

**AUDITED FINANCIAL STATEMENTS AND OTHER
FINANCIAL INFORMATION**

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

DECEMBER 31, 2000 AND 1999



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STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Board of Trustees

Akron / Summit Convention & Visitor's Bureau, Inc.

Akron, Ohio

We have reviewed the Independent Auditor's Report of the Akron / Summit Convention & Visitor's Bureau, Inc., Summit County, prepared by Bruner Cox LLP, for the audit period January 1, 2000 to December 31, 2000. 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 & Visitor's Bureau, Inc. is responsible for compliance with these laws and regulations.

JIM PETRO
Auditor of State

March 8, 2001

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statements of financial position of Akron/Summit Convention & Visitors Bureau, Inc. as of December 31, 2000 and 1999, and the related statements of unrestricted revenue, expenses and other changes in unrestricted net assets, changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Akron/Summit Convention & Visitors Bureau, Inc. as of December 31, 2000 and 1999, and the changes in net assets and its cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated January 25, 2001 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 and agreements. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Bruner-Cox, LLP

January 25, 2001

STATEMENTS OF FINANCIAL POSITION

AKRON/SUMMIT CONVENTION & VISITORS BUREAU, INC.

December 31, 2000 and 1999

	2000	1999
ASSETS		
Cash and cash equivalents	\$ 609,568	\$ 285,267
Marketable securities	1,325,545	1,489,562
Accounts receivable less allowance for doubtful accounts of \$95,043 in 2000 and \$68,331 in 1999	430,129	421,029
Accounts receivable - Summit County	498,710	528,344
Inventory	44,622	26,297
Prepaid expenses	51,614	27,330
Property and equipment, net of accumulated depreciation	970,371	939,930
	\$ 3,930,559	\$ 3,717,759
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 108,504	\$ 105,518
Accrued expenses	67,094	36,577
Total liabilities	175,598	142,095
 Net assets		
Unrestricted	2,923,557	2,961,591
Temporarily restricted	831,404	614,073
	3,754,961	3,575,664
	\$ 3,930,559	\$ 3,717,759

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

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

AKRON/SUMMIT CONVENTION & VISITORS BUREAU, INC.

For the years ended December 31, 2000 and 1999

	2000	1999
UNRESTRICTED REVENUE		
City of Akron	\$ 175,000	\$ 175,000
Summit County	1,790,258	1,747,472
Space income	605,548	513,631
Food service, net	610,709	631,998
Ancillary service	1,094,464	891,562
Investment income	103,648	54,585
Total unrestricted revenue	4,379,627	4,014,248
EXPENSES		
Salaries and wages	1,384,003	1,185,628
Payroll taxes and employee benefits	330,825	261,428
Property insurance	85,103	72,245
Property taxes	9,696	39,000
Telephone	68,367	65,629
Utilities	347,813	341,856
Promotion	114,970	119,776
Bad debt expense	30,997	30,015
Advertising and printing	234,483	287,309
Office supplies and accessories	25,094	19,086
Postage	26,338	24,795
Dues and subscriptions	11,078	13,683
Professional fees	54,722	45,532
Travel	74,625	74,016
Parking	16,554	15,148
Maintenance and repairs	282,581	262,230
Contracted services	307,342	245,540
Food services	347,000	360,530
Data processing	200	10,530
Auto lease	10,889	10,608
Audiovisual	54,899	25,214
Security	30,207	60,935
Trust fees	3,078	2,872
Trade show	30,008	25,964

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

AKRON/SUMMIT CONVENTION & VISITORS BUREAU, INC.

For the years ended December 31, 2000 and 1999

	2000	1999
EXPENSES (Continued)		
Attractions grant	\$ 20,410	\$ 39,136
Video conferencing	25,165	25,723
Miscellaneous	129,982	67,335
Depreciation	180,616	189,922
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Total expenses	4,237,045	3,921,685
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Increase in unrestricted net assets	\$ 142,582	\$ 92,563
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The accompanying notes are an integral part of the financial statements.

STATEMENTS OF CHANGES IN NET ASSETS

AKRON/SUMMIT CONVENTION & VISITORS BUREAU, INC.

