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

Combined Financial Statements
And Additional Financial Information
December 31, 2012 and 2011
(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, 2012 through December 31, 2012. 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 are responsible for compliance with these laws and regulations.

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

Dave Yost
Auditor of State

July 22, 2013

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying combined financial statements of Greater Cincinnati Convention and Visitors Bureau, Inc. and World Choir Games 2012, which comprise the combined statements of financial position as of December 31, 2012 and 2011, and the related combined statements of activities, and cash flows for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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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, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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 combined 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 combined financial statements. The information has been subjected to auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined 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 combined financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2013 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* in considering Greater Cincinnati Convention and Visitors Bureau, Inc. and World Choir Games 2012's internal control over financial reporting and compliance.

Clark, Schaefer, Hackett + Co.

Cincinnati, Ohio
June 25, 2013

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

Assets	<u>2012</u>	<u>2011</u>
Cash and cash equivalents	\$ 819,612	1,372,073
County Hotel/Motel excise tax receivable	1,234,697	1,108,427
Contributions receivable	101,250	1,085,100
Program receivables	163,913	66,369
Membership receivables	53,570	17,667
General and suppliers' current and prior year subscriptions and sundry advances	<u>32,725</u>	<u>36,094</u>
Total receivables	1,586,155	2,313,657
Less allowance for doubtful accounts	<u>(75,668)</u>	<u>(22,943)</u>
	1,510,487	2,290,714
Prepaid expenses	<u>40,543</u>	<u>32,668</u>
 Total Current Assets	 2,370,642	 3,695,455
Equipment	644,755	592,829
Less accumulated depreciation	<u>(585,045)</u>	<u>(549,530)</u>
	<u>59,710</u>	<u>43,299</u>
Intangible assets	2,550,000	2,550,000
Less accumulated amortization	<u>(2,550,000)</u>	<u>(1,601,887)</u>
	<u>-</u>	<u>948,113</u>
 Total Assets	 \$ <u>2,430,352</u>	 <u>4,686,867</u>
 Liabilities and Net Assets		
Current liabilities:		
Lines of credit	\$ 500,000	999,205
Current portion of capital lease	-	4,442
Accounts payable	254,062	669,323
Scholarship payable	-	30,000
Accrued payroll	427,319	381,950
Payroll taxes withholding	4,100	7,659
Deferred rent expense	79,907	95,684
Deferred membership income	46,368	33,780
Grants payable	<u>405,802</u>	<u>364,742</u>
Total Current Liabilities	1,717,558	2,586,785
Net Assets:		
Unrestricted net assets (deficit)	401,478	(76,112)
Temporarily restricted	<u>311,316</u>	<u>2,176,194</u>
Total net assets	<u>712,794</u>	<u>2,100,082</u>
 Total Liabilities and Net Assets	 \$ <u>2,430,352</u>	 <u>4,686,867</u>

