

**The Greater Columbus Convention  
& Visitors Bureau  
dba Experience Columbus**

Financial Report  
December 31, 2010





# Dave Yost • Auditor of State

Board of Trustees  
The Greater Columbus Convention and Visitors Bureau  
dba Experience Columbus  
277 W. Nationwide Blvd, Ste 125  
Columbus, Ohio 43215

We have reviewed the *Independent Auditor's Report* of The Greater Columbus Convention and Visitors Bureau, dba Experience Columbus, Franklin County, prepared by McGladrey & Pullen, LLP, for the audit period January 1, 2010 through December 31, 2010. 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 Columbus Convention and Visitors Bureau, dba Experience Columbus is responsible for compliance with these laws and regulations.

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

Dave Yost  
Auditor of State

May 24, 2011

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**Independent Auditor's Report  
On the Financial Statements**

To the Board of Trustees  
The Greater Columbus Convention &  
Visitors Bureau, dba Experience Columbus  
Columbus, Ohio

We have audited the accompanying consolidated statements of financial position of The Greater Columbus Convention & Visitors Bureau, dba Experience Columbus, as of December 31, 2010 and 2009, and the related consolidated statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Organization'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 Controller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing 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 opinions.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Greater Columbus Convention & Visitors Bureau, dba Experience Columbus, as of December 31, 2010 and 2009, and the changes in its 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 April 19, 2011, on our consideration of The Greater Columbus Convention & Visitors Bureau, dba Experience Columbus' internal control over financial reporting and 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.

*McGladrey & Pullen, LLP*

Columbus, Ohio  
April 19, 2011

**The Greater Columbus Convention & Visitors Bureau  
dba Experience Columbus**

**Consolidated Statements of Financial Position  
December 31, 2010 and 2009**

<b>Assets</b>	<b>2010</b>	<b>2009</b>
Current Assets		
Cash and cash equivalents	\$ 1,962,404	\$ 1,048,352
Investments	600,000	1,100,000
Accounts receivable	29,297	71,414
Prepaid expenses and deposits	182,046	183,268
<b>Total current assets</b>	<b>2,773,747</b>	2,403,034
Property and Equipment, net	266,857	342,443
<b>Total Assets</b>	<b>\$ 3,040,604</b>	<b>\$ 2,745,477</b>
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 90,250	\$ 106,452
Accrued expenses	271,548	249,373
Deferred revenue	34,860	17,866
Deferred rent	41,640	42,724
Current portion of capital lease obligation	-	10,208
<b>Total current liabilities</b>	<b>438,298</b>	426,623
Net Assets		
Unrestricted:		
Property and equipment reserve	73,592	73,592
Undesignated	2,528,714	2,245,262
<b>Total net assets</b>	<b>2,602,306</b>	2,318,854
<b>Total Liabilities and Net Assets</b>	<b>\$ 3,040,604</b>	<b>\$ 2,745,477</b>

See Notes to Consolidated Financial Statements.



**The Greater Columbus Convention & Visitors Bureau  
dba Experience Columbus**

**Consolidated Statements of Activities  
Years Ended December 31, 2010 and 2009**

	<b>2010</b>	<b>2009</b>
Revenues and Other Support		
Columbus bed tax	\$ 4,053,130	\$ 3,743,080
Contributions	481,130	489,393
Program revenue	721,011	657,727
Promotional revenue, Franklin County	1,150,000	1,112,500
Contributed services	275,288	199,164
Publication revenue	225,987	275,645
Sports marketing	662,419	621,419
Interest	1,471	2,910
Other income	13,849	12,486
	<u>7,584,285</u>	<u>7,114,324</u>
Expenses		
Convention marketing	3,090,610	3,065,706
Tourism marketing	1,234,893	1,363,245
Communication and public relations	626,445	687,304
Sports marketing	517,633	438,966
Management and general	1,831,252	1,774,503
	<u>7,300,833</u>	<u>7,329,724</u>
<b>Change in Net Assets</b>	<b>283,452</b>	<b>(215,400)</b>
Net Assets, beginning	<u>2,318,854</u>	<u>2,534,254</u>
<b>Net Assets, ending</b>	<b><u>\$ 2,602,306</u></b>	<b><u>\$ 2,318,854</u></b>

See Notes to Consolidated Financial Statements.

