
**Greater Cincinnati Convention
and Visitors Bureau, Inc.
and World Choir Games 2012**

Combined Financial Statements
And Additional Financial Information
December 31, 2011 and 2010
(with Independent Auditors' Report)





Dave Yost • Auditor of State

Board of Directors
Greater Cincinnati Convention and Visitors Bureau Inc.,
and World Choir Games 2012
525 Vine Street, Suite 1500
Cincinnati, Ohio 45202

We have reviewed the *Independent Auditors' Report* of the Greater Cincinnati Convention and Visitors Bureau Inc., and World Choir Games 2012, Hamilton County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2011 through December 31, 2011. 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., and World Choir Games 2012 is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost
Auditor of State

November 1, 2012

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Greater Cincinnati Convention and Visitors Bureau, Inc.
and World Choir Games 2012:

We have audited the accompanying combined statements of financial position of Greater Cincinnati Convention and Visitors Bureau, Inc. and World Choir Games 2012 as of December 31, 2011 and 2010, and the combined related statements of activities and cash flows for the years then ended. These combined financial statements are the responsibility of the Bureau's management. Our responsibility is to express an opinion on these combined 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of Greater Cincinnati Convention and Visitors Bureau, Inc. and World Choir Games 2012 as of December 31, 2011 and 2010, and the combined 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 June 22, 2012 on our consideration of Greater Cincinnati Convention and Visitors Bureau, Inc. and World Choir Games 2012'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.

Our audit was performed for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying combined supplemental statements of financial position and combined supplemental statements of activities are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the

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financial statements. The information has been subjected to auditing procedures applied in the audit of financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Clank, Schaefer, Hackett & Co.

Cincinnati, Ohio
June 22, 2012

Greater Cincinnati Convention and Visitors Bureau, Inc.
and World Choir Games 2012
Combined Statements of Financial Position
December 31, 2011 and 2010

Assets	2011	2010
Cash and cash equivalents	\$ 1,372,073	441,637
County Hotel/Motel excise tax receivable	1,108,427	1,086,302
Contributions receivable	1,085,100	250,000
Program receivables	66,369	10,000
Membership receivables	17,667	8,822
General and suppliers' current and prior year subscriptions and sundry advances	36,094	31,421
Total receivables	2,313,657	1,386,545
Less allowance for doubtful accounts	(22,943)	(8,943)
	2,290,714	1,377,602
Prepaid expenses	32,668	26,190
Total Current Assets	3,695,455	1,845,429
Equipment	592,829	577,752
Less accumulated depreciation	(549,530)	(492,366)
	43,299	85,386
Intangible assets	2,550,000	1,000,000
Less accumulated amortization	(1,601,887)	(500,000)
	948,113	500,000
Total Assets	\$ 4,686,867	2,430,815
 Liabilities and Net Assets		
Current liabilities:		
Lines of credit	\$ 999,205	1,148,895
Current portion of capital lease	4,442	16,774
Accounts payable	669,323	98,804
Scholarship payable	30,000	30,000
Accrued payroll	381,950	332,253
Payroll taxes withholding	7,659	6,351
Deferred rent expense	95,684	103,137
Deferred membership income	33,780	61,402
Grants payable	364,742	349,101
Total Current Liabilities	2,586,785	2,146,717
Long Term Obligations:		
Capital lease	-	4,442
Total Liabilities	2,586,785	2,151,159
Net Assets		
Unrestricted net deficit	(76,112)	(992,336)
Temporarily restricted net assets	2,176,194	1,271,992
	2,100,082	279,656
Total Liabilities and Net Assets	\$ 4,686,867	2,430,815

See accompanying notes to the combined financial statements.