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, 2012 and 2011

	2012			2011		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenues:						
Gross County Hotel/Motel excise tax revenue	\$ 5,377,042	-	5,377,042	5,097,361	-	5,097,361
Government funding	-	1,236,347	1,236,347	-	785,449	785,449
Income from members' subscriptions	306,760	-	306,760	285,750	-	285,750
Registration services	3,007	-	3,007	5,433	-	5,433
Passkey	91,069	-	91,069	92,277	-	92,277
Corporate sponsorships	1,763,446	101,250	1,864,696	2,794,092	1,010,100	3,804,192
Interest income	1,780	-	1,780	1,236	-	1,236
Other income	115	-	115	7,969	-	7,969
In-kind	5,397,990	-	5,397,990	21,276	-	21,276
World Choir Games earned revenue	1,863,643	-	1,863,643	-	-	-
Net assets released from restrictions	3,202,475	(3,202,475)	-	891,347	(891,347)	-
Total revenues	18,007,327	(1,864,878)	16,142,449	9,196,741	904,202	10,100,943
Expenses:						
Convention related expenditures:						
Convention sales and destination services	2,169,641	-	2,169,641	2,287,867	-	2,287,867
Convention services	437,475	-	437,475	426,761	-	426,761
Public relations and marketing	1,177,372	-	1,177,372	1,012,504	-	1,012,504
	3,784,488	-	3,784,488	3,727,132	-	3,727,132
World Choir Games:						
Fundraising, marketing & advertising costs	2,110,338	-	2,110,338	1,232,093	-	1,232,093
Participant services	1,097,381	-	1,097,381	93,669	-	93,669
Production costs	1,902,580	-	1,902,580	1,000	-	1,000
	5,110,299	-	5,110,299	1,326,762	-	1,326,762
General and administrative	1,315,229	-	1,315,229	1,377,193	-	1,377,193
In-kind	5,397,990	-	5,397,990	21,276	-	21,276
Initiatives:						
Grant to Greater Cincinnati Sports Corporation	128,750	-	128,750	125,000	-	125,000
Grant to Regional Tourism Network	1,792,981	-	1,792,981	1,703,154	-	1,703,154
	1,921,731	-	1,921,731	1,828,154	-	1,828,154
Total expenses	17,529,737	-	17,529,737	8,280,517	-	8,280,517
Change in Net Assets	477,590	(1,864,878)	(1,387,288)	916,224	904,202	1,820,426
Net Assets (Deficit) at Beginning of Year	(76,112)	2,176,194	2,100,082	(992,336)	1,271,992	279,656
Net Assets (Deficit) at End of Year	\$ 401,478	311,316	712,794	(76,112)	2,176,194	2,100,082

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, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Cash flows from operating activities:		
Change in net assets	\$ (1,387,288)	1,820,426
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	35,515	57,164
Amortization	948,113	1,101,887
Bad debt expense	52,725	14,000
Changes in assets and liabilities:		
Accounts receivable and advances-net	727,502	(927,112)
Prepaid expenses	(7,875)	(6,478)
Accounts payable	(415,261)	570,519
Scholarship payable	(30,000)	-
Accrued payroll	45,369	49,697
Payroll taxes withholdings	(3,559)	1,308
Deferred rent expense	(15,777)	(7,453)
Deferred membership income	12,588	(27,622)
Grant payable	<u>41,060</u>	<u>15,641</u>
Net cash provided by operating activities	<u>3,112</u>	<u>2,661,977</u>
Cash flows from investing activities:		
Purchase of intangible assets	-	(1,550,000)
Purchase of equipment	<u>(51,926)</u>	<u>(15,077)</u>
Net cash used in investing activities	<u>(51,926)</u>	<u>(1,565,077)</u>
Cash flows from financing activities:		
Net change in lines of credit	(499,205)	(149,690)
Payments on capital lease obligation	<u>(4,442)</u>	<u>(16,774)</u>
Net cash used by financing activities	<u>(503,647)</u>	<u>(166,464)</u>
Net increase (decrease) in cash and cash equivalents	(552,461)	930,436
Cash and cash equivalents at beginning of year	<u>1,372,073</u>	<u>441,637</u>
Cash and cash equivalents at end of year	\$ <u>819,612</u>	<u>1,372,073</u>
Supplemental information:		
Interest paid	\$ <u>21,526</u>	<u>37,508</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 held in July 2012, as a global artistic, educational and cultural event. The World Choir Games are awarded to a city by the organizing committee. It is not expected that Cincinnati will be chosen in the foreseeable future; therefore this entity will be dormant after December 31, 2012.

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. The allowance for doubtful accounts was \$75,668 and \$22,943 at December 31, 2012 and 2011, respectively.

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. World Choir Games 2012's earned revenue consists of ticket sales, concessions, and merchandise sold during the games held in July 2012.

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 \$35,515 and \$57,164 in 2012 and 2011, respectively.

Intangible assets

WCG secured the hosting of an international event in Cincinnati held in July 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 games, 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 games. The original and amended license fee intangible was amortized over the period from the date of contract until the World Choir Games were held in July 2012. The amortization charged was \$948,113 and \$1,101,887 in 2012 and 2011, respectively.

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.

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 and WCG record 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.

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. WCG is not considered to be a private foundation. The WCG has not engaged in any activity which would expose it to unrelated business income taxes

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 2009-2011. WCG's open audit periods are 2010-2011. 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.

