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

Combined Financial Statements

December 31, 2010 and 2009

(with Independent Auditors' Report)



**CLARK SCHAEFER HACKETT**  
STRENGTH IN NUMBERS





# 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, 2010 through December 31, 2010. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Greater Cincinnati Convention and Visitors Bureau, Inc. and World Choir Games 2012 is responsible for compliance with these laws and regulations.

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

Dave Yost  
Auditor of State

October 17, 2011

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## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying combined statements of financial position of Greater Cincinnati Convention and Visitors Bureau, Inc. and World Choir Games 2012 as of December 31, 2010 and 2009, and the combined related statements of activities and cash flows for the years then ended. These combined financial statements are the responsibility of the Bureau's management. Our responsibility is to express an opinion on these combined financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Cincinnati Convention and Visitors Bureau, Inc. and World Choir Games 2012's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the 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, 2010 and 2009, and the combined changes in net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2011 on our consideration of Greater Cincinnati Convention and Visitors Bureau, Inc. and World Choir Games 2012's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be considered in assessing the results of our audit.

*Clark, Schaefer, Hackett & Co.*

Cincinnati, Ohio  
June 15, 2011

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Greater Cincinnati Convention and Visitors Bureau, Inc.  
and World Choir Games 2012  
Combined Statements of Financial Position  
December 31, 2010 and 2009

Assets	<u>2010</u>	<u>2009</u>
Cash and cash equivalents	\$ 441,637	805,958
County Hotel/Motel excise tax receivable	1,086,302	1,056,994
Contributions receivable	250,000	-
Program receivables	10,000	14,878
Government funding due	-	516,531
Membership receivables	8,822	17,237
General and suppliers' current and prior year subscriptions and sundry advances	<u>31,421</u>	<u>54,046</u>
Total receivables	1,386,545	1,659,686
Less allowance for doubtful accounts	<u>(8,943)</u>	<u>(54,016)</u>
	1,377,602	1,605,670
Prepaid expenses	<u>26,190</u>	<u>74,843</u>
 Total Current Assets	 1,845,429	 2,486,471
 Equipment	 577,752	 559,483
Less accumulated depreciation	<u>(492,366)</u>	<u>(418,889)</u>
	<u>85,386</u>	<u>140,594</u>
 Intangible assets	 1,000,000	 1,000,000
Less accumulated amortization	<u>(500,000)</u>	<u>(175,676)</u>
	<u>500,000</u>	<u>824,324</u>
 Total Assets	 \$ <u>2,430,815</u>	 <u>3,451,389</u>
 Liabilities and Net Assets		
Current liabilities:		
Line of credit	\$ 1,148,895	269,215
Current portion of capital lease	16,774	15,284
Accounts payable	98,804	761,779
Scholarship payable	30,000	30,000
Accrued payroll	332,253	311,397
Payroll taxes withholding	6,351	9,276
Deferred rent expense	103,137	101,820
Deferred membership income	61,402	19,859
Grants payable	<u>349,101</u>	<u>327,534</u>
Total Current Liabilities	2,146,717	1,846,164
 Long Term Obligations:		
Capital lease	4,442	21,222
 Net assets		
Unrestricted net assets (deficit)	(992,336)	293,994
Temporarily restricted net assets	<u>1,271,992</u>	<u>1,290,009</u>
	<u>279,656</u>	<u>1,584,003</u>
 Total Liabilities and Net Assets	 \$ <u>2,430,815</u>	 <u>3,451,389</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, 2010 and 2009