For the years ended December 31, 2000 and 1999

	2000	1999
UNRESTRICTED NET ASSETS		
Total unrestricted revenue	\$ 4,379,627	\$ 4,014,248
Total unrestricted expenses	(4,237,045)	(3,921,685)
Depreciation funding	(180,616)	(186,005)
	<hr/>	<hr/>
Decrease in net unrestricted assets	(38,034)	(93,442)
TEMPORARILY RESTRICTED ASSETS		
Investment income	36,715	19,786
Depreciation funding	180,616	186,005
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Increase in temporarily restricted assets	217,331	205,791
	<hr/>	<hr/>
Increase in net assets	179,297	112,349
NET ASSETS, BEGINNING OF YEAR	3,575,664	3,463,315
	<hr/>	<hr/>
NET ASSETS, END OF YEAR	\$ 3,754,961	\$ 3,575,664
	<hr/> <hr/>	<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, 2000 and 1999

	2000	1999
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 179,297	\$ 112,349
Noncash item included in net assets		
Depreciation	180,616	189,922
Changes in assets and liabilities		
Accounts receivable	(9,100)	(78,344)
Accounts receivable - Summit County	29,634	(88,304)
Inventory	(18,325)	9,652
Prepaid expenses	(24,284)	42,497
Accounts payable	2,986	10,189
Accrued expenses	30,517	16,575
	371,341	214,536
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(211,057)	(105,187)
	(211,057)	(105,187)
CASH FLOWS FROM FINANCING ACTIVITIES		
Purchases of marketable securities	(1,249,817)	(2,032,058)
Proceeds from sale of marketable securities	1,413,834	2,013,628
	164,017	(18,430)
Increase in cash and cash equivalents	324,301	90,919
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	285,267	194,348
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 609,568	\$ 285,267

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

NOTES TO FINANCIAL STATEMENTS

AKRON/SUMMIT CONVENTION & VISITORS BUREAU, INC.

Note 1. Nature of Business and Significant Accounting Policies

Nature of Business

Akron/Summit Convention & Visitors Bureau, Inc. (the Bureau) is a non-profit organization governed by a Board of Trustees comprised of fourteen (14) members. Appointments are made to the Board of Trustees by the City of Akron (7), and the County of Summit (7).

The Board of Trustees governs the operation of the Akron/Summit Convention & Visitors Bureau (ASCVB) and the John S. Knight Center (JSK). 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, a convention center (owned by the City of Akron) located in downtown Akron.

Use of Estimates

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

Concentration of Credit Risk

The Bureau maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Bureau 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

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

Accounts Receivable

Accounts receivable represents amounts due from customers for events held at the John S. Knight Center; credit is extended based on an evaluation of a business or individual's financial condition and generally, collateral is not required.

Accounts Receivable - Summit County

Accounts receivable - Summit County represents amounts due from the County of Summit for room taxes collected in the final quarter of the calendar year.

NOTES TO FINANCIAL STATEMENTS

AKRON/SUMMIT CONVENTION & VISITORS BUREAU, INC.

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Property and Equipment

Equipment is stated at cost less accumulated depreciation. 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 are removed from the accounts and any resulting gain or loss is recognized in income for the period. Depreciation of property and equipment is computed using the straight-line method over the estimated useful lives of the respective assets.

Marketable Securities

The Bureau carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair value in the statement of financial position. Unrealized gains and losses, if any, are included in the change of net assets in the accompanying schedules of activities.

Income Taxes

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

Reclassifications

Certain prior year amounts have been reclassified to conform with the current year presentation.

Note 2. Property and Equipment

A summary of property and equipment at December 31 is presented below:

	Bureau		Center		Total	
	2000	1999	2000	1999	2000	1999
Furniture and fixtures	\$ 62,333	\$ 62,333	\$ 557,799	\$ 408,124	\$ 620,132	\$ 470,457
Computer software	-	-	122,558	121,681	122,558	121,681
Vehicles	19,583	19,583	-	-	19,583	19,583
Leasehold improvements	-	-	961,659	901,154	961,659	901,154
	81,916	81,916	1,642,016	1,430,959	1,723,932	1,512,875
Less accumulated depreciation	81,916	81,916	671,645	491,029	753,561	572,945
	\$ -	\$ -	\$ 970,371	\$ 939,930	\$ 970,371	\$ 939,930

NOTES TO FINANCIAL STATEMENTS

AKRON/SUMMIT CONVENTION & VISITORS BUREAU, INC.

