



**THE GREATER COLUMBUS CONVENTION AND VISITOR'S BUREAU  
dba EXPERIENCE COLUMBUS  
FRANKLIN COUNTY**

**REGULAR AUDIT**

**FOR THE YEAR ENDED DECEMBER 31, 2012**



**Dave Yost • Auditor of State**



**THE GREATER COLUMBUS CONVENTION AND VISITOR'S BUREAU  
dba EXPERIENCE COLUMBUS  
FRANKLIN COUNTY**

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

The Greater Columbus Convention and Visitor's Bureau  
dba Experience Columbus  
Franklin County  
277 West Nationwide Blvd  
Columbus, Ohio 43215

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of The Greater Columbus Convention and Visitor's Bureau, dba Experience Columbus, Franklin County, Ohio (the Organization), which comprise the statement of financial position as of December 31, 2012, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Organization's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Greater Columbus Convention and Visitor's Bureau, dba Experience Columbus, Franklin County, Ohio, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Report on Summarized Comparative Information**

The financial statements of the Organization as of and for the year ended December 31, 2011 were audited by a predecessor auditor. An unqualified (unmodified) opinion was issued June 21, 2012 by the predecessor auditor. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2011 is consistent, in all material respects, with the audited financial statements from which it has been derived.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated April 11, 2013, on our consideration of the Organization's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.



**Dave Yost**  
Auditor of State

April 11, 2013

**THE GREATER COLUMBUS CONVENTION AND VISITOR'S BUREAU  
dba EXPERIENCE COLUMBUS  
FRANKLIN COUNTY**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2012 AND 2011**

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 2,740,357	\$ 2,146,545
Investments	-	550,115
Accounts Receivable	555,232	95,379
Prepaid Expenses and Deposits	<u>220,643</u>	<u>274,230</u>
Total Current Assets	3,516,231	3,066,269
<u>Noncurrent Assets</u>		
Property and Equipment, Net	<u>272,110</u>	<u>318,343</u>
<b>TOTAL ASSETS</b>	<u><u>3,788,341</u></u>	<u><u>3,384,612</u></u>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable	323,500	163,783
Accrued Expenses	532,223	273,011
Deferred Revenue	45,340	71,373
Deferred Rent	<u>24,284</u>	<u>32,100</u>
<b>TOTAL LIABILITIES</b>	925,347	540,267
 <b>NET ASSETS</b>		
Unrestricted:		
Property and Equipment Reserve	65,974	65,974
Undesignated	<u>2,797,020</u>	<u>2,778,371</u>
<b>TOTAL NET ASSETS</b>	2,862,994	2,844,345
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 3,788,341</u></u>	<u><u>\$ 3,384,612</u></u>

The notes to the consolidated financial statements are an integral part of this statement.

**THE GREATER COLUMBUS CONVENTION AND VISITOR'S BUREAU  
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FRANKLIN COUNTY**

**CONSOLIDATED STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

<b>CHANGE IN UNRESTRICTED NET ASSETS:</b>	<u><b>2012</b></u>	<u><b>2011</b></u>
<b>REVENUES AND OTHER SUPPORT</b>		
Columbus Bed Tax	\$ 4,824,721	\$ 4,357,322
Promotional Revenue, City of Columbus	1,600,000	854,217
Contributions	578,747	489,554
Program Revenue	793,808	675,384
Promotional Revenue, Franklin County	1,150,000	1,150,000
Contributed Services	270,373	272,604
Publication Revenue	421,866	273,754
Sports Marketing	723,360	658,269
Interest	1,450	1,475
Other Income	26,988	16,969
	<u>10,391,313</u>	<u>8,749,548</u>
<b>EXPENSES</b>		
Convention Marketing	4,841,548	3,744,203
Tourism Marketing	1,553,858	1,600,443
Communication and Public Relations	808,561	677,090
Sports Marketing	655,126	581,210
Management and General	2,513,571	1,904,563
	<u>10,372,664</u>	<u>8,507,509</u>
Total Expenses	<u>10,372,664</u>	<u>8,507,509</u>
<b>CHANGE IN NET ASSETS</b>	18,649	242,039
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>2,844,345</u>	<u>2,602,306</u>
<b>NET ASSETS, END OF YEAR</b>	<u><u>\$ 2,862,994</u></u>	<u><u>\$ 2,844,345</u></u>

The notes to the consolidated financial statements are an integral part of this statement.



**THE GREATER COLUMBUS CONVENTION AND VISITOR'S BUREAU  
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**CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

	<b>2012</b>	<b>2011</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 18,649	\$ 242,039
Adjustments to reconcile net assets to net cash provided by operating activities:		
Depreciation	154,282	121,758
Loss on Disposal of Property and Equipment	-	20,873
Increase (decrease) from changes in:		
Accounts Receivable	(459,853)	(66,082)
Prepaid Expenses and Deposits	53,587	(92,184)
Accounts Payable	159,717	73,533
Accrued Expenses	259,212	1,463
Deferred Revenue	(26,033)	36,513
Deferred Rent	(7,816)	(9,540)
	<b>151,745</b>	<b>328,373</b>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Investments	(650,000)	(1,469,748)
Proceeds from Maturities of Investments	1,200,116	1,519,633
	<b>550,116</b>	<b>49,885</b>
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>		
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchase of Property and Equipment	(108,049)	(194,117)
	<b>(108,049)</b>	<b>(194,117)</b>
<b>NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>593,812</b>	<b>184,141</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>2,146,545</b>	<b>1,962,404</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 2,740,357</b>	<b>\$ 2,146,545</b>

The notes to the consolidated financial statements are an integral part of this statement.