**The Greater Columbus Convention & Visitors Bureau  
dba Experience Columbus**

**Consolidated Statements of Cash Flows  
Years Ended December 31, 2010 and 2009**

	2010	2009
Cash Flows From Operating Activities		
Change in net assets	\$ 283,452	\$ (215,400)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	125,946	136,283
Increase (decrease) from changes in:		
Accounts receivable	42,117	3,349
Prepaid expenses and deposits	1,222	18,599
Accounts payable	(16,202)	(228,621)
Accrued expenses	22,175	48,566
Deferred revenue	16,994	5,066
Deferred rent	(1,084)	(1,756)
<b>Net cash provided by (used in) operating activities</b>	<b>474,620</b>	<b>(233,914)</b>
Cash Flows From Investing Activities		
Purchases of investments	(1,950,000)	(2,852,620)
Proceeds from maturities of investments	2,450,000	1,752,620
Purchase of property and equipment	(50,360)	(34,838)
<b>Net cash provided by (used in) investing activities</b>	<b>449,640</b>	<b>(1,134,838)</b>
Cash Flows From Financing Activities		
Payments on capital lease obligations	(10,208)	(15,296)
<b>Net cash used in financing activities</b>	<b>(10,208)</b>	<b>(15,296)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>914,052</b>	<b>(1,384,048)</b>
Cash and cash equivalents, beginning	1,048,352	2,432,400
Cash and cash equivalents, ending	<b>\$ 1,962,404</b>	<b>\$ 1,048,352</b>
Cash payments for:		
Interest	<b>\$ 765</b>	<b>\$ 2,032</b>

See Notes to Consolidated Financial Statements.

# The Great Columbus Convention & Visitors Bureau dba Experience Columbus

## Notes to the Consolidated Financial Statements

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### Note 1. Nature of Organization and Significant Accounting Policies

**Nature of organization:** The Greater Columbus Convention & Visitors Bureau, dba Experience Columbus (“the Organization”) is the official destination marketing organization for Greater Columbus. The Organization established The Experience Columbus Foundation, to further promote its mission. The Organization is the sole member of The Experience Columbus Foundation. The activity of The Experience Columbus Foundation is consolidated into the Organization’s financial statements.

The Greater Columbus Sports Commission operates within Experience Columbus and was organized to promote, attract and service sporting events for Greater Columbus. The Greater Columbus Sports Commission established The Greater Columbus Sports Foundation (“Sports Foundation”), to further promote its mission. The Organization is the sole member of the Sports Foundation. The activity of the Sports Foundation is consolidated into the Organization’s financial statements.

**Basis of presentation:** The financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP).

**Consolidation:** The consolidated financial statements include the accounts of the Organization, The Experience Columbus Foundation, and the Sports Foundation. All significant intercompany balances and transactions have been eliminated in the consolidated financial statements.

**Use of estimates:** The preparation of financial statements in conformity with GAAP requires management to make estimates 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 and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Financial statement presentation:** The Organization reports information regarding its financial position and activities according to the following three classes:

- Unrestricted Net Assets – Net assets that are not subject to donor-imposed stipulations.  
  
Property and Equipment Reserve – Represents the amount designated by the Organization’s Board to cover the replacement or repair of the Organization’s property and equipment.
- Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization or the passage of time. As of December 31, 2010 and 2009, there were no temporarily restricted net assets.
- Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. As of December 31, 2010 and 2009, there were no permanently restricted net assets.

**Cash and cash equivalents:** For purposes of the statement of cash flows, cash and cash equivalents represents cash on hand, demand deposits held by banks and short-term investments having an initial maturity of three months or less.

**The Great Columbus Convention & Visitors Bureau  
dba Experience Columbus**

**Notes to the Consolidated Financial Statements**

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

**Investments:** Investments consist of certificates of deposit with maturities greater than three months when purchased. The certificates of deposit are carried at cost.

**Accounts receivable:** The Organization grants credit to its Members for participation in various functions. The Organization uses the allowance method to recognize potentially uncollectible accounts. The allowance is provided based on management's estimation of the collectibility of the accounts receivable as of December 31, 2010 and 2009. The estimation takes into consideration historical trends, past history with specific customers and current economic conditions. Actual results could vary from the estimate. Accounts are charged against the allowance when management deems them to not be collectible. Interest is not charged by the Organization on past due accounts. Due to management's belief that all accounts are collectible as of December 31, 2010 and 2009, no allowance has been recorded.