	2010			2009		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>Revenues:</b>						
Gross County Hotel/Motel excise tax revenue	\$ 4,668,337	-	4,668,337	4,454,248	-	4,454,248
Government funding	-	198,064	198,064	-	1,362,410	1,362,410
Income from members' subscriptions	282,860	-	282,860	305,404	-	305,404
Registration services	23,361	-	23,361	15,529	-	15,529
Passkey	48,753	-	48,753	42,681	-	42,681
Corporate sponsorships	227,944	297,407	525,351	200,000	75,798	275,798
Interest income	1,919	-	1,919	7,845	-	7,845
Other income	-	-	-	2,774	-	2,774
In-kind	21,276	-	21,276	19,046	-	19,046
Net assets released from restrictions:						
Satisfaction of restrictions	<u>513,488</u>	<u>(513,488)</u>	<u>-</u>	<u>841,728</u>	<u>(841,728)</u>	<u>-</u>
Total revenues	<u>5,787,938</u>	<u>(18,017)</u>	<u>5,769,921</u>	<u>5,889,255</u>	<u>596,480</u>	<u>6,485,735</u>
<b>Expenses:</b>						
Convention related expenditures:						
Convention sales and destination services	1,894,723	-	1,894,723	2,077,862	-	2,077,862
Convention services	422,859	-	422,859	383,871	-	383,871
Public relations and marketing	<u>822,838</u>	<u>-</u>	<u>822,838</u>	<u>1,077,628</u>	<u>-</u>	<u>1,077,628</u>
	3,140,420	-	3,140,420	3,539,361	-	3,539,361
World Choir Games:						
Scholarship	-	-	-	30,000	-	30,000
China Games Expenses	727,022	-	727,022	-	-	-
Marketing and production costs	<u>631,639</u>	<u>-</u>	<u>631,639</u>	<u>210,240</u>	<u>-</u>	<u>210,240</u>
	1,358,661	-	1,358,661	240,240	-	240,240
General and administrative	860,993	-	860,993	770,369	-	770,369
In-kind	21,276	-	21,276	19,046	-	19,046
Initiatives:						
Grant to Greater Cincinnati Sports Corporation	125,003	-	125,003	63,390	-	63,390
Grant to Northern Cincinnati CVB	-	-	-	250,000	-	250,000
Grant to Regional Tourism Network	<u>1,567,915</u>	<u>-</u>	<u>1,567,915</u>	<u>1,482,483</u>	<u>-</u>	<u>1,482,483</u>
	<u>1,692,918</u>	<u>-</u>	<u>1,692,918</u>	<u>1,795,873</u>	<u>-</u>	<u>1,795,873</u>
Total expenses	<u>7,074,268</u>	<u>-</u>	<u>7,074,268</u>	<u>6,364,889</u>	<u>-</u>	<u>6,364,889</u>
Change in Net Assets	(1,286,330)	(18,017)	(1,304,347)	(475,634)	596,480	120,846
Net Assets at Beginning of Year	<u>293,994</u>	<u>1,290,009</u>	<u>1,584,003</u>	<u>769,628</u>	<u>693,529</u>	<u>1,463,157</u>
Net Assets (Deficit) at End of Year	\$ <u>(992,336)</u>	<u>1,271,992</u>	<u>279,656</u>	<u>293,994</u>	<u>1,290,009</u>	<u>1,584,003</u>

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, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Cash flows from operating activities:		
Change in net assets	\$ (1,304,347)	120,846
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	73,477	61,178
Amortization	324,324	175,676
Bad debt recovery	(45,073)	-
Changes in assets and liabilities:		
Accounts receivable and advances-net	273,141	(365,888)
Prepaid expenses	48,653	21,261
Accounts payable	(662,975)	639,697
Scholarship payable	-	30,000
Accrued payroll	20,856	37,064
Payroll taxes withholdings	(2,925)	3,649
Deferred rent expense	1,317	9,506
Deferred membership income	41,543	(27,919)
Grant payable	<u>21,567</u>	<u>(97,757)</u>
 Net cash provided (used) by operating activities	 (1,210,442)	 607,313
Cash flows from investing activities:		
Purchase of intangible assets	-	(1,000,000)
Purchase of equipment	<u>(18,269)</u>	<u>(50,394)</u>
 Net cash used in investing activities	 (18,269)	 (1,050,394)
Cash flows from financing activities:		
Advances on line of credit	879,680	269,215
Payments on capital lease obligation	<u>(15,290)</u>	<u>(10,572)</u>
 Net cash provided by financing activities	 <u>864,390</u>	 <u>258,643</u>
 Net decrease in cash and cash equivalents	 (364,321)	 (184,438)
Cash and cash equivalents at beginning of year	<u>805,958</u>	<u>990,396</u>
Cash and cash equivalents at end of year	\$ <u>441,637</u>	<u>805,958</u>
Supplemental information:		
Purchase of equipment under capital lease obligation	\$ <u>-</u>	<u>47,078</u>
Interest paid	\$ <u>21,697</u>	<u>4,426</u>