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**THE GREATER COLUMBUS CONVENTION AND VISITOR'S BUREAU  
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FRANKLIN COUNTY**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2012**

**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, 2012 and 2011, 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, 2012 and 2011, 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.

**Investments:** Investments consist of certificates of deposit with maturities greater than three months when purchased. The certificates of deposit are carried at cost. The Organization has no investments as of December 31, 2012.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2012  
(Continued)**

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

**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 collectability of the accounts receivable as of December 31, 2012 and 2011. 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, 2012 and 2011, no allowance has been recorded.

**Property and equipment:** Property and equipment are recorded at cost, less accumulated depreciation. Provisions for depreciation 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 \$154,282 and \$121,758 for 2012 and 2011, 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 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.

**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 The 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.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2012  
(Continued)**

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

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, 2012 and 2011, 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 2008.

**Advertising expense:** The Organization expenses advertising costs as incurred. Advertising expenses were \$927,923 and \$593,551 for 2012 and 2011, 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.

**2. Investments**

There were no investments at December 31, 2012. At December 31, 2011, investments consisted of certificates of deposit and were stated at cost. There was no accrued interest in the Statement of Financial Position representing unpaid interest on these investments at December 31, 2012 or 2011. Interest income for 2012 and 2011 includes \$1,450 and \$1,475, respectively, from short-term investments.

**3. Property and Equipment**

Property and equipment consisted of the following at December 31:

	2012	2011
Office furniture and equipment	\$ 522,566	\$ 494,892
Computer equipment	557,805	912,697
Leasehold improvements	304,725	267,479
Total property and equipment being depreciated	1,385,096	1,675,068
Less: accumulated depreciation	(1,112,986)	(1,356,725)
Property and equipment, Net	\$ 272,110	\$ 318,343

**THE GREATER COLUMBUS CONVENTION AND VISITOR'S BUREAU  
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FRANKLIN COUNTY**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2012  
(Continued)**

**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 plus 2.70%. The agreement is renewed annually and expires in November 2013. The Organization did not have an outstanding balance at December 31, 2012 or 2011.

**5. Contributed Services Income**

Contributed services are as follows:

	2012	2011
Convention marketing		
Travel, lodging, meals and incidentals	\$ 58,129	\$ 51,745
Production costs	25,926	54,319
Facility fees	-	550
Audio visual	-	-
	<u>84,055</u>	<u>106,614</u>
Tourism marketing		
Travel, lodging, meals and incidentals	-	14,400
Visitors center - rent	18,000	18,000
	<u>18,000</u>	<u>32,400</u>
Sports marketing		
Direct marketing	55,139	50,965
Production costs	44,471	41,485
Event promotional supplies	13,100	400
Facility fees	-	1,500
Travel, lodging, meals and incidentals	1,337	-
	<u>114,047</u>	<u>94,350</u>
Communications and public relations		
Travel, lodging, meals and incidentals	17,085	12,632
Facility fees	12,919	9,850
Event promotional supplies	18,258	10,748
	<u>48,262</u>	<u>33,230</u>
Management and general		
Van lease	<u>6,010</u>	<u>6,010</u>
 Total	 \$ 270,374	 \$ 272,604

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FRANKLIN COUNTY**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2012  
(Continued)**

**6. Retirement Plan 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 \$272,793 and \$252,932 in 2012 and 2011, 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 \$15,561 and \$13,203 were paid in 2012 and 2011, respectively.

**7. Lease Commitments**

The Organization leases three facilities under operating leases expiring at various dates through 2014. Rent expense was \$493,847 and \$511,612 in 2012 and 2011, respectively.

The future minimum lease payments at December 31, 2012 are as follows:

2013	324,801
2014	302,323
2015	<u>21,780</u>
Total	\$ 648,904

**8. Risk Management**

The Organization is subjected to certain types of risk in the performance of its normal functions. They include risks the Organization might be subjected to by its employees in the performance of their normal duties. The Organization manages these types of risks through commercial insurance. The amount of settlements has not exceeded insurance coverage for any of the past three years. There has not been a significant reduction of coverage since the prior year in any of the major categories of risk.

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

The Greater Columbus Convention and Visitor's Bureau  
dba Experience Columbus  
Franklin County  
277 West Nationwide Blvd  
Columbus, Ohio 43215

To the Board of Trustees:

We have audited the consolidated financial statements of The Greater Columbus Convention and Visitor's Bureau, dba Experience Columbus, Franklin County, Ohio (the Organization) as of and for the year ended December 31, 2012, which collectively comprise the Organization's financial statements and have issued our report thereon dated April 11, 2013. 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 the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Organization's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we have not opined 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, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and timely corrected.

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 a material weakness, as defined above.

### **Compliance and Other Matters**

As part of reasonably assuring whether the Organization's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We intend this report solely for the information and use of management, the finance committee, the Board of Trustees, and others within the Organization. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive, flowing style.

**Dave Yost**  
Auditor of State

April 11, 2013



# Dave Yost • Auditor of State

**GREATER COLUMBUS CONVENTION AND VISITORS BUREAU**

**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  
MAY 9, 2013**