

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

***SUMMIT COUNTY***

**Audit Report**

**For the Year Ended December 31, 2016**







# Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the Akron Summit Convention and Visitors Bureau, Summit County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2016 through December 31, 2016. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Akron Summit Convention and Visitors Bureau is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

August 30, 2017

**This page intentionally left blank.**

***Akron/Summit Convention & Visitors Bureau, Inc.***  
***Summit County***  
***For the Year Ended December 31, 2016***

**Table of Contents**

<b><u>Title</u></b>	<b><u>Page</u></b>
Independent Auditor’s Report.....	1
Management’s Discussion and Analysis.....	4
Basic Financial Statements:	
Statement of Net Position .....	10
Statement of Revenues, Expenses and Changes in Net Position .....	11
Statement of Cash Flows .....	12
Notes to the Financial Statements.....	13
Supplementary Information:	
Schedules of Revenue, Expenses and Changes in Net Position - Bureau.....	22
Schedules of Revenue, Expenses and Changes in Net Position - Center.....	23
Schedules of Revenue, Expenses and Changes in Net Position - Greystone.....	24
Schedules of Revenue, Expenses and Changes in Net Position - Creperie.....	25
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	26

Rockefeller Building  
614 W Superior Ave Ste 1242  
Cleveland OH 44113-1306  
Office phone - (216) 575-1630  
Fax - (216) 436-2411

***Charles E. Harris & Associates, Inc.***  
*Certified Public Accountants*

---

## **INDEPENDENT AUDITOR'S REPORT**

Akron/Summit Convention & Visitors Bureau, Inc.  
Summit County  
John S. Knight Center  
77 East Mill Street  
Akron, OH 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), which comprise the statement of net position as of December 31, 2016 and 2015, the related statements of revenues, expenses and changes in net position and cash flows for the years then ended, and the related notes to the financial statements.

### ***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 conducted our audit 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 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 opinions.

***Opinion***

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of the Akron/Summit Convention & Visitors Bureau, Inc., Summit County, Ohio, as of December 31, 2016, and the changes in its financial position and its cash flows thereof for the years then ended in accordance with the accounting principles generally accepted in the United States of America.

***Other Matters***

*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.

*Supplementary and 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 Bureau, John S. Knight Center, Greystone Hall, and Creperie present 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 Bureau, John S. Knight Center, Greystone Hall and Creperie are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves 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 June 14, 2017, 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.

*Charles E. Harris & Associates, Inc.*

*Charles E. Harris & Associates, Inc.*  
June 14, 2017



**Akron/Summit Convention & Visitors Bureau, Inc.**  
**Management's Discussion and Analysis**  
*For the Years Ended December 31, 2016 and 2015*  
*(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, 2016 and 2015. This 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.

A trajectory of increased revenue and demand generation was experienced in 2016. An engaged industry and strategic budgetary planning lead to a strong overall fiscal platform for the Bureau and partner organizations.

The subsequent information is provided as a framework of main factors of this analysis:

As the pace on changes in the marketplace based on travel habits, e-commerce, related industry standards and expectations continue to evolve at record pace we have concentrated on remaining nimble to provide the most up to date resources and products. At the same time, a strengthened and deliberate focus on principal activities in marketing, promotion and brand management reinforces the foundation upon which we rest in establishing the Greater Akron & Summit County hospitality industry as an economic generator for the region.

- Bed Tax Gross Collections increased in 2016 of 5.4 % over 2015 collections
  - 2016 Total Gross Collections: \$5,288,919 | 2015 Total Gross Collections: \$5,018,516
- Smith Travel Research reports (for the Greater Akron MSA through December 2016) indicate the following results for 2016 vs. 2015:

	<u>Akron MSA</u>	<u>Statewide</u>
▪ Occupancy:	54.2% = Decrease of 8.9%	59.7% = Decrease of 1.3%
▪ Average Daily Rate:	\$92.27 = Increase of 1.1%	\$97.40 = Increase of 3.9%
▪ RevPAR:	\$50.05 = Decrease of 6.1%	\$58.16 = Increase of 2.6%

- An influence will be felt with the flattening of frequent business traveler and core local business room-demand generators
- The substantial growth in hotel inventory over the 2014-2015 timeframe slowed in 2016. The tendencies and yield management with the current room inventory will play an increased role with hotel revenue departments.
- Hotel Development:
  - Two new hotels opened in the market in 2016
    - Courtyard by Marriott (downtown Akron)
    - Fairfield Inn (Stow)
  - One property is under construction; Home2 Suites (Stow)