See accompanying notes to the combined financial statements.

**1. SUMMARY OF ACCOUNTING POLICIES:**

Greater Cincinnati Convention and Visitors Bureau, Inc. (the Bureau) is a sales, marketing, and service organization and impacts the Greater Cincinnati area economy through convention, trade show, and visitor expenditures.

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

**Principles of combination**

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

**Cash and cash equivalents**

Cash and cash equivalents include highly liquid investments with a maturity of three months or less when purchased. The Bureau maintains its cash balances in demand deposit accounts, money market funds, and certificates of deposit primarily with commercial banks in Ohio.

**Allowance for doubtful accounts**

The allowance is determined by considering the length of time receivable balances are outstanding and the companies' ability to pay. The outstanding balances are reviewed monthly and ability to collect is determined. The allowance is decreased when receivables are deemed to be uncollectible, and payments subsequently received on such receivables restore the allowance for doubtful accounts.

**Revenues**

The Bureau receives revenues generated from a 3% excise tax on hotel rooms in Hamilton County, Ohio and other governmental funds. These revenues are authorized under regulations approved by the Hamilton County Board of Commissioners under legislation approved by the Ohio legislature. Membership and other fees are recognized as earned. Contributions and grants are recognized when awarded. Sponsorships for various programs are deferred and recognized when the event or program has occurred.

**Equipment**

Equipment is recorded at cost. Costs of maintenance and repairs are charged to expense as incurred. Major improvements and renewals, in general, are capitalized.

The estimated useful lives are:

Furniture	10 years
Office equipment	5 years
Computer equipment	3-5 years

Depreciation is provided on the straight-line method over the estimated useful lives of the assets. Depreciation expense was \$73,477 and \$61,178 in 2010 and 2009, respectively.

**Intangible assets**

WCG secured the hosting of an international event in Cincinnati for 2012, the World Choir Games. In connection with this event WCG had to pay a \$1,000,000 fee for the intangible rights to the game, the use of the logo and certain other trademarks and processes. The license fee intangible is being amortized over the period from the date of contract until the World Choir Games are held in 2012. The amortization charged was \$324,324 and \$175,676 in 2010 and 2009, respectively. It is expected that the amortization through 2012 will be expensed as follows:

2011	\$324,324
2012	175,676

**Fair value measures**

Generally accepted accounting principles define fair value, establish a framework for measuring fair value, and establish a fair value hierarchy that prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach are used to measure fair value. The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Bureau has the ability to access.
- Level 2 inputs are inputs (other than quoted prices included within level 1) that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability.

Total cash equivalents held at December 31, 2010 and 2009 were \$21,903 and \$21,895, respectively, and are valued at Level 2 inputs based on values provided by the asset custodians.

**Deferred membership income**

Deferred membership income represents collections in the current year that pertain to billings of membership revenues attributable to the following year.

**Grants payable**

As a part of their mission to support the region, the Bureau has pledged to support certain organizations and initiatives. Amounts pledged to these organizations are recorded when the pledge or grant is made.

**Temporarily restricted net assets**

The Bureau reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released

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

The Bureau reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used, and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Bureau reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service. In 2010 and 2009 temporarily restricted net assets represented funds for specified purposes.