Greater Cincinnati Convention and Visitors Bureau, Inc.
and World Choir Games 2012
Combined Statements of Activities
Years Ended December 31, 2011 and 2010

	2011			2010		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenues:						
Gross County Hotel/Motel excise tax revenue	\$ 5,097,361	-	5,097,361	4,668,337	-	4,668,337
Government funding	-	785,449	785,449	-	198,064	198,064
Income from members' subscriptions	285,750	-	285,750	282,860	-	282,860
Registration services	5,433	-	5,433	23,361	-	23,361
Passkey	92,277	-	92,277	48,753	-	48,753
Corporate sponsorships	2,794,092	1,010,100	3,804,192	227,944	297,407	525,351
Interest income	1,236	-	1,236	1,919	-	1,919
Other income	7,969	-	7,969	-	-	-
In-kind	21,276	-	21,276	21,276	-	21,276
Net assets released from restrictions	891,347	(891,347)	-	513,488	(513,488)	-
Total revenues	<u>9,196,741</u>	<u>904,202</u>	<u>10,100,943</u>	<u>5,787,938</u>	<u>(18,017)</u>	<u>5,769,921</u>
Expenses:						
Convention related expenditures:						
Convention sales and destination services	2,287,867	-	2,287,867	1,894,723	-	1,894,723
Convention services	426,761	-	426,761	422,859	-	422,859
Public relations and marketing	1,012,505	-	1,012,505	822,838	-	822,838
	<u>3,727,132</u>	<u>-</u>	<u>3,727,132</u>	<u>3,140,420</u>	<u>-</u>	<u>3,140,420</u>
World Choir Games:						
China Games Expenses	-	-	-	727,022	-	727,022
Marketing and production costs	1,326,762	-	1,326,762	631,639	-	631,639
	<u>1,326,762</u>	<u>-</u>	<u>1,326,762</u>	<u>1,358,661</u>	<u>-</u>	<u>1,358,661</u>
General and administrative	1,377,193	-	1,377,193	860,993	-	860,993
In-kind	21,276	-	21,276	21,276	-	21,276
Initiatives:						
Grant to Greater Cincinnati Sports Corporation	125,000	-	125,000	125,003	-	125,003
Grant to Regional Tourism Network	1,703,154	-	1,703,154	1,567,915	-	1,567,915
	<u>1,828,154</u>	<u>-</u>	<u>1,828,154</u>	<u>1,692,918</u>	<u>-</u>	<u>1,692,918</u>
Total expenses	<u>8,280,517</u>	<u>-</u>	<u>8,280,517</u>	<u>7,074,268</u>	<u>-</u>	<u>7,074,268</u>
Change in Net Assets	916,224	904,202	1,820,426	(1,286,330)	(18,017)	(1,304,347)
Net Assets (Deficit) at Beginning of Year	<u>(992,336)</u>	<u>1,271,992</u>	<u>279,656</u>	<u>293,994</u>	<u>1,290,009</u>	<u>1,584,003</u>
Net Assets (Deficit) at End of Year	\$ <u>(76,112)</u>	<u>2,176,194</u>	<u>2,100,082</u>	<u>(992,336)</u>	<u>1,271,992</u>	<u>279,656</u>

See accompanying notes to the combined financial statements.

Greater Cincinnati Convention and Visitors Bureau, Inc.
and World Choir Games 2012
Combined Statements of Cash Flows
Years Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Cash flows from operating activities:		
Change in net assets	\$ 1,820,426	(1,304,347)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	57,164	73,477
Amortization	1,101,887	324,324
Bad debt expense (recovery)	14,000	(45,073)
Changes in assets and liabilities:		
Accounts receivable and advances-net	(927,112)	273,141
Prepaid expenses	(6,478)	48,653
Accounts payable	570,519	(662,975)
Accrued payroll	49,697	20,856
Payroll taxes withholdings	1,308	(2,925)
Deferred rent expense	(7,453)	1,317
Deferred membership income	(27,622)	41,543
Grant payable	<u>15,641</u>	<u>21,567</u>
Net cash provided (used) by operating activities	<u>2,661,977</u>	<u>(1,210,442)</u>
Cash flows from investing activities:		
Purchase of intangible assets	(1,550,000)	-
Purchase of equipment	<u>(15,077)</u>	<u>(18,269)</u>
Net cash used in investing activities	<u>(1,565,077)</u>	<u>(18,269)</u>
Cash flows from financing activities:		
Net change in lines of credit	(149,690)	879,680
Payments on capital lease obligation	<u>(16,774)</u>	<u>(15,290)</u>
Net cash provided (used) by financing activities	<u>(166,464)</u>	<u>864,390</u>
Net increase (decrease) in cash and cash equivalents	930,436	(364,321)
Cash and cash equivalents at beginning of year	<u>441,637</u>	<u>805,958</u>
Cash and cash equivalents at end of year	\$ <u>1,372,073</u>	<u>441,637</u>
Supplemental information:		
Interest paid	\$ <u>37,508</u>	<u>21,697</u>