*Akron/Summit Convention & Visitors Bureau, Inc.*  
*Management's Discussion and Analysis*  
*For the Years Ended December 31, 2016 and 2015*  
*(Unaudited)*

- Proposed development
  - The former Akron Citi Center Hotel conversion into 70 hotel room units and 105 market rate apartment units
  - The Blu-tique Hotel on the corner of Main & Market in Akron
  - The Wallhouse Hotel as part of the Front St. re-development in Cuyahoga Falls
- Efforts continue to analyze demand and options for hotel development in direct proximity to the Center
  
- Number of Events:
  - In 2016 the Center hosted:
    - 179 Events in 2016 vs. 184 in 2015
    - 378,000 Visitors in 2016 vs. 389,000 in 2015
  - In 2016 Greystone Hall hosted:
    - 110 Events in 2016 vs. 106 in 2015
    - 22,763 Visitors in 2016 vs. 20,842 in 2015
  
- Staying nimble in the ever changing marketplace and adapting to trending short-term bookings allows us to be positioned to facilitate and service these events
- Amplified efforts and budget for Sales, Promotion and Advertising have been executed
- Further expansion of the successful CRM system and establishment of a tool-kit to further engage and enlarge efficiencies and capacities of external partners collaborations
- The 2016 launch of the Sports Alliance of Greater Akron (SAGA) has provided opportunity to expand our offerings to Adult & Youth Sporting Groups and Events and marketability to a unique niche market that has significant growth potential helping to shore up slower months
- The DEFY Convention Campaign continues to have an impact and access to local “champions” to assist in drawing groups/events to the area
- An ever growing important undertaking of social media, brand management and user directed content is expected to endure as an important voice in this rapidly changing sector
- Partnerships in Motion continues to coalesce and provide impactful connections for our hospitality partners with mutually beneficial effects
- Significant increases in art and cultural events and attendance at activities continue to grow
- Iconic events and attractions have demonstrated growth complimenting their stability through evolving of additional activities
  - Bridgestone Invitational continues to gain national recognition
  - All-American Soap Box Derby has an expanded platform
  - Akron Marathon- Rubber City Race Series with new title sponsors
  - Akron Zoo is adding capacity to their grounds and park amenities
  - Akron Art Museum has opening the Rogers Garden to extend their reach outside their walls
- Akron-Canton Airport is differentiating service with new gates, parking, guest and service amenities
- The Bureau's Destination Development Grant program continued in an effort to infuse funding in local hospitality partners to enable progress and growth of products and offerings
- State, Regional and National events, Convention Center based Trade Shows and Corporate activities continue to be an integral part of our overall business mix
- Greystone's management agreement with the City of Akron has allowed for increase activities, revenue and impact on the downtown community

***Akron/Summit Convention & Visitors Bureau, Inc.***  
***Management's Discussion and Analysis***  
***For the Years Ended December 31, 2016 and 2015***  
***(Unaudited)***

- Continual refinement and forward-thinking energies at the Center and Greystone to control Utilities, Operational proficiencies, Food Service and Client Relations activities resulting in positive outcomes
- Akron-Canton Airport is diversifying efforts based on reduction of Southwest Airline's flight schedule

**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 Government 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 the following:

- Statement of Net Position – This statement presents information on all 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, 2016 and 2015  
(Unaudited)

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

The tables below provide a summary of the ASCVB's financial position and operations for 2016, 2015 and 2014. Certain amounts may vary slightly due to differences caused by rounding to thousands.

**Condensed Statements of Net Position**

**December 31**

**(Amounts in thousands)**

	2016	Change	2015	Change	2014
Current assets	\$ 4,683	18%	\$ 3,985	22%	\$ 3,258
Capital assets, net of accumulated depreciation and amortization	478	5%	456	2%	445
Long-term assets	121	137%	51	-80%	261
<b>Total assets</b>	<b>5,282</b>	<b>18%</b>	<b>4,492</b>	<b>-56%</b>	<b>3,964</b>
Current liabilities	1,499	18%	1,265	39%	910
Long-term liabilities	179	67%	107	-28%	149
<b>Total liabilities</b>	<b>1,678</b>	<b>22%</b>	<b>1,372</b>	<b>30%</b>	<b>1,059</b>
Net investment in capital assets	433	9%	398	-11%	445
Restricted for capital assets	1,841	-3%	1,890	-6%	2,006
Unrestricted (deficit)	1,330	60%	832	-84%	453
<b>Total net position</b>	<b>3,604</b>	<b>16%</b>	<b>3,120</b>	<b>7%</b>	<b>2,904</b>
<b>Total liabilities and net position</b>	<b>\$ 5,282</b>	<b>18%</b>	<b>\$ 4,492</b>	<b>13%</b>	<b>\$ 3,963</b>

During 2016 and 2015, net position increased by approximately \$484,000 and \$216,000, respectively.