Reclassifications

Certain reclassifications have been made to the prior year's financial statements to conform to the current year presentation. These reclassifications had no effect on previously reported results of operations or net assets.

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 25, 2013 the date on which the financial statements were available to be issued.

2. CONTRIBUTIONS RECEIVABLE:

Contributions receivable were \$101,250 and \$1,085,100 at December 31, 2012 and 2011, respectively. All contributions receivable are estimated to be fully collectible and are due within one year. There was no allowance for uncollectible contributions at December 31, 2012 and 2011.

3. CONCENTRATION OF CREDIT RISK:

Financial instruments which subject the Bureau to a concentration of credit risk consist of cash and cash equivalents. 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% of total revenue for the years ended December 31, 2012 and 2011. The receivables from the County were 95% and 96% for the year ended December 31, 2012 and 2011, 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, 2012 for the noncancelable leases are as follows:

2013	\$ 196,929
2014	195,356
2015	199,076
2016	<u>152,209</u>
	<u>\$ 743,570</u>

Total rental expense was \$167,571 and \$167,989 in 2012 and 2011, 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 \$152,508 and \$144,662 at December 31, 2012 and 2011, respectively.

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% (3.19% at December 31, 2012), with principal due September 1, 2013. At December 31, 2012, the outstanding balance was \$200,000. There was no amount outstanding at December 31, 2011. The line was secured

by all the assets of the Organization. This line of credit was paid off and closed subsequent to year end. Also subsequent to year end, the Bureau obtained a new \$250,000 line of credit with a new bank.

In connection with acquisition and production of the World Choir Games 2012 the Bureau has 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% (3.19% at December 31, 2012), with principal due September 1, 2013. The non-revolving line of credit was unsecured. At December 31, 2012 and 2011, the outstanding balance was \$300,000 and \$500,000, respectively. This line of credit was paid off and closed subsequent to year end.

Line of Credit B in the amount of \$500,000, that bears interest on a modified LIBOR plus 2.75% (2.94% at December 31, 2012), with principal due September 1, 2013. The non-revolving line of credit was guaranteed by a third party. There was no outstanding balance and was closed as of December 31, 2012. At December 31, 2011 the outstanding balance was \$499,205.

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 2012 and 2011 were \$99,274 and \$107,721, 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>2012</u>	<u>2011</u>
Program services	\$ 16,214,508	6,903,324
General and administrative	<u>1,315,229</u>	<u>1,377,193</u>
	<u>\$ 17,529,737</u>	<u>8,280,517</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. At December 31, 2012, the Bureau owed the Spirit \$47,000. There was no payable owed to Spirit at December 31, 2011. At December 31, 2012 and 2011, WCG had a receivable from Spirit of \$41,757 and \$56,757, respectively.

12. TEMPORARILY RESTRICTED NET ASSETS:

Temporarily restricted net assets are available for the following purposes or periods as of December 31:

	<u>2012</u>	<u>2011</u>
Program restrictions	\$ 210,066	1,091,094
Time restricted	<u>101,250</u>	<u>1,085,100</u>
Total	\$ <u>311,316</u>	<u>2,176,194</u>

During 2012 and 2011, net assets released from restriction were \$3,202,475 and \$891,347, respectively.

13. DONATED SERVICES AND IN-KIND DONATIONS:

Contribution revenue recognized during 2012 and 2011 from donated services and in-kind donations consisted of the following:

	<u>2012</u>	<u>2011</u>
Professional services, supplies, and material	\$ 5,376,714	-
In-kind rent	<u>21,276</u>	<u>21,276</u>
Total	\$ <u>5,397,990</u>	<u>21,276</u>

14. SUBSEQUENT EVENT:

With the World Choir Games event having taken place in July 2012, it was management's determination to cease operations of the WCG effective December 31, 2012. As a result, in the accompanying statement of financial position at December 31, 2012 all assets and liabilities of WCG have been assumed by the Bureau, while the accompanying statement of activities includes the results of operations for WCG for the year end December 31, 2012.