See accompanying notes to the combined 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.

World Choir Games 2012 (WCG) conducts business as the Cincinnati Organizing Committee of the 2012 World Choir Games; its primary purpose is to organize, promote and oversee the 7th World Choir Games to be held in July 2012, as a global artistic, educational and cultural event.

Principles of combination

These financial statements are the result of the combination of the operations of Greater Cincinnati Convention and Visitors Bureau, Inc. and World Choir Games 2012. All intercompany transactions are eliminated upon combination.

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 receivable 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.

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 \$57,164 and \$73,477 in 2011 and 2010, respectively.

Intangible assets

WCG secured the hosting of an international event in Cincinnati for 2012, the World Choir Games. In connection with this event WCG had to pay a \$1,000,000 fee for the intangible rights to the game, the use of the logo and certain other trademarks and processes. The original contract was amended during 2011 which resulted in a requirement that the WCG pay an additional \$1,550,000 fee for the intangible rights to the game. The original and amended license fee intangible is being amortized over the period from the date of contract until the World Choir Games are held in 2012. The amortization charged was \$1,101,887 and \$324,324 in 2011 and 2010, respectively. It is expected that the amortization of \$948,113 will be expensed in 2012.

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.

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. Contributions whose restrictions are met in the same period as received are reported as unrestricted support.

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 2011 and 2010 temporarily restricted net assets represented funds for specified purposes and time restrictions.

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 fair 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 \$21,276 in donated services for the years ended December 31, 2011 and 2010, respectively.

Income tax status

The Internal Revenue Service has ruled that the Bureau qualified under Section 501(c)(6) of the Internal Revenue Code (IRC). 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. WCG has received its exemption from income taxes under Section 501(c)(3) of the IRC.

Uncertain tax positions

The Bureau and WCG follows the provisions for *Accounting for Uncertainty in Income Taxes*. Those provisions clarify the accounting and recognition for income tax positions taken or expected to be taken in the Bureau's and WCG's income tax returns. The Bureau's and WCG's income tax filings are subject to audit by various taxing authorities. The Bureau's open audit periods are 2008–2010. WCG's open audit period is 2010. The Bureau's and WCG'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 and WCG's tax provisions and accruals, future taxable income, and the reversal of temporary differences, interpretations and tax planning strategies are considered. The Bureau and WCG 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 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 June 22, 2012 the date on which the financial statements were available to be issued.

2. CONTRIBUTIONS RECEIVABLE:

Contributions receivable were \$1,085,100 and \$250,000 at December 31, 2011 and 2010, respectively. All contributions receivable are estimated to be fully collectible and are due within one year. No allowance has been made for uncollectible contributions.

3. 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.

4. REVENUE CONCENTRATION:

The Bureau is dependent upon the Hotel/Motel excise tax revenue levy. Tax levy revenues were 50% and 81% for the year ended December 31, 2011 and 2010, respectively. The receivables from the County were 96% and 97% for the year ended December 31, 2011 and 2010, respectively. A discontinuance of this tax levy would severely affect the operation of the Bureau.

5. EMPLOYMENT AGREEMENT:

The Bureau has signed an employment agreement with its CEO providing base and incentive compensation through December 31, 2014.