**Akron/Summit Convention & Visitors Bureau, Inc.**  
**Management's Discussion and Analysis**  
For the Years Ended December 31, 2016 and 2015  
(Unaudited)

The following tables summarize the changes in revenue and expenses for the ASCVB between 2016, 2015 and 2014.

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

	2016	Change	2015	Change	2014
<b><u>Operating Revenues</u></b>					
Hotel/motel tax	\$ 3,933	5%	\$ 3,733	5%	\$ 3,559
Space, food and ancillary service	3,602	14%	3,155	-3%	3,236
<b>Total operating revenue</b>	<b>7,535</b>	<b>9%</b>	<b>6,888</b>	<b>2%</b>	<b>6,795</b>
<b><u>Operating Expenses</u></b>					
Payroll and benefits	3,519	4%	3,377	6%	3,197
Property insurance	103	5%	98	-1%	99
Utilities	400	3%	389	3%	377
Advertising and promotion	688	11%	622	5%	594
Supplies	71	-14%	83	0%	83
Maintenance and repairs	346	13%	306	3%	298
Contracted services	492	-5%	516	7%	481
Food services	1,032	12%	924	-7%	990
Depreciation and amortization	149	-3%	154	-4%	160
Other	217	7%	202	22%	165
<b>Total operating expenses</b>	<b>7,017</b>	<b>5%</b>	<b>6,671</b>	<b>4%</b>	<b>6,444</b>
<b><u>Nonoperating Revenues (Expenses)</u></b>					
Investment and other income (loss)	(33)	1550%	(2)	-111%	19
<b>Total nonoperating revenue and expense</b>	<b>(33)</b>	<b>1550%</b>	<b>(2)</b>	<b>-111%</b>	<b>19</b>
<b>Change in net position</b>	<b>\$ 485</b>	<b>126%</b>	<b>\$ 215</b>	<b>-42%</b>	<b>\$ 370</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.

**Operating Expenses**

Operating expenses increased by approximately \$346,000 primarily from increases in food services, advertising and promotion, and payroll and benefits.

***Akron/Summit Convention & Visitors Bureau, Inc.***  
***Management's Discussion and Analysis***  
***For the Years Ended December 31, 2016 and 2015***  
***(Unaudited)***

**Capital Assets**

At the end of 2016, the ASCVB has approximately \$432,000 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.

**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, Akron/Summit Convention & Visitors Bureau, Inc., 77 E. Mill Street, Akron, OH 44308.

**Akron/Summit Convention & Visitors Bureau, Inc.**  
**Statement of Net Position**  
**Proprietary Fund Type**  
**December 31, 2016 and 2015**

<u>Assets</u>	2016	2015
<b>Current Assets</b>		
Cash and cash equivalents	\$ 332,071	\$ 1,586,235
Short-term investments	2,276,390	389,332
Accounts receivable less allowance for doubtful accounts of \$10,000 in 2016 and 2015	917,496	686,189
Accounts receivable:		
Summit County	928,701	963,639
City of Akron	33,060	157,758
Inventory	72,980	76,145
Prepaid expenses	122,417	125,474
<b>Total Current Assets</b>	4,683,115	3,984,772
<b>Noncurrent Assets</b>		
Property and equipment, net of depreciation and amortization	478,347	456,135
Accounts receivable, net of current	120,806	50,580
<b>Total Noncurrent Assets</b>	599,153	506,715
<b>Total Assets</b>	5,282,268	4,491,487
 <u>Liabilities</u>		
<b>Current Liabilities</b>		
Capital lease obligation, current portion	11,579	10,300
Accounts payable	214,270	143,169
Accrued expenses	296,311	293,437
Unearned revenue and customer deposits, current portion	977,176	818,074
<b>Total Current Liabilities</b>	1,499,336	1,264,980
<b>Long-term Liabilities</b>		
Capital lease obligation, net of current	34,969	47,499
Unearned revenue and customer deposits, net of current	143,546	59,183
<b>Total Long-term Liabilities</b>	178,515	106,682
<b>Total Liabilities</b>	1,677,851	1,371,662
 <u>Net Position</u>		
Net investment in capital assets	433,452	398,336
Restricted for capital assets	1,841,388	1,889,605
Unrestricted	1,329,577	831,884
<b>Total Net Position</b>	\$ 3,604,417	\$ 3,119,825

