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**Greater Cincinnati Convention  
and Visitors Bureau, Inc.**

Financial Statements

December 31, 2009 and 2008

(with Independent Auditors' Report)





# Mary Taylor, CPA

Auditor of State

Board of Directors  
Greater Cincinnati Convention and Visitors Bureau, Inc.  
525 Vine Street  
Cincinnati, Ohio 45202

We have reviewed the *Independent Auditors' Report* of the Greater Cincinnati Convention and Visitors Bureau, Inc., Hamilton County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2009 through December 31, 2009. 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 Greater Cincinnati Convention and Visitors Bureau, Inc. is responsible for compliance with these laws and regulations.

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

October 19, 2010

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Greater Cincinnati Convention and Visitors Bureau, Inc.:

We have audited the accompanying statements of financial position of Greater Cincinnati Convention and Visitors Bureau, Inc. as of December 31, 2009 and 2008, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Bureau's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bureau's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Greater Cincinnati Convention and Visitors Bureau, Inc. as of December 31, 2009 and 2008, and the changes in net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 18, 2010 on our consideration of the Greater Cincinnati Convention and Visitors Bureau, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be considered in assessing the results of our audit.



Cincinnati, Ohio  
May 18, 2010

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Greater Cincinnati Convention and Visitors Bureau, Inc.  
Statements of Financial Position  
December 31, 2009 and 2008

Assets	<u>2009</u>	<u>2008</u>
Cash and cash equivalents	\$ 805,958	990,396
County Hotel/Motel excise tax receivable	1,056,994	1,155,973
Program receivables	14,878	32,656
Government funding due	516,531	-
Membership receivables	17,237	19,623
General and suppliers' current and prior year subscriptions and sundry advances	<u>54,046</u>	<u>85,546</u>
Total receivables	1,659,686	1,293,798
Less allowance for doubtful accounts	<u>(54,016)</u>	<u>(54,016)</u>
	1,605,670	1,239,782
Prepaid expenses	<u>74,843</u>	<u>96,104</u>
 Total Current Assets	 2,486,471	 2,326,282
Equipment	559,483	496,933
Less accumulated depreciation	<u>(418,889)</u>	<u>(392,633)</u>
	<u>140,594</u>	<u>104,300</u>
Intangible assets	1,000,000	-
Less accumulated amortization	<u>(175,676)</u>	<u>-</u>
	<u>824,324</u>	<u>-</u>
 Total Assets	 \$ <u>3,451,389</u>	 <u>2,430,582</u>
 Liabilities and Net Assets		
Current liabilities:		
Line of credit	\$ 269,215	-
Current portion of capital lease	15,284	-
Accounts payable	761,779	122,082
Scholarship payable	30,000	-
Accrued payroll	311,397	274,333
Payroll taxes withholding	9,276	5,627
Deferred rent expense	101,820	92,314
Deferred membership income	19,859	47,778
Grants payable	<u>327,534</u>	<u>425,291</u>
Total Current Liabilities	1,846,164	967,425
Long Term Obligations:		
Capital lease	21,222	-
Net assets		
Unrestricted net assets	293,994	769,628
Temporarily restricted net assets	<u>1,290,009</u>	<u>693,529</u>
	<u>1,584,003</u>	<u>1,463,157</u>
 Total Liabilities and Net Assets	 \$ <u>3,451,389</u>	 <u>2,430,582</u>

See accompanying notes to the financial statements.



Greater Cincinnati Convention and Visitors Bureau, Inc.  
Statements of Activities  
Years Ended December 31, 2009 and 2008