**Property and equipment:** Property and equipment are recorded at cost, less accumulated depreciation and amortization. Provisions for depreciation and amortization are computed under the straight-line method based upon the estimated useful lives of the assets, which range from 3 to 10 years. Leasehold improvements are amortized over the lesser of the lease term or the estimated useful life of the asset. Depreciation expense was \$125,946 and \$136,283 for 2010 and 2009, respectively.

Property and equipment that are donated are recorded at their fair value on the date of receipt. Major renewals and betterments over \$500 are capitalized and depreciated. Maintenance and repairs, which do not improve or extend the life of the respective assets, are charged to expense as incurred. Upon disposal of assets, the cost and related accumulated depreciation are removed from the accounts and any gain or loss is included in income.

**Contributions:** Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence or nature of any donor restrictions.

**Contributed services and materials:** The Organization receives support from its members and the community in the form of publications, meeting facilities, lodging, meals and transportation. The estimated fair value of these services is reported as income and expense in the period in which the services are rendered and materials are donated.

**Promotion, publication and program revenue:** The Organization obtains promotional support from the City of Columbus and Franklin County, Ohio to promote Greater Columbus. The Organization receives support from member and community attendance at programs and special events. The Organization also receives support to assist in reducing the costs of certain publications and the costs associated with attending trade shows and conventions.

**The Great Columbus Convention & Visitors Bureau  
dba Experience Columbus**

**Notes to the Consolidated Financial Statements**

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

**Income taxes:** The Organization is exempt from income taxes under Section 501(c)(6) of the Internal Revenue Code and applicable state law, except for taxes pertaining to unrelated business income, if any. The Sports Foundation and Experience Columbus Foundation are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state law, except for taxes pertaining to unrelated business income, if any.

The Organization follows Financial Accounting Standards Board (FASB) guidance on accounting for uncertainty in income taxes, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Organization, and various positions related to the potential sources of unrelated business taxable income (UBIT). The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. The guidance on accounting for uncertainty in income taxes also addresses de-recognition, classification, interest and penalties on income taxes, and accounting in interim periods. At December 31, 2010 and 2009, there were no unrecognized tax benefits identified or recorded as liabilities.

The Organization files forms 990 and 990T in the U.S. federal jurisdiction and the state of Ohio. With few exceptions, the Organization is no longer subject to examination by the Internal Revenue Service for years before 2007.

**Advertising expense:** The Organization expenses advertising costs as incurred. Advertising expenses were \$492,481 and \$470,907 for 2010 and 2009, respectively.

**Rent expense:** Rental expense for leases that contain a predetermined fixed escalation of minimum rent is recognized on a straight-line basis over the lease term. The difference between the recognized rental expense and the amounts payable under the lease is recorded as deferred rent on the accompanying statement of financial position.

**Functional allocation of expense:** The costs of providing programs and activities have been summarized on a functional basis on the Statement of Activities. Accordingly, certain costs have been allocated among the programs and activities benefited.

**Subsequent events:** The Organization has evaluated subsequent events for potential recognition and/or disclosure through April 19, 2011, the date the financials were available to be issued.

**The Great Columbus Convention & Visitors Bureau  
dba Experience Columbus**

**Notes to the Consolidated Financial Statements**

**Note 2. Investments**

Investments at December 31, 2010 and 2009, which consist of certificates of deposit, are stated at cost. Included in the investment balance is \$73,592, which has been designated for property and equipment reserve. There was no accrued interest in the statement of financial position representing unpaid interest on these investments at December 31, 2010 or 2009. Interest income for 2010 and 2009 includes \$1,471 and \$2,910, respectively, from short-term investments.

**Note 3. Property and Equipment**

Property and equipment consisted of the following at December 31:

	2010	2009
Office furniture and equipment	\$ 664,919	\$ 699,531
Computer equipment	859,216	813,772
Leasehold improvements	238,432	235,774
	<u>1,762,567</u>	<u>1,749,077</u>
Less: accumulated depreciation and amortization	(1,495,710)	(1,406,634)
Property and equipment, net	<u>\$ 266,857</u>	<u>\$ 342,443</u>

**Note 4. Line of Credit**

The Organization has a \$500,000 line of credit with a bank. Interest is payable monthly at the daily LIBOR rate (.25% and .17% at December 31, 2010 and 2009, respectively) plus 2.70%. The agreement expires in November 2011. The Organization did not have an outstanding balance at December 31, 2010 or 2009.