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**  
**Proprietary Fund Type**  
**For the Years Ended December 31, 2016 and 2015**

	2016	2015
<b><u>Operating Revenues:</u></b>		
Summit County	\$ 3,794,857	\$ 3,595,416
City of Akron	138,000	138,000
Space income	458,197	411,845
Rental income	85,394	62,400
Food service	2,123,706	1,933,401
Ancillary service	935,080	747,540
Everything Akron Store	-	159
<b>Total Operating Revenue</b>	7,535,234	6,888,761
<b><u>Operating Expenses:</u></b>		
Salaries and wages	2,884,127	2,770,137
Payroll taxes and employee benefits	635,082	607,403
Property insurance	102,590	97,803
Utilities	399,866	388,914
Promotion	458,642	422,826
Bad debt expense - net of recoveries	-	619
Advertising and printing	229,754	198,773
Office supplies and accessories	35,444	53,701
Postage	20,512	15,781
Dues and subscriptions	14,592	13,030
Professional fees	62,434	142,328
Travel	49,147	54,710
Maintenance and repairs	345,877	306,415
Contracted services	429,976	373,917
Food services	1,032,437	923,999
Lease	5,100	10,599
Audiovisual	52,222	20,604
Trade shows	3,525	11,629
Miscellaneous	107,039	103,824
Depreciation and amortization	148,782	153,994
<b>Total Operating Expenses</b>	7,017,148	6,671,006
Operating Income (Loss)	518,086	217,755
<b><u>Non-Operating Revenues (Expenses):</u></b>		
Utility reimbursement to City of Akron	(48,217)	-
Loss on disposal of assets	-	(17,712)
Interest income (expense)	(1,653)	(310)
Investment and other income	16,376	15,867
<b>Total Non-Operating Revenues (Expenses)</b>	(33,494)	(2,155)
Change in Net Position	484,592	215,600
<b>Net Position, Beginning of Year</b>	3,119,825	2,904,225
<b>Net Position, End of Year</b>	\$ 3,604,417	\$ 3,119,825

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



**Akron/Summit Convention & Visitors Bureau, Inc.**  
**Statement of Cash Flows**  
**Proprietary Fund Type**  
**For the Years Ended December 31, 2016 and 2015**

	2016	2015
<b><u>Cash Flows from Operating Activities:</u></b>		
Cash received from customers, taxes and subsidies	\$ 7,636,802	\$ 6,689,245
Cash payments to suppliers for goods and services	(3,271,834)	(3,110,992)
Cash payments to employees for services	(3,516,335)	(3,389,839)
<b>Net cash provided (used) by operating activities</b>	<b>848,633</b>	<b>188,414</b>
<b><u>Cash Flows from Capital and Related Financing Activities:</u></b>		
Cash refunds (payments) of interest	(1,653)	(310)
Purchases of capital assets	(170,994)	(116,820)
Payments on capital lease obligations	(11,251)	(10,997)
Payments of utility reimbursements	(48,217)	-
<b>Net cash provided (used) by operating activities</b>	<b>(232,115)</b>	<b>(128,127)</b>
<b><u>Cash Flows from Investing Activities:</u></b>		
Interest on investments	16,376	18,230
Purchase of investments	(1,887,058)	875,429
<b>Net cash provided (used) by investing activities</b>	<b>(1,870,682)</b>	<b>893,659</b>
Increase (decrease) in cash and cash equivalents	(1,254,164)	953,946
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>1,586,235</b>	<b>632,289</b>
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 332,071</b>	<b>\$ 1,586,235</b>
<b><u>Reconciliation of Operating Loss to Net Cash Provided (Used) by Operating Activities</u></b>		
Operating income	\$ 518,086	\$ 217,755
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation and amortization	148,782	153,994
Increase/decrease in operating assets and liabilities:		
Accounts receivable	(301,533)	(227,188)
Accounts receivable - Summit County	34,938	(72,899)
Accounts receivable - City of Akron	124,698	(132,580)
Inventory	3,165	(11,344)
Prepaid expenses	3,057	6,041
Accounts payable	71,101	33,783
Accrued expenses	2,874	(12,299)
Unearned revenue and customer deposits	243,465	233,151
Total adjustments	330,547	(29,341)
<b>Net cash provided (used) by operating activities</b>	<b>\$ 848,633</b>	<b>\$ 188,414</b>
<b><u>Supplemental Disclosure of Non-Cash Capital Financing Activities</u></b>		
Loss on disposal of assets	\$ -	\$ 17,712
Inception of capital lease	-	59,640
<b>Total Non-Cash Financing Activities</b>	<b>\$ -</b>	<b>\$ 77,352</b>