Note 3. Marketable Securities

The estimated market values of the Bureau's investment portfolio at December 31 are as follows:

	2000		1999	
	Cost	Market value	Cost	Market value
U. S. Government or agency obligations	\$ -	\$ -	\$ 910,756	\$ 910,756
Money market funds	1,325,545	1,325,545	578,806	578,806
	<u>\$ 1,325,545</u>	<u>\$ 1,325,545</u>	<u>\$ 1,489,562</u>	<u>\$ 1,489,562</u>

Investment income and gross unrealized gains and (losses) relating to marketable securities are summarized as follows at December 31:

	2000	1999
Investment income		
Interest and dividends	\$ 89,061	\$ 74,371
Unrealized gains (losses)	-	-
	<u>\$ 89,061</u>	<u>\$ 74,371</u>

Note 4. Retirement Plans

The Bureau sponsors an employee benefit plan which qualifies under Section 401(k) of the Internal Revenue Code. The plan covers all employees meeting certain age and service requirements. The plan allows the employees to defer up to 15% of their annual compensation. At its discretion, the Bureau may elect to match employee contributions or make nonelective contributions. During 2000 and 1999, \$29,861 and \$24,871, respectively, was recorded as expense under this plan.

Note 5. Lease of Convention Center

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

Note 6. Temporarily Restricted Net Assets

Under the term of the lease agreement with the City of Akron discussed in Note 5, the Bureau is required to "establish and fund a recurring capital cost fund to pay for repairs and maintenance" of the Center and improvements. Temporarily restricted net assets are available for this purpose. It is the intent of the Bureau to temporarily restrict assets in the amount of depreciation expense annually to comply with this external restriction.



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INDEPENDENT AUDITORS' REPORT ON OTHER FINANCIAL INFORMATION

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

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The following schedules (pages 11 and 12) for 2000 and 1999 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Bruner-Cox, LLP

Akron, Ohio
January 25, 2001

SCHEDULES OF ACTIVITIES – BUREAU

AKRON/SUMMIT CONVENTION & VISITORS BUREAU, INC.

For the years ended December 31, 2000 and 1999

	2000	1999
UNRESTRICTED REVENUE		
City of Akron	\$ 175,000	\$ 175,000
Summit County	1,790,258	1,747,472
Investment and other income	71,394	54,485
Total unrestricted revenue	2,036,652	1,976,957
EXPENSES		
Salaries and wages	357,566	340,769
Payroll taxes and employee benefits	85,541	72,577
Property insurance	11,312	5,128
Telephone	20,361	22,040
Promotion	88,347	79,740
Advertising and printing	176,726	200,233
Office supplies and accessories	9,409	6,710
Postage	18,921	17,333
Dues and subscriptions	7,832	10,519
Professional fees	29,271	20,296
Travel	42,466	56,178
Maintenance and repairs	12,237	10,619
Data processing	-	5,750
Auto lease	5,928	5,928
Trust fees	3,078	2,872
Trade shows	25,603	21,349
Attractions Grant	20,410	39,136
Miscellaneous	95,185	35,922
Depreciation	-	3,917
Total expenses	1,010,193	957,016
Net excess revenues	\$ 1,026,459	\$ 1,019,941

SCHEDULES OF ACTIVITIES – CENTER

AKRON/SUMMIT CONVENTION & VISITORS BUREAU, INC.

For the years ended December 31, 2000 and 1999

	2000	1999
UNRESTRICTED REVENUE		
Space income	\$ 605,548	\$ 513,631
Food service, net	610,709	631,998
Ancillary service	1,094,464	891,562
Investment and other income	32,254	100
	2,342,975	2,037,291
EXPENSES		
Salaries and wages	1,026,437	844,859
Payroll taxes and employee benefits	245,284	188,851
Property insurance	73,791	67,117
Property taxes	9,696	39,000
Telephone	48,006	43,589
Utilities	347,813	341,856
Promotion	26,623	40,036
Bad debt expense	30,997	30,015
Advertising and printing	57,757	87,076
Office supplies and accessories	15,685	12,376
Postage	7,417	7,462
Dues and subscriptions	3,246	3,164
Professional fees	25,451	25,236
Travel	32,159	17,838
Parking	16,554	15,148
Maintenance and repairs	270,344	251,611
Contracted services	307,342	245,540
Food services	347,000	360,530
Data processing	200	4,780
Auto lease	4,961	4,680
Audiovisual	54,899	25,214
Security	30,207	60,935
Trade shows	4,405	4,615
Video conferencing	25,165	25,723
Miscellaneous	34,797	31,413
Depreciation	180,616	186,005
	3,226,852	2,964,669
Total expenses		
	\$ (883,877)	\$ (927,378)
Net excess expenses		



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

Board of Trustees
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, 2000, and have issued our report thereon dated January 25, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

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

This report is intended for the information and use of the Board of Trustees and management and is not intended to be, and should not be, used by any one other than those specified parties.

Bruner-Cox, LLP

January 25, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

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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
MARCH 15, 2001**