6. 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, 2011 for the noncancelable leases are as follows:

2012	\$ 196,905
2013	196,929
2014	195,356
2015	199,076
2016	<u>152,209</u>
	<u>\$ 940,475</u>

Total rental expense was \$167,989 and \$168,102 in 2011 and 2010, respectively.

7. 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 accumulated depreciation totaling \$144,662 and \$128,969 at December 31, 2011 and 2010, respectively.

Future minimum lease payments to be paid in 2012 are \$4,511. Included in this amount is interest of \$69; the present value of minimum lease payments is \$4,442.

8. REVOLVING LINES OF CREDIT:

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

A revolving line of credit for \$200,000, that bears interest on a modified LIBOR plus 3% (3.28% at December 31, 2011), with principal due September 1, 2012. There was no amount outstanding at December 31, 2011. At December 31, 2010, the outstanding balance was \$200,000. 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% (3.28% at December 31, 2011), with principal due September 1, 2012. The non revolving line of credit is unsecured. At December 31, 2011 and 2010 the outstanding balance was \$500,000.

Line of Credit B in the amount of \$500,000, that bears interest on a modified LIBOR plus 2.75% (3.03% at December 31, 2011), with principal due September 1, 2012. The non revolving line of credit is guaranteed by a third party. At December 31, 2011 and 2010, the outstanding balance was \$499,205 and \$448,895, respectively. This loan is guaranteed by ArtsWave.

9. RETIREMENT PLAN:

The Bureau has a defined contribution 401(k) savings plan. The defined contribution 401(k) savings plan allows 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 2011 and 2010 were \$84,963 and \$73,502, respectively.

10. 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>2011</u>	<u>2010</u>
Program services	\$ 6,903,324	6,213,275
General and administrative	<u>1,377,193</u>	<u>860,993</u>
	<u>\$ 8,280,517</u>	<u>7,074,268</u>

11. RELATED PARTY:

The Bureau is affiliated with the Spirit of Cincinnati (Spirit) which is an organization committed to education programs concerning the City of Cincinnati. No transactions between the Bureau and the Spirit of Cincinnati occurred during 2011 or 2010. At December 31, 2011 and 2010, WCG had a receivable from Spirit of \$56,757 and \$10,000, respectively.

Greater Cincinnati Convention and Visitors Bureau, Inc.
and World Choir Games 2012
Combined Supplemental Statement of Financial Position
December 31, 2011

Assets

	The Bureau	World Choir Games	Eliminations	Total
Cash and cash equivalents	\$ 979,380	392,693	-	1,372,073
County Hotel/Motel excise tax receivable	1,108,427	-	-	1,108,427
Contributions receivables	-	1,085,100	-	1,085,100
Program receivables	9,612	56,757	-	66,369
Membership receivables	17,667	-	-	17,667
General and suppliers' current and prior year subscriptions and sundry advances	<u>36,094</u>	<u>-</u>	<u>-</u>	<u>36,094</u>
Total receivables	1,171,800	1,141,857	-	2,313,657
Less allowance for doubtful accounts	<u>(22,943)</u>	<u>-</u>	<u>-</u>	<u>(22,943)</u>
	1,148,857	1,141,857	-	2,290,714
Due from World Choir Games	1,912,400	-	(1,912,400)	-
Due from The Bureau	-	526,055	(526,055)	-
Prepaid expenses	<u>32,668</u>	<u>-</u>	<u>-</u>	<u>32,668</u>
 Total Current Assets	 4,073,305	 2,060,605	 (2,438,455)	 3,695,455
Equipment	592,829	-	-	592,829
Less accumulated depreciation	<u>(549,530)</u>	<u>-</u>	<u>-</u>	<u>(549,530)</u>
	43,299	-	-	43,299
Intangible assets	-	2,550,000	-	2,550,000
Less accumulated amortization	<u>-</u>	<u>(1,601,887)</u>	<u>-</u>	<u>(1,601,887)</u>
	-	948,113	-	948,113
 Total Assets	 \$ <u>4,116,604</u>	 <u>3,008,718</u>	 <u>(2,438,455)</u>	 <u>4,686,867</u>
 Liabilities and Net Assets				
Current liabilities:				
Lines of credit	\$ 999,205	-	-	999,205
Current portion of capital lease	4,442	-	-	4,442
Accounts payable	156,950	512,373	-	669,323
Scholarship payable	-	30,000	-	30,000
Accrued payroll	381,950	-	-	381,950
Payroll taxes withholding	7,659	-	-	7,659
Deferred rent	95,684	-	-	95,684
Deferred membership income	33,780	-	-	33,780
Due to the Bureau	-	1,912,400	(1,912,400)	-
Due to the World Choir Games	526,055	-	(526,055)	-
Grants payable	<u>364,742</u>	<u>-</u>	<u>-</u>	<u>364,742</u>
Total Current Liabilities	2,570,467	2,454,773	(2,438,455)	2,586,785
 Net Assets				
Unrestricted net assets (deficit)	455,043	(531,155)	-	(76,112)
Temporarily restricted net assets	<u>1,091,094</u>	<u>1,085,100</u>	<u>-</u>	<u>2,176,194</u>
	1,546,137	553,945	-	2,100,082
 Total Liabilities and Net Assets	 \$ <u>4,116,604</u>	 <u>3,008,718</u>	 <u>(2,438,455)</u>	 <u>4,686,867</u>