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, 2016 and 2015*

---

---

**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 (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 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 inflows of resources and all liabilities and deferred outflows 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, 2016 and 2015*

---

---

**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 food service 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, 2016 and 2015*

---

---

**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 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, 2016 and 2015*

---

---

**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, 2016 and 2015*

---

---

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

3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

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, 2016 and 2015, the ASCVB had \$14,171 and \$14,600, 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, 2016 and 2015, the carrying amount of the ASCVB's deposits was \$2,594,290 and \$1,960,967, respectively (including \$2,276,625 and \$389,332, respectively, of non-negotiable certificates of deposit), and the bank balance was \$2,619,033 and \$1,996,306, respectively. Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, as of December 31, 2016 and 2015, none of the ASCVB's bank balance was exposed to custodial credit risk as discussed below.

***Akron Summit Convention & Visitors Bureau, Inc.***  
***Summit County***  
*Notes to the Financial Statements*  
*For the Years Ended December 31, 2016 and 2015*

---

---

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

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, as permitted by Chapter 135 of the Ohio Revised Code, 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. The ASCVB has no deposit policy for custodial credit risk beyond the requirements of State statute. 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, 2016 and 2015.

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.

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

**Akron Summit Convention & Visitors Bureau, Inc.**  
**Summit County**  
*Notes to the Financial Statements*  
For the Years Ended December 31, 2016 and 2015

**Note 4 – Capital Assets**

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

	Balance 1/1/2016	Additions	Deletions	Balance 12/31/2016
<i><u>Historical Cost</u></i>				
Furniture, fixtures and equipment	\$ 1,491,902	\$ 113,245	\$ -	\$ 1,605,147
Computer software	9,814	-	-	9,814
Vehicles	13,314	-	-	13,314
Leasehold improvements	1,602,662	57,749	-	1,660,411
Equipment under capital leases	59,640	-	-	59,640
<i>Total historical cost</i>	<u>3,177,332</u>	<u>170,994</u>	<u>-</u>	<u>3,348,326</u>
<i><u>Accumulated Depreciation and Amortization</u></i>				
Furniture, fixtures and equipment	(1,273,409)	(83,686)	-	(1,357,095)
Computer software	(9,764)	(50)	-	(9,814)
Vehicles	(13,314)	-	-	(13,314)
Leasehold improvements	(1,423,716)	(59,082)	-	(1,482,798)
Equipment under capital leases	(994)	(5,964)	-	(6,958)
<i>Total accumulated depreciation and amortization</i>	<u>(2,721,197)</u>	<u>(148,782)</u>	<u>-</u>	<u>(2,869,979)</u>
Capital Assets, Net	<u>\$ 456,135</u>	<u>\$ 22,212</u>	<u>\$ -</u>	<u>\$ 478,347</u>

Capital asset activity for the year ended December 31, 2015 was as follows:

