The Greater Columbus Convention & Visitors Bureau dba Experience Columbus

Financial Report
December 31, 2009

McGladrey & Pullen
Certified Public Accountants

Mary Taylor, CPA
Auditor of State

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

We have reviewed the *Independent Auditor's Report* of The Greater Columbus Convention and Visitors Bureau, dba Experience Columbus, Franklin County, prepared by McGladrey & Pullen, LLP, for the audit period January 1, 2009 through December 31, 2009. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Greater Columbus Convention and Visitors Bureau, dba Experience Columbus is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

May 10, 2010

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Contents

McGladrey & Pullen
Certified Public Accountants

Independent Auditor's Report
On the Financial Statements

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

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

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Controller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

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

In accordance with *Government Auditing Standards*, we have also issued our report, dated April 30, 2010, on our consideration of The Greater Columbus Convention & Visitors Bureau, dba Experience Columbus' internal control over financial reporting and our tests of its compliance with certain provision of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

McGladrey & Pullen, LLP

Columbus, Ohio
April 30, 2010

The Greater Columbus Convention & Visitors Bureau
dba Experience Columbus

Statements of Financial Position
December 31, 2009 and 2008

Assets		2009		2008
Current Assets				
Cash and cash equivalents	$	**1,048,352**	$	2,358,808
Cash, designated for property and equipment reserve		**-**		73,592
Investments		**1,100,000**		-
Accounts receivable		**71,414**		73,763
Prepaid expenses and deposits		**183,268**		201,867
Total current assets		**2,403,034**		2,708,030
Property and Equipment, net		**342,443**		443,888
Total Assets	$	**2,745,477**	$	3,151,918
Liabilities and Net Assets				
Liabilities				
Current portion of capital lease obligation	$	**10,208**	$	13,118
Accounts payable		**106,452**		335,073
Accrued expenses		**249,373**		200,807
Deferred revenue		**17,866**		13,800
Deferred rent		**42,724**		44,480
Total current liabilities		**426,623**		607,278
Capital lease obligation, net of current portion		**-**		12,386
Total liabilities		**426,623**		619,664
Net Assets				
Unrestricted:				
Property and equipment reserve		**73,592**		73,592
Undesignated		**2,245,262**		2,460,662
Total net assets		**2,318,854**		2,534,254
Total Liabilities and Net Assets	$	**2,745,477**	$	3,153,918

See Notes to Financial Statements.

The Greater Columbus Convention & Visitors Bureau
dba Experience Columbus

Statements of Activities
Years Ended December 31, 2009 and 2008

		2009		2008
Revenues and Other Support				
Columbus bed tax	$	**3,743,080**	$	4,316,757
Promotional revenue, City of Columbus		**-**		531,000
Contributions		**489,393**		527,361
Program revenue		**657,727**		621,721
Promotional revenue, Franklin County		**1,112,500**		1,075,000
Contributed services		**199,164**		163,950
Publication revenue		**275,645**		235,497
Sports marketing		**621,419**		631,577
Interest		**2,910**		38,664
Other income		**12,486**		11,603
		7,114,324		8,153,130
Expenses				
Convention marketing		**3,065,706**		3,276,205
Tourism marketing		**1,363,245**		1,663,834
Communication and public relations		**687,304**		716,713
Sports marketing		**438,966**		490,815
Management and general		**1,774,503**		1,866,400
		7,329,724		8,013,967
Change in Net Assets		**(215,400)**		139,163
Net Assets, beginning		**2,534,254**		2,395,091
Net Assets, ending	$	**2,318,854**	$	2,534,254

See Notes to the Financial Statements.