#### **Permanently restricted net assets**

Net assets that are subject to donor-imposed stipulations that require the assets to be maintained permanently by the Bureau are recorded as permanently restricted net assets. Generally, the donors of these assets permit the Bureau to use all or part of the income earned on related investments for general or specific purposes. The Bureau does not currently have permanently restricted net assets.

#### **Donated materials and services**

The Bureau records donated services as revenue in the financial statements at their estimated fair value with a corresponding charge to donated services. Donated services are not recorded if no objective basis is available to measure the value received by the Bureau. There was \$21,276 and \$19,046 in donated services for the years ended December 31, 2010 and 2009, respectively.

#### **Income tax status**

The Internal Revenue Service has ruled that the Bureau qualified under Section 501(c)(6) of the Internal Revenue Code (IRC) and has exempt status under present federal income tax law. 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. WGC has received its exemption from income taxes under Section 501(c)(3) of the IRC and has exempt status under present federal income tax law.

#### **Uncertain tax positions**

The Bureau adopted the provisions for *Accounting for Uncertainty in Income Taxes* on January 1, 2009. Those provisions clarify the accounting and recognition for income tax positions taken or expected to be taken in the Bureau's income tax returns. The Bureau's income tax filings are subject to audit by various taxing authorities. The Bureau's open audit periods are 2007–2009. The Bureau'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 tax provisions and accruals, future taxable income, and the reversal of temporary differences, interpretations and tax planning strategies are considered. The Bureau believes their estimates are appropriate based on current facts and circumstances.

**Use of estimates in financial statements**

In preparing financial statements in conformity with generally accepted accounting principles, management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Subsequent events**

The Bureau evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through June 15, 2011 the date on which the financial statements were available to be issued.

**2. CONTRIBUTIONS RECEIVABLE:**

During 2010, WCG received contributions that are expected to be received in a future period. All contributions receivable are estimated to be fully collectible and are due within one year. As of December 31, 2010, contributions receivable were \$250,000.

**3. CONCENTRATION OF CREDIT RISK:**

Financial instruments which subject the Bureau to a concentration of credit risk consist of cash. At times, cash balances may be in excess of the insurance coverage provided by the Federal Deposit Insurance Corporation.

**4. REVENUE CONCENTRATION:**

The Bureau is dependent upon the Hotel/Motel excise tax revenue levy. Tax levy revenues were 81% and 69% for the year ended December 31, 2010 and 2009, respectively. The receivables from the County were 97% and 98% for the year ended December 31, 2010 and 2009, 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, 2010 for the noncancelable leases are as follows:

2011	\$ 188,304
2012	187,569
2013	187,013
2014	186,020
2015	189,740
Thereafter	<u>144,429</u>
	<u>\$ 1,083,075</u>

Total rental expense was \$168,102 and \$163,536 in 2010 and 2009, 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 \$128,969 and \$113,276 at December 31, 2010 and 2009, respectively.

The following is a schedule of future annual minimum lease payments under capital leases, together with the present value of the net minimum lease payments, as of December 31, 2010:

2011	\$ 18,044
2012	<u>4,511</u>
Total minimum lease payments	22,555
Less: amount representing interest	<u>(1,339)</u>
Present value of net minimum lease payments	<u>\$ 21,216</u>
Current	<u>\$ 16,774</u>
Long-term	<u>\$ 4,442</u>

**8. REVOLVING LINE OF CREDIT:**

The Bureau entered into three line of credit agreements with a bank in 2009 totaling \$1,200,000.

A revolving line of credit for \$200,000, that bears interest on a modified LIBOR plus 3% (3.26% at December 31, 2010), with principal due September 1, 2011. At December 31, 2010 and 2009, the outstanding balance was \$200,000 and \$125,000, respectively. The line is secured by all the assets of the Organization.