	Balance 1/1/2015	Additions	Deletions	Transfers	Balance 12/31/2015
<i><u>Historical Cost</u></i>					
Furniture, fixtures and equipment	\$ 1,386,797	\$ 90,517	\$ (3,763)	\$ 18,351	\$ 1,491,902
Computer software	9,814	-	-	-	9,814
Vehicles	13,314	-	-	-	13,314
Leasehold improvements	1,672,716	33,095	(84,798)	(18,351)	1,602,662
Equipment under capital leases	-	59,640	-	-	59,640
<i>Total historical cost</i>	<u>3,082,641</u>	<u>183,252</u>	<u>(88,561)</u>	<u>-</u>	<u>3,177,332</u>
<i><u>Accumulated Depreciation and Amortization</u></i>					
Furniture, fixtures and equipment	(1,191,318)	(72,255)	3,010	(12,846)	(1,273,409)
Computer software	(9,664)	(100)	-	-	(9,764)
Vehicles	(10,652)	(2,662)	-	-	(13,314)
Leasehold improvements	(1,426,419)	(77,983)	67,840	12,846	(1,423,716)
Equipment under capital leases	-	(994)	-	-	(994)
<i>Total accumulated depreciation and amortization</i>	<u>(2,638,053)</u>	<u>(153,994)</u>	<u>70,850</u>	<u>-</u>	<u>(2,721,197)</u>
Capital Assets, Net	<u>\$ 444,588</u>	<u>\$ 29,258</u>	<u>\$ (17,711)</u>	<u>\$ -</u>	<u>\$ 456,135</u>



**Akron Summit Convention & Visitors Bureau, Inc.**  
**Summit County**  
*Notes to the Financial Statements*  
For the Years Ended December 31, 2016 and 2015

**Note 5 – Capital Lease**

In 2015, the ASCVB entered into a capitalized lease agreement for the acquisition of copiers. The terms of the agreement provide an option to purchase the item. The lease meets the criteria of a capital lease as one which transfers all benefits and risks of ownership to the lessee. Capital assets acquired by lease have been capitalized as equipment in the amount of \$59,640 equal to the present value of the future minimum lease payments at the time of acquisition.

The following is a schedule of the future minimum lease payments required under the capital lease and the present value of the minimum lease payments at December 31, 2016.

Year Ending	<u>Copiers</u>
December 31:	
2017	\$ 12,904
2018	12,904
2019	12,904
2020	<u>10,753</u>
Less: Interest	<u>(4,570)</u>
Total Minimum Lease Payment	<u>\$ 44,895</u>

**Note 6 – 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 2020. The following is a schedule of the future minimum lease payments required under the operating lease.

Year Ending	<u>Payment</u>
December 31:	
2017	\$ 7,438
2018	3,613
2019	3,613
2020	<u>3,613</u>
Total Minimum Lease Payment	<u>\$ 18,277</u>

**Note 7 – 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. At its discretion, the ASCVB may elect to match employee contributions or make non-elective contributions. There were no employer contributions to the plan during 2016 and 2015.

***Akron Summit Convention & Visitors Bureau, Inc.***  
***Summit County***  
*Notes to the Financial Statements*  
*For the Years Ended December 31, 2016 and 2015*

---

---

**Note 8 – 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, 2016) and is collateralized by the ASCVB's investment account. There were no borrowings under this agreement at December 31, 2016 and 2015.

**Note 9 – 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, 2014 and expires June 30, 2017.

**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, 2016 and 2015, 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 \$1,841,388 and \$1,889,605, respectively, at December 31, 2016 and 2015.

**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.**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Convention & Visitors Bureau**  
**For the Years Ended December 31, 2016 and 2015**

	2016	2015
<b><u>OPERATING REVENUES:</u></b>		
Summit County	\$ 3,794,857	\$ 3,595,416
City of Akron	138,000	138,000
Everything Akron Store	-	159
<b>Total Operating Revenue</b>	3,932,857	3,733,575
<b><u>OPERATING EXPENSES:</u></b>		
Salaries and wages	535,270	491,288
Payroll taxes and employee benefits	133,513	119,726
Property insurance	9,984	9,780
Utilities	13,778	11,803
Promotion	400,134	372,803
Advertising and printing	185,241	170,567
Office supplies and accessories	6,367	7,175
Postage	15,524	10,702
Dues and subscriptions	13,137	11,099
Professional fees	28,626	60,501
Travel	44,153	41,877
Maintenance and repairs	4,298	13,877
Lease	2,550	2,550
Trade shows	3,525	8,629
Miscellaneous	9,229	9,813
Depreciation and amortization	-	2,663
<b>Total Operating Expenses</b>	1,405,329	1,344,853
Operating Income (Loss)	2,527,528	2,388,722
<b><u>NON-OPERATING REVENUES (EXPENSE):</u></b>		
Management Fee	48,217	-
Investment and other income	16,376	15,867
<b>Total Non-Operating Revenues (Expenses)</b>	64,593	15,867
Change in Net Position	\$ 2,592,121	\$ 2,404,589