	2009			2008		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>Revenues:</b>						
Gross County Hotel/Motel excise tax revenue	\$ 4,454,248	-	4,454,248	5,204,743	-	5,204,743
Government funding	-	1,362,410	1,362,410	-	954,418	954,418
Income from members' subscriptions	305,404	-	305,404	320,630	-	320,630
Registration services	15,529	-	15,529	23,428	-	23,428
Passkey	42,681	-	42,681	77,407	-	77,407
Corporate sponsorships	200,000	75,798	275,798	-	475,000	475,000
Interest income	7,845	-	7,845	11,432	-	11,432
Other income	2,774	-	2,774	-	-	-
Inkind	19,046	-	19,046	-	-	-
Net assets released from restrictions:						
Satisfaction of restrictions	841,728	(841,728)	-	1,663,089	(1,663,089)	-
Total revenues	<u>5,889,255</u>	<u>596,480</u>	<u>6,485,735</u>	<u>7,300,729</u>	<u>(233,671)</u>	<u>7,067,058</u>
<b>Expenses:</b>						
Convention related expenditures:						
Convention sales and destination services	2,077,862	-	2,077,862	2,686,103	-	2,686,103
Convention services	383,871	-	383,871	416,037	-	416,037
Public relations and marketing	1,077,628	-	1,077,628	1,297,712	-	1,297,712
	<u>3,539,361</u>	<u>-</u>	<u>3,539,361</u>	<u>4,399,852</u>	<u>-</u>	<u>4,399,852</u>
World Choir Games:						
Scholarship	30,000	-	30,000	-	-	-
Marketing and production costs	210,240	-	210,240	-	-	-
	<u>240,240</u>	<u>-</u>	<u>240,240</u>	<u>-</u>	<u>-</u>	<u>-</u>
General and administrative	770,369	-	770,369	697,150	-	697,150
Inkind	19,046	-	19,046	-	-	-
Initiatives:						
Grant to Greater Cincinnati Sports Corporation	63,390	-	63,390	61,545	-	61,545
Grant to Northern Cincinnati CVB	250,000	-	250,000	250,000	-	250,000
Grant to Regional Tourism Network	1,482,483	-	1,482,483	1,717,048	-	1,717,048
Other grants	-	-	-	25,000	-	25,000
	<u>1,795,873</u>	<u>-</u>	<u>1,795,873</u>	<u>2,053,593</u>	<u>-</u>	<u>2,053,593</u>
Total expenses	<u>6,364,889</u>	<u>-</u>	<u>6,364,889</u>	<u>7,150,595</u>	<u>-</u>	<u>7,150,595</u>
Change in Net Assets	(475,634)	596,480	120,846	150,134	(233,671)	(83,537)
Net Assets at Beginning of Year	<u>769,628</u>	<u>693,529</u>	<u>1,463,157</u>	<u>619,494</u>	<u>927,200</u>	<u>1,546,694</u>
Net Assets at End of Year	<u>\$ 293,994</u>	<u>1,290,009</u>	<u>1,584,003</u>	<u>769,628</u>	<u>693,529</u>	<u>1,463,157</u>

See accompanying notes to the financial statements.

Greater Cincinnati Convention and Visitors Bureau, Inc.  
 Statements of Cash Flows  
 Years Ended December 31, 2009 and 2008

	2009	2008
Cash provided by (used in) operating activities:		
Change in net assets	\$ 120,846	(83,537)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	61,178	59,585
Amortization	175,676	-
Bad debt expense	-	11,056
Changes in assets and liabilities:		
Accounts receivable and advances-net	(365,888)	505,356
Prepaid expenses	21,261	7,791
Accounts payable	639,697	(197,239)
Scholarship payable	30,000	-
Accrued payroll	37,064	(27,297)
Payroll taxes and withholdings	3,649	4,571
Deferred rent expense	9,506	12,437
Deferred membership income	(27,919)	(14,553)
Grant payable	(97,757)	(14,130)
Accrued lease costs	-	(33,894)
	607,313	230,146
Net cash provided by operating activities	607,313	230,146
Cash used in investing activities:		
Purchase of intangible assets	(1,000,000)	-
Purchase of equipment	(50,394)	(15,971)
	(1,050,394)	(15,971)
Net cash used in investing activities	(1,050,394)	(15,971)
Cash provided by (used in) financing activities:		
Advances on line of credit	269,215	-
Payments on capital lease obligation	(10,572)	(19,155)
	258,643	(19,155)
Net cash provided by (used in) financing activities	258,643	(19,155)
Net increase (decrease) in cash and cash equivalents	(184,438)	195,020
Cash and cash equivalents at beginning of year	990,396	795,376
Cash and cash equivalents at end of year	\$ 805,958	990,396
Supplemental information:		
Purchase of equipment under capital lease obligation	47,078	-
Interest paid	4,426	-

See accompanying notes the to financial statements.

**1. SUMMARY OF ACCOUNTING POLICIES:**

Greater Cincinnati Convention and Visitors Bureau, Inc. (the Bureau) is a sales, marketing, and service organization and impacts the Greater Cincinnati area economy through convention, trade show, and visitor expenditures.