In connection with acquisition and production of the World Choir Games 2012 the Bureau has obtained additional lines of credit A & B.

Line of Credit A in the amount of \$500,000, that bears interest on a modified LIBOR plus 3% (3.26% at December 31, 2010), with principal due September 1, 2011. The non revolving line of credit is unsecured. At December 31, 2010 and 2009 the outstanding balance was \$500,000 and \$144,215, respectively.

Line of Credit B in the amount of \$500,000, that bears interest on a modified LIBOR plus 2.75% (3.01% at December 31, 2010), with principal due September 1, 2011. The non revolving line of credit is guaranteed by a third party. At December 31, 2010, the outstanding balance was \$448,895. There was no amount outstanding at December 31, 2009. This loan is guaranteed by ArtsWave.

**9. RETIREMENT PLAN:**

The Bureau has a defined contribution 401(k) savings plan. The defined contribution 401(k) savings plan allows the Bureau to make matching contributions. The plan covers substantially all employees who meet certain eligibility requirements as to age and length of service. Bureau matching contributions are provided up to 3% for the first 3% and 1.5% of the next 3% of eligible employee compensation with certain limitations. The expenses for 2010 and 2009 were \$73,502 and \$74,625, 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>2010</u>	<u>2009</u>
Program services	\$ 6,213,275	5,594,520
General and administrative	<u>860,993</u>	<u>770,369</u>
	<u>\$ 7,074,268</u>	<u>6,364,889</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. In 2009, Spirit made a direct contribution in the amount of \$13,250 for an event for the City of Cincinnati.



**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON SUPPLEMENTAL  
INFORMATION**

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

We have audited the basic combined financial statements of Greater Cincinnati Convention and Visitors Bureau, Inc. and World Choir Games 2012 as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated June 15, 2011. Our audits were performed for the purpose of forming an opinion on the basic combined financial statements taken as a whole. The accompanying combined supplemental statements of financial positions and combined supplemental statements of activities are presented for purposes of additional analysis and are not a required part of the basic combined financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic combined financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic combined financial statements taken as a whole.

*Clark Schaefer Hackett & Co.*

Cincinnati, Ohio  
June 15, 2011

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

Assets

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

Greater Cincinnati Convention and Visitors Bureau, Inc.  
and World Choir Games 2012  
Combined Supplemental Statement of Financial Position  
December 31, 2009

Assets

	<u>Total</u>	<u>Eliminations</u>	<u>The Bureau</u>	<u>World Choir Games</u>
Cash and cash equivalents	\$ 805,958	-	805,958	-
County Hotel/Motel excise tax receivable	1,056,994	-	1,056,994	-
Program receivables	14,878	-	14,878	-
Government funding due	516,531	-	516,531	-
Membership receivables	17,237	-	17,237	-
General and suppliers' current and prior year subscriptions and sundry advances	<u>54,046</u>	<u>-</u>	<u>54,046</u>	<u>-</u>
Total receivables	1,659,686	-	1,659,686	-
Less allowance for doubtful accounts	<u>(54,016)</u>	<u>-</u>	<u>(54,016)</u>	<u>-</u>
	1,605,670	-	1,605,670	-
Due from World Choir Games	-	(364,492)	364,492	-
Prepaid expenses	<u>74,843</u>	<u>-</u>	<u>74,843</u>	<u>-</u>
 Total Current Assets	 2,486,471	 (364,492)	 2,850,963	 -
Equipment	559,483	-	559,483	-
Less accumulated depreciation	<u>(418,889)</u>	<u>-</u>	<u>(418,889)</u>	<u>-</u>
	<u>140,594</u>	<u>-</u>	<u>140,594</u>	<u>-</u>
Intangible assets	1,000,000	-	-	1,000,000
Less accumulated amortization	<u>(175,676)</u>	<u>-</u>	<u>-</u>	<u>(175,676)</u>
	<u>824,324</u>	<u>-</u>	<u>-</u>	<u>824,324</u>
 Total Assets	 \$ <u>3,451,389</u>	 <u>(364,492)</u>	 <u>2,991,557</u>	 <u>824,324</u>