**Note 5. Capital Lease Obligations**

The Organization was a lessee of equipment under a capital lease which expired in July 2010. The assets and liabilities under the capital leases were recorded at the lower of the present value of minimum lease payments or the fair value of the assets. The asset is amortized over its estimated productive life. Amortization of the assets under capital leases is included in depreciation and amortization expense and amounted to \$6,790 for 2010 and 2009.

Following is a summary of equipment held under capital lease:

	2010	2009
Furniture and fixtures	\$ 47,528	\$ 47,528
Less accumulated depreciation	(22,067)	(15,277)
	<u>\$ 25,461</u>	<u>\$ 32,251</u>

**The Great Columbus Convention & Visitors Bureau  
dba Experience Columbus**

**Notes to the Consolidated Financial Statements**

**Note 6. Contributed Services Income**

Contributed services are as follows:

	2010	2009
Convention marketing		
Travel, lodging, meals and incidentals	\$ 54,004	\$ 42,624
Production costs	35,000	35,000
Facility fees	7,200	274
Audio visual	400	-
Decorating fees	-	2,325
	<u>96,604</u>	<u>80,223</u>
Tourism marketing		
Travel, lodging, meals and incidentals	18,424	-
Visitors center - rent	18,000	18,000
Facility fees	5,500	-
Event promotional supplies	1,370	-
	<u>43,294</u>	<u>18,000</u>
Sports marketing		
Direct marketing	50,000	54,800
Production costs	39,020	9,183
Event promotional supplies	2,500	-
	<u>91,520</u>	<u>63,983</u>
Communications and public relations		
Travel, lodging, meals and incidentals	15,800	17,620
Facility fees	10,210	6,354
Event promotional supplies	9,250	8,182
Decorating fees	1,800	-
Other program costs	800	-
	<u>37,860</u>	<u>32,156</u>
Management and general		
Van lease	6,010	4,802
	<u>6,010</u>	<u>4,802</u>
Total	<u>\$ 275,288</u>	<u>\$ 199,164</u>

**The Great Columbus Convention & Visitors Bureau  
dba Experience Columbus**

**Notes to the Consolidated Financial Statements**

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**Note 7. Retirement Plan and Disability Plan**

The Organization has a 401(k) retirement plan that covers all eligible employees. Eligible employees may elect to defer a portion of their annual wages as a contribution to the Plan. The Organization contributes, on behalf of each eligible participant, a discretionary matching contribution equal to 100% of salary reductions up to 3% of compensation, then 50% of salary reductions up to the next 3% of compensation. The Organization also contributes 5% of each participating individual's compensation to the Plan. The Organization may make additional contributions to the Plan at the discretion of the Board of Trustees. Expense related to this plan was \$228,947 and \$238,368 in 2010 and 2009, respectively.

The Organization also has a self-funded disability plan providing for benefits if an employee is unable to work for medical reasons. The Plan provides benefits of 66% of the employee's current salary for the period of disability, not to exceed eight weeks. Disability payments of \$5,794 and \$11,981 were paid in 2010 and 2009, respectively.

**Note 8. Lease Commitments**

The Organization leases three facilities under operating leases expiring at various dates through 2014. Rent expense was \$528,918 and \$521,272 in 2010 and 2009, respectively.

The future minimum lease payments at December 31, 2010 are as follows:

2011	\$	321,459
2012		302,521
2013		303,219
2014		278,563
Total	\$	<u>1,205,762</u>



**Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance  
and Other Matters based on an Audit of Financial Statements Performed in Accordance with  
Government Auditing Standards**

To the Board of Trustees  
The Greater Columbus Convention &  
Visitors Bureau, dba Experience Columbus  
Columbus, Ohio

We have audited the financial statements of The Greater Columbus Convention & Visitors Bureau, dba Experience Columbus (the Organization) as of and for the year ended December 31, 2010, and have issued our report thereon dated April 19, 2011. 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 Organization's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 a 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 the Organization's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Board of Trustees, the City of Columbus, and the Office of the Auditor of the State of Ohio, and is not intended to be and should not be used by anyone other than these specified parties.

*McGladrey & Pullen, LLP*

Columbus, Ohio  
April 19, 2011



# Dave Yost • Auditor of State

**THE GREATER COLUMBUS CONVENTION & VISITORS BUREAU, DBA EXPERIENCE COLUMBUS**

**FRANKLIN 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  
JUNE 7, 2011**