**Cash and cash equivalents**

Cash and cash equivalents include highly liquid investments with a maturity of three months or less when purchased. The Bureau maintains its cash balances in demand deposit accounts, money market funds, and certificates of deposit primarily with commercial banks in Ohio.

**Allowance for doubtful accounts**

The allowance is determined by considering the length of time the balances are outstanding and the companies' ability to pay. The outstanding balances are reviewed monthly and ability to collect is determined. The allowance is decreased when receivables are deemed to be uncollectible, and payments subsequently received on such receivables restore the allowance for doubtful accounts.

**Revenues**

The Bureau receives revenues generated from a 3% excise tax on hotel rooms in Hamilton County, Ohio and other governmental funds. These revenues are authorized under regulations approved by the Hamilton County Board of Commissioners under legislation approved by the Ohio legislature. Membership and other fees are recognized as earned. Contributions and grants are recognized when awarded. Sponsorships for various programs are deferred and recognized when the event or program has occurred. Revenue restricted for use in the World Choir Games is recognized as expenditures are made in preparation of the games.

**Equipment**

Equipment is recorded at cost. Costs of maintenance and repairs are charged to expense as incurred. Major improvements and renewals, in general, are capitalized.

The estimated useful lives are:

Furniture	10 years
Office equipment	5 years
Computer equipment	3-5 years

Depreciation is provided on the straight-line method over the estimated useful lives of the assets. Depreciation expense was \$61,178 and \$59,585 in 2009 and 2008, respectively.



**Intangible assets**

The Bureau secured the hosting of an international event in Cincinnati for 2012, the World Choir Games. In connection with this event it had to pay a \$1,000,000 fee for the intangible rights to the game, the use of the log and certain other trademarks and processes. The license fee intangible is being amortized over the period from the date of contract until the World Choir Games is in 2012. The current amortization charged against 2009 is \$175,676. It is expected that the amortization through 2012 will be expensed as follows:

2010	\$324,324
2011	324,324
2012	175,676

**Fair value measures**

Generally accepted accounting principles define fair value, establish a framework for measuring fair value, and establish a fair value hierarchy that prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach are used to measure fair value. The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Bureau has the ability to access.
- Level 2 inputs are inputs (other than quoted prices included within level 1) that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability.

The carrying amounts of financial instruments including cash, receivables, accounts payable and short-term debt approximated fair value as of December 31, 2009 and 2008, because of the relatively short maturity of these instruments. The carrying value of long-term debt, including the current portion, approximated fair value as of December 31, 2009 and 2008, based on current borrowing rates for loans with similar maturities.

**Deferred membership income**

Deferred membership income represents collections in the current year that pertain to billings of membership revenues attributable to the following year.

**Grants payable**

As a part of their mission to support the region, the Bureau has pledged to support certain organizations and initiatives. Amounts pledged to these organizations are recorded when the pledge or grant is made. In conjunction with the World Choir Games 2012, the Bureau has pledged to provide a total of \$30,000 in scholarships to participants.

**Temporarily restricted net assets**

The Bureau reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

The Bureau reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used, and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Bureau reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service. In 2009 and 2008 temporarily restricted net assets represented funds for specified purposes.

**Permanently restricted net assets**

Net assets that are subject to donor-imposed stipulations that require the assets to be maintained permanently by the Bureau are recorded as permanently restricted net assets. Generally, the donors of these assets permit the Bureau to use all or part of the income earned on related investments for general or specific purposes. The Bureau does not currently have permanently restricted net assets.

**Donated materials and services**

The Bureau records donated services as revenue in the financial statements at their estimated value with a corresponding charge to donated services. Donated services are not recorded if no objective basis is available to measure the value received by the Bureau. There was \$19,046 in donated services for the year ended December 31, 2009.

**Income tax status**

The Internal Revenue Service has ruled that the Bureau qualified under Section 501(c)(6) of the Internal Revenue Code (IRC) and has exempt status under present federal income tax law. Once qualified, the Bureau is required to operate in conformity with the IRC to maintain its qualification. Management is not aware of any course of action or series of events that have occurred that might adversely affect the Bureau's exempt status. The bureau has not engaged in any activity which would expose it to unrelated business income taxes.