Greater Cincinnati Convention and Visitors Bureau, Inc.
and World Choir Games 2012
Combined Supplemental Statement of Financial Position
December 31, 2010

Assets

	The Bureau	World Choir Games	Eliminations	Total
Cash and cash equivalents	\$ 441,637	-	-	441,637
County Hotel/Motel excise tax receivable	1,086,302	-	-	1,086,302
Contributions receivables	-	250,000	-	250,000
Program receivables	-	10,000	-	10,000
Membership receivables	8,822	-	-	8,822
General and suppliers' current and prior year subscriptions and sundry advances	<u>31,421</u>	-	-	<u>31,421</u>
Total receivables	1,126,545	260,000	-	1,386,545
Less allowance for doubtful accounts	<u>(8,943)</u>	-	-	<u>(8,943)</u>
	1,117,602	260,000	-	1,377,602
Due from World Choir Games	1,912,400	-	(1,912,400)	-
Prepaid expenses	<u>26,190</u>	-	-	<u>26,190</u>
 Total Current Assets	 3,497,829	 260,000	 (1,912,400)	 1,845,429
 Equipment	 577,752	 -	 -	 577,752
Less accumulated depreciation	<u>(492,366)</u>	-	-	<u>(492,366)</u>
	<u>85,386</u>	-	-	<u>85,386</u>
 Intangible assets	 -	 1,000,000	 -	 1,000,000
Less accumulated amortization	<u>-</u>	<u>(500,000)</u>	-	<u>(500,000)</u>
	<u>-</u>	<u>500,000</u>	-	<u>500,000</u>
 Total Assets	 \$ <u>3,583,215</u>	 <u>760,000</u>	 <u>(1,912,400)</u>	 <u>2,430,815</u>
 Liabilities and Net Assets				
Current liabilities:				
Lines of credit	\$ 1,148,895	-	-	1,148,895
Current portion of capital lease	16,774	-	-	16,774
Accounts payable	79,708	19,096	-	98,804
Scholarship payable	-	30,000	-	30,000
Accrued payroll	332,253	-	-	332,253
Payroll taxes withholding	6,351	-	-	6,351
Deferred rent	103,137	-	-	103,137
Deferred membership income	61,402	-	-	61,402
Due to the Bureau	-	1,912,400	(1,912,400)	-
Grants payable	<u>349,101</u>	-	-	<u>349,101</u>
Total Current Liabilities	2,097,621	1,961,496	(1,912,400)	2,146,717
 Long term obligations:				
Capital lease	<u>4,442</u>	-	-	<u>4,442</u>
Total Liabilities	<u>2,102,063</u>	<u>1,961,496</u>	<u>(1,912,400)</u>	<u>2,151,159</u>
 Net Assets				
Unrestricted net assets (deficit)	459,160	(1,451,496)	-	(992,336)
Temporarily restricted net assets	<u>1,021,992</u>	<u>250,000</u>	-	<u>1,271,992</u>
	<u>1,481,152</u>	<u>(1,201,496)</u>	-	<u>279,656</u>
 Total Liabilities and Net Assets	 \$ <u>3,583,215</u>	 <u>760,000</u>	 <u>(1,912,400)</u>	 <u>2,430,815</u>