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

Assets

	The Bureau	World Choir Games	Total
Cash and cash equivalents	\$ 819,612	-	819,612
County Hotel/Motel excise tax receivable	1,234,697	-	1,234,697
Contributions receivables	101,250	-	101,250
Program receivables	163,913	-	163,913
Membership receivables	53,570	-	53,570
General and suppliers' current and prior year subscriptions and sundry advances	32,725	-	32,725
Total receivables	1,586,155	-	1,586,155
Less allowance for doubtful accounts	(75,668)	-	(75,668)
	1,510,487	-	1,510,487
Prepaid expenses	40,543	-	40,543
Total Current Assets	2,370,642	-	2,370,642
Equipment	644,755	-	644,755
Less accumulated depreciation	(585,045)	-	(585,045)
	59,710	-	59,710
Intangible assets	2,550,000	-	2,550,000
Less accumulated amortization	(2,550,000)	-	(2,550,000)
	-	-	-
Total Assets	\$ 2,430,352	-	2,430,352
 Liabilities and Net Assets			
Current liabilities:			
Lines of credit	\$ 500,000	-	500,000
Accounts payable	254,062	-	254,062
Accrued payroll	427,319	-	427,319
Payroll taxes withholding	4,100	-	4,100
Deferred rent	79,907	-	79,907
Deferred membership income	46,368	-	46,368
Grants payable	405,802	-	405,802
Total Current Liabilities	1,717,558	-	1,717,558
 Net Assets			
Unrestricted	401,478	-	401,478
Temporarily restricted	311,316	-	311,316
Total net assets	712,794	-	712,794
Total Liabilities and Net Assets	\$ 2,430,352	-	2,430,352

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	<u>1,091,094</u>	<u>1,085,100</u>	<u>-</u>	<u>2,176,194</u>
Total net assets	<u>1,546,137</u>	<u>553,945</u>	<u>-</u>	<u>2,100,082</u>
 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 Activities
Year Ended December 31, 2012

	The Bureau			World Choir Games			Total		
	Unrestricted	Temporarily Restricted		Unrestricted	Temporarily Restricted		Unrestricted	Temporarily Restricted	
Revenues:									
Gross County Hotel/Motel excise tax revenue	\$ 5,377,042	-	5,377,042	-	-	-	5,377,042	-	5,377,042
Government funding	-	1,236,347	1,236,347	-	-	-	-	1,236,347	1,236,347
Income from members' subscriptions	306,760	-	306,760	-	-	-	306,760	-	306,760
Registration services	3,007	-	3,007	-	-	-	3,007	-	3,007
Passkey	91,069	-	91,069	-	-	-	91,069	-	91,069
Corporate sponsorships	69,335	101,250	170,585	1,694,111	-	-	1,763,446	101,250	1,864,696
Interest income	1,780	-	1,780	-	-	-	1,780	-	1,780
Other income	115	-	115	-	-	-	115	-	115
In-kind	21,276	-	21,276	5,376,714	-	-	5,397,990	-	5,397,990
World Choir Games earned revenue	-	-	-	1,863,643	-	-	1,863,643	-	1,863,643
Net assets released from restrictions	2,117,375	(2,117,375)	-	1,085,100	(1,085,100)	-	3,202,475	(3,202,475)	-
Total revenues	7,987,759	(779,778)	7,207,981	10,019,568	(1,085,100)	8,934,468	18,007,327	(1,864,878)	16,142,449
Expenses:									
Convention related expenditures:									
Convention sales and destination services	2,169,641	-	2,169,641	-	-	-	2,169,641	-	2,169,641
Convention services	437,475	-	437,475	-	-	-	437,475	-	437,475
Public relations and marketing	1,177,372	-	1,177,372	-	-	-	1,177,372	-	1,177,372
	3,784,488	-	3,784,488	-	-	-	3,784,488	-	3,784,488
World Choir Games:									
Fundraising, marketing & advertising costs	-	-	-	2,110,338	-	-	2,110,338	-	2,110,338
Participant services	-	-	-	1,097,381	-	-	1,097,381	-	1,097,381
Production costs	-	-	-	1,902,580	-	-	1,902,580	-	1,902,580
	-	-	-	5,110,299	-	-	5,110,299	-	5,110,299
General and administrative	844,192	-	844,192	471,037	-	-	1,315,229	-	1,315,229
In-kind	21,276	-	21,276	5,376,714	-	-	5,397,990	-	5,397,990
Initiatives:									
Grant to World Choir Games	1,469,637	-	1,469,637	(1,469,637)	-	-	-	-	-
Grant to Greater Cincinnati Sports Corporation	128,750	-	128,750	-	-	-	128,750	-	128,750
Grant to Regional Tourism Network	1,792,981	-	1,792,981	-	-	-	1,792,981	-	1,792,981
	3,391,368	-	3,391,368	(1,469,637)	-	-	1,921,731	-	1,921,731
Total expenses	8,041,324	-	8,041,324	9,488,413	-	9,488,413	17,529,737	-	17,529,737
Change in Net Assets	(53,565)	(779,778)	(833,343)	531,155	(1,085,100)	(553,945)	477,590	(1,864,878)	(1,387,288)
Net Assets (Deficit) at Beginning 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
Net Assets at End of Year	\$ 401,478	311,316	712,794	-	-	-	401,478	311,316	712,794

