260,975
Audiovisual	480	2,772
Depreciation and amortization	3,600	4,244
<b>Total Operating Expenses</b>	<b>256,074</b>	<b>712,048</b>
Operating Income (Loss)	(16,677)	86,007
<b><u>NON-OPERATING REVENUES (EXPENSES):</u></b>		
Utility reimbursement to City of Akron	6,525	(45,126)
Management Fee	6,525	(45,125)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>13,050</b>	<b>(90,251)</b>
Change in Net Position	\$ (3,627)	\$ (4,244)

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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Akron/Summit Convention & Visitors Bureau, Inc.  
Summit County  
John S. Knight Center  
77 East Mill Street  
Akron, Ohio 44308

To the Board of Directors:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Akron/Summit Convention & Visitors Bureau, Inc., Summit County, (the ASCVB) as of and for the year ended December 31, 2020, and the related notes to the financial statements, and have issued our report thereon dated October 21, 2021. We noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the ASCVB.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the ASCVB's internal control over financial reporting (internal control) as a basis for designing audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the ASCVB's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the ASCVB's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

***Compliance and Other Matters***

As part of reasonably assuring whether the ASCVB's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the financial statements. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the ASCVB's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the ASCVB's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio

October 21, 2021



# OHIO AUDITOR OF STATE KEITH FABER



**AKRON SUMMIT CONVENTION AND VISITORS BUREAU**

**SUMMIT COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



**Certified for Release 11/16/2021**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)