**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, 2016 and 2015**

	2016	2015
<b><u>OPERATING REVENUES:</u></b>		
Space income	\$ 425,572	\$ 393,532
Food service	1,397,834	1,323,464
Ancillary service	898,423	705,111
<b>Total Operating Revenue</b>	2,721,829	2,422,107
<b><u>OPERATING EXPENSES:</u></b>		
Salaries and wages	2,005,912	1,942,949
Payroll taxes and employee benefits	443,704	425,121
Property insurance	81,999	77,593
Utilities	381,721	369,855
Promotion	45,973	40,002
Bad debt expense - net of recoveries	-	619
Advertising and printing	43,000	26,456
Office supplies and accessories	17,493	27,111
Postage	4,116	4,580
Dues and subscriptions	1,455	1,931
Professional fees	25,601	67,967
Travel	3,879	11,309
Maintenance and repairs	325,880	286,948
Contracted services	426,258	363,662
Food services	721,440	667,859
Lease	2,550	8,049
Audiovisual	50,132	18,938
Trade shows	-	3,000
Video conferencing	-	-
Miscellaneous	97,810	94,011
Depreciation and amortization	142,714	134,106
<b>Total Operating Expenses</b>	4,821,637	4,572,066
Operating Income (Loss)	(2,099,808)	(2,149,959)
<b><u>NON-OPERATING REVENUES (EXPENSE):</u></b>		
Loss on disposal of assets	-	(17,712)
Interest income (expense)	(1,653)	(310)
<b>Total Non-Operating Revenues (Expenses)</b>	(1,653)	(18,022)
Change in Net Position	\$ (2,101,461)	\$ (2,167,981)

**Akron/Summit Convention & Visitors Bureau, Inc.**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Greystone Hall**  
**For the Years Ended December 31, 2016 and 2015**

	2016	2015
<b><u>OPERATING REVENUES:</u></b>		
Space income	\$ 32,625	\$ 18,313
Rental income	85,394	62,400
Food service	725,872	609,937
Ancillary service	36,657	42,429
<b>Total Operating Revenue</b>	880,548	733,079
<b><u>OPERATING EXPENSES:</u></b>		
Salaries and wages	342,945	335,900
Payroll taxes and employee benefits	57,865	62,556
Property insurance	10,607	10,430
Utilities	4,367	7,256
Promotion	12,535	10,021
Advertising and printing	1,513	1,750
Office supplies and accessories	11,584	19,415
Postage	872	499
Professional fees	8,207	13,860
Travel	1,115	1,524
Maintenance and repairs	15,699	5,590
Contracted services	3,718	10,255
Food services	310,997	256,140
Audiovisual	2,090	1,666
Depreciation and amortization	6,068	8,369
<b>Total Operating Expenses</b>	790,182	745,231
Operating Income (Loss)	90,366	(12,152)
<b><u>NON-OPERATING REVENUES (EXPENSE):</u></b>		
Utility reimbursement to City of Akron	(48,217)	-
Management Fee	(48,217)	-
<b>Total Non-Operating Revenues (Expenses)</b>	(96,434)	-
Change in Net Position	\$ (6,068)	\$ (12,152)

**Akron/Summit Convention & Visitors Bureau, Inc.**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Creperie**  
**For the Years Ended December 31, 2016 and 2015**

	2016	2015
<b><u>OPERATING EXPENSES:</u></b>		
Depreciation and amortization	\$ -	\$ 8,856
<b>Total Operating Expenses</b>	-	8,856
 Change in Net Position	 \$ -	 \$ (8,856)

Rockefeller Building  
614 W Superior Ave Ste 1242  
Cleveland OH 44113-1306  
Office phone - (216) 575-1630  
Fax - (216) 436-2411

***Charles E. Harris & Associates, Inc.***  
*Certified Public Accountants*

---

**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  
77 East Mill Street  
Akron, OH 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) which comprise the statement of net position as of December 31, 2016 and 2015, and the statements of revenues, expenses and changes in net position and cash flows for the years then ended, and the related notes to the financial statements and have issued our report thereon dated June 14, 2017.

***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the ASCVB's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions 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.

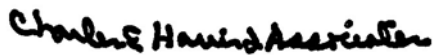
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies 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 determination of financial statement amounts. 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 communication is not suitable for any other purpose.



***Charles E. Harris & Associates, Inc.***  
June 14, 2017





# Dave Yost • Auditor of State

**AKRON SUMMIT CONVENTION AND VISITORS BUREAU**

**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  
SEPTEMBER 12, 2017**