Greater Cincinnati Convention and Visitors Bureau, Inc.
and World Choir Games 2012
Combined Supplemental Statement of Activities
Year Ended December 31, 2011

	The Bureau			World Choir Games			Total		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenues:									
Gross County Hotel/Motel excise tax revenue	\$ 5,097,361	-	5,097,361	-	-	-	-	-	5,097,361
Government funding	-	785,449	785,449	-	-	-	-	785,449	785,449
Income from members' subscriptions	285,750	-	285,750	-	-	-	-	285,750	285,750
Registration services	5,433	-	5,433	-	-	-	-	5,433	5,433
Passkey	92,277	-	92,277	-	-	-	-	92,277	92,277
Corporate sponsorships	135,693	-	135,693	1,010,100	-	3,668,499	1,010,100	-	3,804,192
Interest income	1,236	-	1,236	-	-	-	-	1,236	1,236
Other income	-	-	-	7,969	-	7,969	-	-	7,969
In-kind	21,276	-	21,276	-	-	-	-	21,276	21,276
Net assets released from restrictions	716,347	(716,347)	-	175,000	(175,000)	-	-	(891,347)	-
Total revenues	6,355,373	69,102	6,424,475	2,841,368	835,100	3,676,468	9,196,741	904,202	10,100,943
Expenses:									
Convention related expenditures:									
Convention sales and destination services	2,287,867	-	2,287,867	-	-	-	2,287,867	-	2,287,867
Convention services	426,761	-	426,761	-	-	-	426,761	-	426,761
Public relations and marketing	1,012,504	-	1,012,504	-	-	-	1,012,504	-	1,012,504
	3,727,132	-	3,727,132	-	-	-	3,727,132	-	3,727,132
World Choir Games:									
Marketing and production costs	-	-	-	1,326,762	-	1,326,762	1,326,762	-	1,326,762
General and administrative	782,928	-	782,928	594,265	-	594,265	1,377,193	-	1,377,193
In-kind	21,276	-	21,276	-	-	-	21,276	-	21,276
Initiatives:									
Grant to Greater Cincinnati Sports Corporation	125,000	-	125,000	-	-	-	125,000	-	125,000
Grant to Regional Tourism Network	1,703,154	-	1,703,154	-	-	-	1,703,154	-	1,703,154
	1,828,154	-	1,828,154	-	-	-	1,828,154	-	1,828,154
Total expenses	6,359,490	-	6,359,490	1,921,027	-	1,921,027	8,280,517	-	8,280,517
Change in Net Assets	(4,117)	69,102	64,985	920,341	835,100	1,755,441	916,224	904,202	1,820,426
Net Assets (Deficit) at Beginning of Year	459,160	1,021,992	1,481,152	(1,451,496)	250,000	(1,201,496)	(992,336)	1,271,992	279,656
Net Assets (Deficit) at End of Year	\$ 455,043	1,091,094	1,546,137	(531,155)	1,085,100	553,945	(76,112)	2,176,194	2,100,082

Greater Cincinnati Convention and Visitors Bureau, Inc.
and World Choir Games 2012
Combined Supplemental Statement of Activities
Year Ended December 31, 2010