Liabilities and Net Assets

Current liabilities:

Line of credit	\$ 269,215	-	269,215	-
Current portion of capital lease	15,284	-	15,284	-
Accounts payable	761,779	-	185,779	576,000
Scholarship payable	30,000	-	-	30,000
Accrued payroll	311,397	-	311,397	-
Payroll taxes withholding	9,276	-	9,276	-
Deferred rent	101,820	-	101,820	-
Deferred membership income	19,859	-	19,859	-
Due to the Bureau	-	(364,492)	-	364,492
Grants payable	<u>327,534</u>	<u>-</u>	<u>327,534</u>	<u>-</u>
Total Current Liabilities	1,846,164	(364,492)	1,240,164	970,492

Long term obligations:

Capital lease	21,222	-	21,222	-
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Net assets

Unrestricted net assets (deficit)	293,994	-	440,162	(146,168)
Temporarily restricted net assets	<u>1,290,009</u>	<u>-</u>	<u>1,290,009</u>	<u>-</u>
	<u>1,584,003</u>	<u>-</u>	<u>1,730,171</u>	<u>(146,168)</u>
 Total Liabilities and Net Assets	 \$ <u>3,451,389</u>	 <u>(364,492)</u>	 <u>2,991,557</u>	 <u>824,324</u>

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

	Total		The Bureau		World Choir Games	
	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted
<b>Revenues:</b>						
Gross County Hotel/Motel excise tax revenue	\$ 4,668,337	-	4,668,337	-	-	-
Government funding	-	198,064	-	198,064	-	-
Income from members' subscriptions	282,860	-	282,860	-	-	-
Registration services	23,361	-	23,361	-	-	-
Passkey	48,753	-	48,753	-	-	-
Corporate sponsorships	227,944	297,407	67,944	47,407	160,000	250,000
Interest income	1,919	-	1,919	-	-	-
In-kind	21,276	-	21,276	-	-	-
Net assets released from restrictions:						
Satisfaction of restrictions	513,488	(513,488)	513,488	(513,488)	-	-
<b>Total revenues</b>	<b>5,787,938</b>	<b>(18,017)</b>	<b>5,627,938</b>	<b>(268,017)</b>	<b>160,000</b>	<b>250,000</b>
<b>Expenses:</b>						
Convention related expenditures:						
Convention sales and destination services	1,894,723	-	1,894,723	-	-	-
Convention services	422,859	-	422,859	-	-	-
Public relations and marketing	822,838	-	822,838	-	-	-
	3,140,420	-	3,140,420	-	-	-
World Choir Games:						
China Games Expenses	727,022	-	727,022	-	-	727,022
Marketing and production costs	631,639	-	631,639	-	-	631,639
	1,358,661	-	1,358,661	-	-	1,358,661
General and administrative	860,993	-	754,326	-	106,667	106,667
In-kind	21,276	-	21,276	-	-	-
<b>Total expenses</b>	<b>7,074,268</b>	<b>-</b>	<b>5,608,940</b>	<b>-</b>	<b>1,465,328</b>	<b>1,465,328</b>
<b>Change in Net Assets</b>	<b>(1,286,330)</b>	<b>(18,017)</b>	<b>18,998</b>	<b>(268,017)</b>	<b>(1,305,328)</b>	<b>(1,055,328)</b>
<b>Net Assets (Deficit) at Beginning of Year</b>	<b>293,994</b>	<b>1,290,009</b>	<b>440,162</b>	<b>1,290,009</b>	<b>(146,168)</b>	<b>-</b>
<b>Net Assets (Deficit) at End of Year</b>	<b>\$ (992,336)</b>	<b>1,271,992</b>	<b>459,160</b>	<b>1,021,992</b>	<b>(1,451,496)</b>	<b>(1,201,496)</b>