The Greater Columbus Convention & Visitors Bureau
dba Experience Columbus

Statements of Cash Flows
Years Ended December 31, 2009 and 2008

		2009		2008
Cash Flows From Operating Activities				
Change in net assets	$	(215,400)	$	139,163
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:				
Depreciation and amortization		136,283		190,775
Gain on disposal of property and equipment		-		(2,530)
Increase (decrease) from changes in:				
Accounts receivable		3,349		73,763
Prepaid expenses and deposits		18,599		7,144
Accounts payable		(228,621)		(177,262)
Accrued expenses		48,566		(11,931)
Deferred revenue		5,066		24,788
Deferred rent		(1,756)		(1,756)
Net cash provided by (used in) operating activities		(233,914)		242,154
Cash Flows From Investing Activities				
Purchases of investments		(2,852,620)		-
Proceeds from maturities of investments		1,752,620		-
Proceeds from sale of property and equipment		-		2,530
Purchase of property and equipment		(34,838)		(68,819)
Net cash used in investing activities		(1,134,838)		(66,289)
Cash Flows From Financing Activities				
Payments on capital lease obligations		(15,296)		(13,724)
Net cash used in financing activities		(15,296)		(13,724)
Net increase (decrease) in cash and cash equivalents		(1,384,048)		162,141
Cash and cash equivalents, beginning		2,432,400		2,270,259
Cash and cash equivalents, ending	$	1,048,352	$	2,432,400
Cash payments for:				
Interest	$	2,032	$	3,765

See Notes to Financial Statements.

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 Greater Columbus Sports Commission operates within Experience Columbus and was organized to promote, attract and service amateur sporting events for Greater Columbus. The Greater Columbus Sports Commission established a 501(c)(3) not-for-profit foundation, 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.

During 2007, the Organization established a 501(c)(3) not-for-profit foundation, 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.

Use of estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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, 2009 and 2008, 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, 2009 and 2008, 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.

Note 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 collectibility of the accounts receivable as of December 31, 2009 and 2008. 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, 2009 and 2008, no allowance has been recorded.

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

Property and equipment: Property and equipment are recorded at cost, less accumulated depreciation and amortization. Provisions for depreciation and amortization are computed under the straight-line method based upon the estimated useful lives of the assets, which range from 3 to 10 years. Leasehold improvements and assets held under capital lease are amortized over the lessor of the lease term or the estimated useful life of the asset. Depreciation expense was $136,283 and $190,775 for 2009 and 2008, respectively.

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

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

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

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

Income taxes: The Organization, an Ohio nonprofit corporation, 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.

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

On January 1, 2009, the Organization adopted the accounting standard 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 January 1, 2009 and December 31, 2009, there were no unrecognized tax benefits identified or recorded as liabilities.

The Organization files forms 990 and 990T in the U.S. federal jurisdiction and the state of Ohio. With few exceptions, the Organization is no longer subject to examination by the Internal Revenue Service for years before 2006.

Advertising expense: The Organization expenses advertising costs as incurred. Advertising expenses were $470,907 and $736,516 for 2009 and 2008, 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.

Reclassifications: Certain 2008 balances have been reclassified to conform to the 2009 presentation.

Subsequent events: The Organization has evaluated subsequent events for potential recognition and/or disclosure through April 30, 2010, the date the financials were available to be issued.

Note 2. Concentration of Credit Risk

The Organization maintains its cash in three accounts with one financial institution. The balances, at times, may exceed federally insured limits. Additionally, the Organization has two money market accounts that are not federally insured. At December 31, 2009 and 2008, the Organization exceeded the federally insured limit by approximately $751,200 and $2,182,000, respectively. The Organization continually monitors its balances to minimize the risk of loss.

Note 3. Investments

Investments at December 31, 2009 and 2008, which consist of certificates of deposit, are stated at cost plus accrued interest. Included in the investment balance is $73,592, which has been designated for property and equipment reserve. There was no accrued interest in the statement of financial position representing unpaid interest on these investments at December 31, 2009 or 2008. Interest income for 2009 and 2008 includes $2,910 and $0, respectively, from short-term investments.