**Uncertain tax positions**

The Bureau adopted the provisions for *Accounting for Uncertainty in Income Taxes* on January 1, 2009. Those provisions clarify the accounting and recognition for income tax positions taken or expected to be taken in the Bureau's income tax returns. The Bureau's income tax filings are subject to audit by various taxing authorities. The Bureau's open audit periods are 2006–2008. The Bureau's policy with regard to interest and penalty is to recognize interest through interest expense and penalties through other expense. In evaluating the Bureau's tax provisions and accruals, future taxable income, and the reversal of temporary differences, interpretations and tax planning strategies are considered. The Bureau believes their estimates are appropriate based on current facts and circumstances.



**Use of estimates in financial statements**

In preparing financial statements in conformity with generally accepted accounting principles, management makes estimates, such as allowance for doubtful accounts and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Subsequent events**

The Bureau evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through May xx, 2010 the date on which the financial statements were available to be issued.

**2. CONCENTRATION OF CREDIT RISK:**

Financial instruments which subject the Bureau to a concentration of credit risk consist of cash. At times, cash balances may be in excess of the insurance coverage provided by the Federal Deposit Insurance Corporation.

**3. REVENUE CONCENTRATION:**

The Bureau is dependent upon the Hotel/Motel excise tax revenue levy. Tax levy revenues were 69% and 74% for the year ended December 31, 2009 and 2008, respectively. The receivables from the County were 98% and 93% for the year ended December 31, 2009 and 2008, respectively. A discontinuance of this tax would severely affect the operation of the Bureau.

**4. EMPLOYMENT AGREEMENT:**

The Bureau signed an employment agreement with its CEO providing base and incentive compensation through March 31, 2010.

**5. OPERATING LEASES:**

The Bureau has operating leases for office space, furniture and office equipment which expire at various dates through 2016. The future minimum rental commitments as of December 31, 2009 for the noncancelable leases are as follows:

2010	\$ 184,083
2011	188,304
2012	187,569
2013	187,013
2014	186,020
Thereafter	<u>334,170</u>
	<u>\$ 1,267,159</u>

Total rental expense was \$163,536 and \$183,433 in 2009 and 2008, respectively.

**6. CAPITAL LEASES:**

The Bureau assumed equipment and furniture under capital lease agreements. The leases expire at various dates through March 2012. Capital leased assets included in property and equipment have costs totaling \$152,508 and \$105,429 and accumulated depreciation totaling \$113,276 and \$105,429 at December 31, 2009 and 2008, respectively.

The following is a schedule of future annual minimum lease payments under capital leases, together with the present value of the net minimum lease payments, as of December 31, 2009:

	2010	\$ 18,044
	2011	18,044
	2012	<u>4,511</u>
Total minimum lease payments		40,599
Less: amount representing interest		<u>(4,093)</u>
Present value of net minimum lease payments		\$ <u>36,506</u>
	Current	\$ <u>15,284</u>
	Long-term	\$ <u>21,222</u>

**7. REVOLVING LINE OF CREDIT:**

The Bureau entered into three line of credit agreements with a bank in 2009 totaling \$1,200,000.

A revolving line of credit for \$200,000, that bears interest on a modified LIBOR plus 3% (3.24%) at December 31, 2009), with principal due July 1, 2010. At December 31, 2009, there was an outstanding balance of \$125,000. The line is secured by all the assets of the Organization.

In connection with acquisition and production of the World Choir Games 2012 the Bureau has obtained additional lines of credit A & B.

Line of Credit A in the amount of \$500,000, that bears interest on a modified LIBOR plus 3% (3.24%) at December 31, 2009), with principal due July 1, 2010. The non revolving line of credit is unsecured. At December 31, 2009 there was an outstanding balance of 144,215.

Line of Credit B in the amount of \$500,000, that bears interest on a modified LIBOR plus 2.75% (2.99%) at December 31, 2009), with principal due July 1, 2010. The non revolving line of credit is guaranteed by a third party. At December 31, 2009 there was no outstanding balance. This loan is guaranteed by the Cincinnati Fine Arts Institute. At December 31, 2009 there was no balance outstanding.



**8. RETIREMENT PLAN:**

Effective January 1, 2008, the Bureau merged its pension plan assets into the defined contribution 401K savings plan. The defined contribution 401K savings plan was amended to allow the Bureau to make matching contributions. The plan covers substantially all employees who meet certain eligibility requirements as to age and length of service. Bureau matching contributions are provided up to 3% for the first 3% and 1.5% of the next 3% of eligible employee compensation with certain limitations. The expenses for 2009 and 2008 were \$74,625 and \$73,082, respectively.