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	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted
Revenues:						
Gross County Hotel/Motel excise tax revenue	\$ 5,097,361	-	-	-	5,097,361	-
Government funding	-	785,449	-	-	-	785,449
Income from members' subscriptions	285,750	-	-	-	285,750	-
Registration services	5,433	-	-	-	5,433	-
Passkey	92,277	-	-	-	92,277	-
Corporate sponsorships	135,693	-	2,658,399	1,010,100	2,794,092	1,010,100
Interest income	1,236	-	-	-	1,236	-
Other income	-	-	7,969	-	7,969	-
In-kind	21,276	-	-	-	21,276	-
Net assets released from restrictions	716,347	(716,347)	175,000	(175,000)	891,347	(891,347)
Total revenues	6,355,373	69,102	2,841,368	835,100	9,196,741	904,202
Expenses:						
Convention related expenditures:						
Convention sales and destination services	2,287,867	-	-	-	2,287,867	-
Convention services	426,761	-	-	-	426,761	-
Public relations and marketing	1,012,504	-	-	-	1,012,504	-
	3,727,132	-	-	-	3,727,132	-
World Choir Games:						
Fundraising, marketing & advertising costs	-	-	1,232,093	-	1,232,093	-
Participant services	-	-	93,669	-	93,669	-
Production costs	-	-	1,000	-	1,000	-
General and administrative	782,928	-	594,265	-	1,377,193	-
In-kind	21,276	-	-	-	21,276	-
Initiatives:						
Grant to Greater Cincinnati Sports Corporation	125,000	-	-	-	125,000	-
Grant to Regional Tourism Network	1,703,154	-	-	-	1,703,154	-
	1,828,154	-	-	-	1,828,154	-
Total expenses	6,359,490	-	1,921,027	-	8,280,517	-
Change in Net Assets	(4,117)	69,102	920,341	835,100	916,224	904,202
Net Assets (Deficit) at Beginning of Year	459,160	1,021,992	(1,451,496)	250,000	(992,336)	1,271,992
Net Assets (Deficit) at End of Year	\$ 455,043	1,091,094	(531,155)	1,085,100	(76,112)	2,100,082

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

INDEPENDENT AUDITORS' REPORT

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

We have audited, in accordance with the 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, the combined financial statements of Greater Cincinnati Convention and Visitors Bureau, Inc. and World Choir Games 2012, which comprise the combined statement of financial position as of December 31, 2012, and the related combined statements of activities, and cash flows for the year then ended, and the related notes to the combined financial statements, and have issued our report thereon dated June 25, 2013.

Internal Control over Financial Reporting

In planning and performing our audit of the combined financial statements, we considered Greater Cincinnati Convention and Visitors Bureau, Inc. and World Choir Games 2012's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the 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. 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.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any

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deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 from 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Greater Cincinnati Convention and Visitors Bureau, Inc. and World Choir Games 2012's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
June 25, 2013

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Dave Yost • Auditor of State

**GREATER CINCINNATI CONVENTION & VISITORS BUREAU, INC. AND WORLD CHIOR 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
AUGUST 1, 2013**