Note 4. Property and Equipment

Property and equipment consisted of the following at December 31:

	2009	2008
Office furniture and equipment	$ 699,531	$ 697,433
Computer equipment	813,772	782,016
Leasehold improvements	235,774	234,790
	1,749,077	1,714,239
Less: accumulated depreciation and amortization	(1,406,634)	(1,270,351)
Property and equipment, net	$ 342,443	$ 443,888

Note 5. Line of Credit

The Organization has a $500,000 line of credit with a bank. Interest is payable monthly at the daily LIBOR rate (.17% and .14% at December 31, 2009 and 2008, respectively) plus 2.85%. The agreement expires in December 2010. The Organization did not have an outstanding balance at December 31, 2009 or 2008.

Note 6. Capital Lease Obligations

The Organization is a lessee of equipment under a capital lease which expires in July 2010. The assets and liabilities under the capital leases are recorded at the lower of the present value of minimum lease payments or the fair value of the assets. The asset is amortized over its estimated productive life. Amortization of the assets under capital leases is included in depreciation and amortization expense and amounted to $6,790 for 2009 and 2008.

Following is a summary of equipment held under capital lease:

	2009	2008
Furniture and fixtures	$ 47,528	$ 47,528
Less accumulated depreciation	(15,277)	(8,487)
	$ 32,251	$ 39,041

Note 6. Capital Lease Obligations (Continued)

Minimum future annual lease payments under the capital lease as of December 31, 2009 are as follows:

2010	$	10,700
		10,700
Less amount representing interest		(492)
Present value of minimum lease payments		10,208
Less current portion		10,208
Noncurrent portion	$	-

Note 7. Contributed Services Income

Contributed services are as follows:

		2009		2008
Convention marketing				
Travel, lodging, meals and incidentals	$	**42,624**	$	40,485
Decorating fees		**2,325**		4,828
Production costs		**35,000**		30,000
Facility fees		**274**		-
		80,223		75,313
Tourism marketing				
Visitors center - rent		**18,000**		18,420
		18,000		18,420
Sports marketing				
Production costs		**9,183**		18,598
Direct Marketing		**54,800**		-
Decorating fees		-		8,020
Travel, lodging, meals and incidentals		-		4,081
Audio visual		-		7,000
		63,983		37,699

Note 7. Contributed Services Income (Continued)

Communications and public relations		
Facility fees	**6,354**	6,755
Event promotional supplies	**8,182**	1,157
Travel, lodging, meals and incidentals	**17,620**	11,553
Decorating fees	**-**	120
Other program costs	**-**	1,533
	32,156	21,118
Management and general		
Van lease	**4,802**	11,400
Total	**$ 199,164**	$ 163,950

Note 8. Retirement 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 75% of salary reductions up to 6% 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 $238,368 and $192,684 in 2009 and 2008, 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 $11,981 and $10,085 were paid in 2009 and 2008, respectively.

Note 9. Lease Commitments

The Organization leases facilities under operating leases expiring at various dates through 2014. The Organization signed a lease for a new facility expiring in November 2014, another facility was renewed for an additional four year period expiring in November 2011, and the third facility is leased through November 2014. Rent expense was $521,272 and $519,131 in 2009 and 2008, respectively.

The future minimum lease payments at December 31, 2009 are as follows:

2010	$ 314,086
2011	321,459
2012	302,521
2013	303,219
2014	278,563
Total	$ 1,519,848

McGladrey & Pullen

Certified Public Accountants

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

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

We have audited the financial statements of The Greater Columbus Convention & Visitors Bureau, dba Experience Columbus (the Organization) as of and for the year ended December 31, 2009, and have issued our report thereon dated April 30, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

McGladrey & Pullen, LLP

Columbus, Ohio
April 30, 2010

Mary Taylor, CPA
Auditor of State

**GREATER COLUMBUS CONVENTION AND VISITORS BUREAU,
DBA EXPERIENCE COLUMBUS**

FRANKLIN COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MAY 25, 2010**

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