**9. FUNCTIONAL EXPENSES:**

The Bureau promotes the Greater Cincinnati area economy through its sales and marketing efforts. Expenses related to providing these program services and supporting functions for the year ended December 31 are as follows:

	<u>2009</u>	<u>2008</u>
Program services	\$ 5,594,520	6,453,445
General and administrative	<u>770,369</u>	<u>697,150</u>
	<u>\$ 6,364,889</u>	<u>7,150,595</u>

**10. RELATED PARTY:**

The Bureau is affiliated with the Spirit of Cincinnati which is an organization committed to education programs concerning the City of Cincinnati. In 2009 the Spirit made a direct contribution to the Bureau in the amount of \$13,250 for an event for the City of Cincinnati. In 2008 the Spirit made a direct contribution in the amount of \$150,000 to the Bureau for two private events.

**11. SUBSEQUENT EVENT**

After year end, the Bureau formed a separate organization, World Choir Games 2012 to produce the event and raise funds to support the event. The new entity is intended to be the successor to the Bureau for all aspects of the event.

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON SUPPLEMENTAL INFORMATION**

Board of Directors  
Greater Cincinnati Convention and  
Visitors Bureau, Inc.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole of Greater Cincinnati Convention and Visitors Bureau, Inc. for the year ended December 31, 2009, which is presented in the preceding section of this report. This supplemental information has been subjected to the audit procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.



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May 18, 2010

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Greater Cincinnati Convention and Visitors Bureau, Inc.  
Supplemental Statement of Financial Position  
December 31, 2009

Assets

	Total	Eliminations	The Bureau	World Choir Games
Cash and cash equivalents	\$ 805,958	-	805,958	-
County Hotel/Motel excise tax receivable	1,056,994	-	1,056,994	-
Program receivables	14,878	-	14,878	-
Government funding due	516,531	-	516,531	-
Membership receivables	17,237	-	17,237	-
General and suppliers' current and prior year subscriptions and sundry advances	<u>54,046</u>	-	<u>54,046</u>	-
Total receivables	1,659,686	-	1,659,686	-
Less allowance for doubtful accounts	<u>(54,016)</u>	-	<u>(54,016)</u>	-
	1,605,670	-	1,605,670	-
Due from World Choir Games	-	(364,492)	364,492	-
Prepaid expenses	<u>74,843</u>	-	<u>74,843</u>	-
 Total Current Assets	 2,486,471	 (364,492)	 2,850,963	 -
Equipment	559,483	-	559,483	-
Less accumulated depreciation	<u>(418,889)</u>	-	<u>(418,889)</u>	-
	<u>140,594</u>	-	<u>140,594</u>	-
Intangible assets	1,000,000	-	-	1,000,000
Less accumulated amortization	<u>(175,676)</u>	-	-	<u>(175,676)</u>
	<u>824,324</u>	-	-	<u>824,324</u>
 Total Assets	 \$ <u>3,451,389</u>	 <u>(364,492)</u>	 <u>2,991,557</u>	 <u>824,324</u>
 Liabilities and Net Assets				
Current liabilities:				
Line of credit	\$ 269,215	-	269,215	-
Current portion of capital lease	15,284	-	15,284	-
Accounts payable	761,779	-	185,779	576,000
Scholarship payable	30,000	-	-	30,000
Accrued payroll	311,397	-	311,397	-
Payroll taxes withholding	9,276	-	9,276	-
Deferred rent	101,820	-	101,820	-
Deferred membership income	19,859	-	19,859	-
Due to the Bureau	-	(364,492)	-	364,492
Grants payable	<u>327,534</u>	-	<u>327,534</u>	-
Total Current Liabilities	1,846,164	(364,492)	1,240,164	970,492
Long term obligations:				
Capital lease	21,222	-	21,222	-
Net assets				
Unrestricted net assets	293,994	-	440,162	(146,168)
Temporarily restricted net assets	<u>1,290,009</u>	-	<u>1,290,009</u>	-
	<u>1,584,003</u>	-	<u>1,730,171</u>	<u>(146,168)</u>
 Total Liabilities and Net Assets	 \$ <u>3,451,389</u>	 <u>(364,492)</u>	 <u>2,991,557</u>	 <u>824,324</u>

Greater Cincinnati Convention and Visitors Bureau, Inc.  
Supplemental Statement of Activities  
Years Ended December 31, 2009