	The Bureau			World Choir Games			Total		
	Unrestricted	Temporarily	Total	Unrestricted	Temporarily	Total	Unrestricted	Temporarily	Total
		Restricted			Restricted			Restricted	
Revenues:									
Gross County Hotel/Motel excise tax revenue	\$ 4,668,337	-	4,668,337	-	-	4,668,337	-	-	4,668,337
Government funding	-	198,064	198,064	-	-	-	198,064	-	198,064
Income from members' subscriptions	282,860	-	282,860	-	-	282,860	-	-	282,860
Registration services	23,361	-	23,361	-	-	23,361	-	-	23,361
Passkey	48,753	-	48,753	-	-	48,753	-	-	48,753
Corporate sponsorships	67,944	47,407	115,351	160,000	250,000	227,944	297,407	297,407	525,351
Interest income	1,919	-	1,919	-	-	1,919	-	-	1,919
In-kind	21,276	-	21,276	-	-	21,276	-	-	21,276
Net assets released from restrictions	513,488	(513,488)	-	-	-	513,488	(513,488)	(513,488)	-
Total revenues	5,627,938	(268,017)	5,359,921	160,000	250,000	410,000	5,787,938	(18,017)	5,769,921
Expenses:									
Convention related expenditures:									
Convention sales and destination services	1,894,723	-	1,894,723	-	-	1,894,723	-	-	1,894,723
Convention services	422,859	-	422,859	-	-	422,859	-	-	422,859
Public relations and marketing	822,838	-	822,838	-	-	822,838	-	-	822,838
	3,140,420	-	3,140,420	-	-	3,140,420	-	-	3,140,420
World Choir Games:									
China Games Expenses	-	-	-	727,022	-	727,022	-	-	727,022
Marketing and production costs	-	-	-	631,639	-	631,639	-	-	631,639
	-	-	-	1,358,661	-	1,358,661	-	-	1,358,661
General and administrative	754,326	-	754,326	106,667	-	860,993	-	-	860,993
In-kind	21,276	-	21,276	-	-	21,276	-	-	21,276
Initiatives:									
Grant to Greater Cincinnati Sports Corporation	125,003	-	125,003	-	-	125,003	-	-	125,003
Grant to Regional Tourism Network	1,567,915	-	1,567,915	-	-	1,567,915	-	-	1,567,915
	1,692,918	-	1,692,918	-	-	1,692,918	-	-	1,692,918
Total expenses	5,608,940	-	5,608,940	1,465,328	250,000	1,715,328	7,074,268	(18,017)	7,074,268
Change in Net Assets	18,998	(268,017)	(249,019)	(1,305,328)	250,000	(1,055,328)	(1,286,330)	(18,017)	(1,304,347)
Net Assets (Deficit) at Beginning of Year	440,162	1,290,009	1,730,171	(146,168)	-	(146,168)	293,994	1,290,009	1,584,003
Net Assets (Deficit) at End of Year	\$ 459,160	1,021,992	1,481,152	(1,451,496)	250,000	(1,201,496)	(992,336)	1,271,992	279,656

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.
and World Choir Games 2012:

We have audited the combined financial statements of Greater Cincinnati Convention and Visitors Bureau, Inc. and World Choir Games 2012 as of and for the year ended December 31, 2011, and have issued our report thereon dated June 22, 2012. 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

Management of Greater Cincinnati Convention and Visitors Bureau, Inc. and World Choir Games 2012 are responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Greater Cincinnati Convention and Visitors Bureau, Inc. and World Choir Games 2012'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. and World Choir Games 2012's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Greater Cincinnati Convention and Visitors Bureau, Inc. and World Choir Games 2012'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.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Greater Cincinnati Convention and Visitors Bureau, Inc. and World Choir Games 2012'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 the Board of Directors, management and others within the entity and is not intended to be and should not be used by anyone other than these specified parties.

Clark, Schaefer, Hackett + Co.

Cincinnati, Ohio
June 22, 2012



Dave Yost • Auditor of State

**GREATER CINCINNATI CONVENTION AND VISITORS BUREAU INC AND WORLD CHOIR GAMES
2012**

HAMILTON 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 15, 2012**