



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

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2013



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 AUDITOR'S REPORT

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:

Report on the Financial Statements

We have audited the accompanying comparative financial statements of The Greater Columbus Convention and Visitor's Bureau, dba Experience Columbus, Franklin County, Ohio (the Organization), as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the Organization's consolidated financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these consolidated 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 consolidated 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 consolidated 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 consolidated financial statement presentation.

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

Opinion

In our opinion, the comparative 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, as of December 31, 2013 and 2012, and the changes in its financial position and its cash flows for the years then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 20, 2014, 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.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

February 20, 2014

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

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2013 AND 2012**

	2013	2012
ASSETS		
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 2,694,372	\$ 2,740,357
Accounts Receivable	828,547	555,232
Prepaid Expenses and Deposits	239,324	220,642
Total Current Assets	3,762,243	3,516,231
<u>Noncurrent Assets</u>		
Property and Equipment, Net	191,476	272,110
TOTAL ASSETS	3,953,719	3,788,341
 LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	463,202	323,500
Accrued Expenses	323,666	532,223
Deferred Revenue	84,520	45,340
Deferred Rent	13,828	24,284
TOTAL LIABILITIES	885,216	925,347
 NET ASSETS		
Unrestricted:		
Property and Equipment Reserve	65,974	65,974
Undesignated	3,002,529	2,797,020
TOTAL NET ASSETS	3,068,503	2,862,994
TOTAL LIABILITIES AND NET ASSETS	\$ 3,953,719	\$ 3,788,341

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, 2013 AND 2012**

CHANGE IN UNRESTRICTED NET ASSETS:	<u>2013</u>	<u>2012</u>
REVENUES AND OTHER SUPPORT		
Columbus Bed Tax	\$ 7,140,913	\$ 4,824,721
Promotional Revenue, City of Columbus	-	1,600,000
Contributions	619,215	578,747
Program Revenue	624,104	793,808
Promotional Revenue, Franklin County	1,250,000	1,150,000
Contributed Services	292,958	270,373
Publication Revenue	483,547	421,866
Sports Marketing	818,675	723,360
Interest	-	1,450
Other Income	40,576	26,988
	<u>11,269,988</u>	<u>10,391,313</u>
EXPENSES		
Convention Marketing	5,134,788	4,841,548
Tourism Marketing	2,108,015	1,553,858
Communication and Public Relations	867,914	808,561
Sports Marketing	661,054	655,126
Management and General	2,292,708	2,513,571
	<u>11,064,479</u>	<u>10,372,664</u>
	205,509	18,649
CHANGE IN NET ASSETS	205,509	18,649
NET ASSETS, BEGINNING OF YEAR	<u>2,862,994</u>	<u>2,844,345</u>
NET ASSETS, END OF YEAR	<u>\$ 3,068,503</u>	<u>\$ 2,862,994</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 CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 205,509	\$ 18,649
Adjustments to reconcile net assets to net cash provided by operating activities:		
Depreciation	151,881	154,282
Loss on Disposal of Property and Equipment	474	-
Changes in Assets and Liabilities:		
Increase in Accounts Receivable	(273,315)	(459,853)
(Increase)/Decrease in Prepaid Expenses and Deposits	(18,682)	53,587
Increase in Accounts Payable	139,702	159,717
Increase/(Decrease) in Accrued Expenses	(208,557)	259,212
Increased/(Decrease) in Deferred Revenue	39,180	(26,033)
Decrease in Deferred Rent	(10,456)	(7,816)
NET CASH PROVIDED BY OPERATING ACTIVITIES	25,736	151,745
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	-	(650,000)
Proceeds from Maturities of Investments	-	1,200,116
NET CASH PROVIDED BY INVESTING ACTIVITIES	-	550,116
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of Property and Equipment	(71,721)	(108,049)
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	(71,721)	(108,049)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(45,985)	593,812
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2,740,357	2,146,545
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 2,694,372	\$ 2,740,357

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
DBA EXPERIENCE COLUMBUS
FRANKLIN COUNTY**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2013**

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, 2013 and 2012, 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, 2013 and 2012, 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 or securities with maturities greater than three months when purchased. Investments are carried at cost. The Organization has no investments as of December 31, 2013 and 2012.

**THE GREATER COLUMBUS CONVENTION AND VISITOR'S BUREAU
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2013
(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, 2013 and 2012. 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, 2013 and 2012, 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 \$151,881 and \$154,282 for 2013 and 2012, 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 Greater Columbus 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.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2013
(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, 2013 and 2012, 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 2009.

Advertising expense: The Organization expenses advertising costs as incurred. Advertising expenses were \$1,455,850 and \$927,923 for 2013 and 2012, 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. Property and Equipment

Property and equipment consisted of the following at December 31:

	2013	2012
Office furniture and equipment	\$ 542,324	\$ 522,566
Computer equipment	601,701	557,805
Leasehold improvements	304,725	304,725
Total property and equipment being depreciated	1,448,750	1,385,096
Less: accumulated depreciation	(1,257,274)	(1,112,986)
Property and equipment, Net	\$ 191,476	\$ 272,110

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FRANKLIN COUNTY**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2013
(Continued)**

3. 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 2014. The Organization did not have an outstanding balance at December 31, 2013 or 2012.

4. Contributed Services Income

Contributed services are as follows:

	2013	2012
Convention marketing		
Travel, lodging, meals and incidentals	\$ 22,961	\$ 58,129
Production costs	47,000	25,926
Facility fees	18,000	-
Food and Beverage fees	27,251	-
Event promotional supplies	6,000	-
	<u>121,212</u>	<u>84,055</u>
Tourism marketing		
Visitors center - rent	18,000	18,000
Sports marketing		
Direct marketing	50,000	55,139
Production costs	24,777	44,471
Event promotional supplies	7,771	13,100
Travel, lodging, meals and incidentals	1,800	1,337
	<u>84,348</u>	<u>114,047</u>
Communications and public relations		
Travel, lodging, meals and incidentals	467	17,085
Facility fees	26,800	12,919
Food and Beverage fees	33,313	-
Event promotional supplies	445	18,257
Event promotional tickets	905	-
Other program costs	1,458	-
	<u>63,388</u>	<u>48,261</u>
Management and general		
Van lease	<u>6,010</u>	<u>6,010</u>
Total	\$ 292,958	\$ 270,373

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FRANKLIN COUNTY**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2013
(Continued)**

5. 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 \$264,023 and \$272,793 in 2013 and 2012, 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 \$10,237 and \$15,561 were paid in 2013 and 2012, respectively.

6. Lease Commitments

The Organization leases three facilities under operating leases expiring at various dates through 2015. Rent expense was \$494,369 and \$493,847 in 2013 and 2012, respectively.

The future minimum lease payments at December 31, 2013 are as follows:

2014	302,323
2015	<u>21,780</u>
Total	\$ 324,103

7. 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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INDEPENDENT AUDITOR'S 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, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the comparative financial statements of The Greater Columbus Convention and Visitor's Bureau, dba Experience Columbus, Franklin County, Ohio (the Organization), as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the Organization's consolidated financial statements and have issued our report thereon dated February 20, 2014.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Organization's internal control. Accordingly, we have not opined on it.

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 a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Organization's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

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, opining 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*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Dave Yost
Auditor of State
Columbus, Ohio

February 20, 2014



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THE GREATER COLUMBUS CONVENTION AND VISITOR'S 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
MARCH 20, 2014