	Total		The Bureau			World Choir Games
	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted	Total	Unrestricted
	<b>Revenues:</b>					
Gross County Hotel/Motel excise tax revenue	\$ 4,454,248	-	4,454,248	-	4,454,248	-
Government funding	-	1,362,410	-	1,362,410	1,362,410	-
Income from members' subscriptions	305,404	-	305,404	-	305,404	-
Registration services	15,529	-	15,529	-	15,529	-
Passkey	42,681	-	42,681	-	42,681	-
Corporate sponsorships	200,000	75,798	75,000	75,798	150,798	125,000
Interest income	7,845	-	7,845	-	7,845	-
Other income	2,774	-	2,774	-	2,774	-
Inkind	19,046	-	3,546	-	3,546	15,500
Net assets released from restrictions:	-	-	-	-	-	-
Satisfaction of restrictions	841,728	(841,728)	841,728	(841,728)	-	-
<b>Total revenues</b>	<b>5,889,255</b>	<b>596,480</b>	<b>5,748,755</b>	<b>596,480</b>	<b>6,345,235</b>	<b>140,500</b>
<b>Expenses:</b>						
<b>Convention related expenditures:</b>						
Convention sales and destination services	2,077,862	-	2,077,862	-	2,077,862	-
Convention services	383,871	-	383,871	-	383,871	-
Public relations and marketing	1,077,628	-	1,077,628	-	1,077,628	-
	3,539,361	-	3,539,361	-	3,539,361	-
<b>World Choir Games:</b>						
Scholarship	30,000	-	-	-	-	30,000
Marketing and production costs	210,240	-	-	-	-	210,240
	240,240	-	-	-	-	240,240
<b>General and administrative</b>	<b>770,369</b>	<b>-</b>	<b>739,441</b>	<b>-</b>	<b>739,441</b>	<b>30,928</b>
<b>Inkind</b>	<b>19,046</b>	<b>-</b>	<b>3,546</b>	<b>-</b>	<b>3,546</b>	<b>15,500</b>
<b>Initiatives:</b>						
Grant to Greater Cincinnati Sports Corporation	63,390	-	63,390	-	63,390	-
Grant to Northern Cincinnati CVB	250,000	-	250,000	-	250,000	-
Grant to Regional Tourism Network	1,482,483	-	1,482,483	-	1,482,483	-
	1,795,873	-	1,795,873	-	1,795,873	-
<b>Total expenses</b>	<b>6,364,889</b>	<b>-</b>	<b>6,078,221</b>	<b>-</b>	<b>6,078,221</b>	<b>286,668</b>
<b>Change in Net Assets</b>	<b>(475,634)</b>	<b>596,480</b>	<b>(329,466)</b>	<b>596,480</b>	<b>267,014</b>	<b>(146,168)</b>
<b>Net Assets at Beginning of Year</b>	<b>769,628</b>	<b>693,529</b>	<b>769,628</b>	<b>693,529</b>	<b>1,463,157</b>	<b>-</b>
<b>Net Assets at End of Year</b>	<b>\$ 293,994</b>	<b>1,290,009</b>	<b>440,162</b>	<b>1,290,009</b>	<b>1,730,171</b>	<b>(146,168)</b>



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

Board of Directors  
Greater Cincinnati Convention and Visitors Bureau, Inc.:

We have audited the financial statements of Greater Cincinnati Convention and Visitors Bureau, Inc. as of and for the year ended December 31, 2009, and have issued our report thereon dated May 18, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

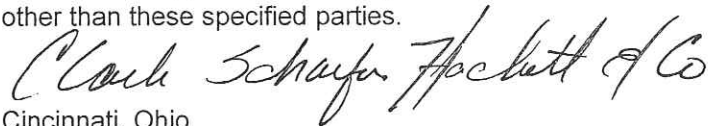
As part of obtaining reasonable assurance about whether Greater Cincinnati Convention and Visitors Bureau, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and

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accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Board of Directors, others within the entity, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Clark Schaefer Hackett & Co". The signature is written in dark ink and is positioned above the typed name and date.

Cincinnati, Ohio  
May 18, 2010

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**Mary Taylor, CPA**  
Auditor of State

**GREATER CINCINNATI CONVENTION AND VISITORS BUREAU, INC.**

**BUTLER 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  
NOVEMBER 4, 2010**