Greater Cincinnati Convention and Visitors Bureau, Inc.  
and World Choir Games 2012  
Combined Supplemental Statement of Activities  
Year Ended December 31, 2009

	Total			The Bureau			World Choir Games		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>Revenues:</b>									
Gross County Hotel/Motel excise tax revenue	\$ 4,454,248	-	4,454,248	4,454,248	-	4,454,248	-	-	-
Government funding	-	1,362,410	1,362,410	-	1,362,410	1,362,410	-	-	-
Income from members' subscriptions	305,404	-	305,404	305,404	-	305,404	-	-	-
Registration services	15,529	-	15,529	15,529	-	15,529	-	-	-
Passkey	42,681	-	42,681	42,681	-	42,681	-	-	-
Corporate sponsorships	200,000	75,798	275,798	75,000	75,798	150,798	125,000	125,000	-
Interest income	7,845	-	7,845	7,845	-	7,845	-	-	-
Other income	2,774	-	2,774	2,774	-	2,774	-	-	-
Inkind	19,046	-	19,046	3,546	-	3,546	15,500	-	15,500
Net assets released from restrictions:									
Satisfaction of restrictions	841,728	(841,728)	-	841,728	(841,728)	-	-	-	-
<b>Total revenues</b>	<b>5,889,255</b>	<b>596,480</b>	<b>6,485,735</b>	<b>5,748,755</b>	<b>596,480</b>	<b>6,345,235</b>	<b>140,500</b>	<b>-</b>	<b>140,500</b>
<b>Expenses:</b>									
<b>Convention related expenditures:</b>									
Convention sales and destination services	2,077,862	-	2,077,862	2,077,862	-	2,077,862	-	-	-
Convention services	383,871	-	383,871	383,871	-	383,871	-	-	-
Public relations and marketing	1,077,628	-	1,077,628	1,077,628	-	1,077,628	-	-	-
	3,539,361	-	3,539,361	3,539,361	-	3,539,361	-	-	-
<b>World Choir Games:</b>									
Scholarship	30,000	-	30,000	-	-	-	30,000	-	30,000
Marketing and production costs	210,240	-	210,240	-	-	-	210,240	-	210,240
	240,240	-	240,240	-	-	-	240,240	-	240,240
General and administrative	770,369	-	770,369	739,441	-	739,441	30,928	-	30,928
Inkind	19,046	-	19,046	3,546	-	3,546	15,500	-	15,500
<b>Initiatives:</b>									
Grant to Greater Cincinnati Sports Corporation	63,390	-	63,390	63,390	-	63,390	-	-	-
Grant to Northern Cincinnati CVB	250,000	-	250,000	250,000	-	250,000	-	-	-
Grant to Regional Tourism Network	1,482,483	-	1,482,483	1,482,483	-	1,482,483	-	-	-
	1,795,873	-	1,795,873	1,795,873	-	1,795,873	-	-	-
<b>Total expenses</b>	<b>6,364,889</b>	<b>-</b>	<b>6,364,889</b>	<b>6,078,221</b>	<b>-</b>	<b>6,078,221</b>	<b>286,668</b>	<b>-</b>	<b>286,668</b>
Change in Net Assets	(475,634)	596,480	120,846	(329,466)	596,480	267,014	(146,168)	-	(146,168)
Net Assets at Beginning of Year	769,628	693,529	1,463,157	769,628	693,529	1,463,157	-	-	-
Net Assets (Deficit) at End of Year	\$ 293,994	1,290,009	1,584,003	440,162	1,290,009	1,730,171	(146,168)	-	(146,168)

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited the financial statements of Greater Cincinnati Convention and Visitors Bureau, Inc. and World Choir Games 2012 as of and for the year ended December 31, 2010, and have issued our report thereon dated June 15, 2011. 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 Greater Cincinnati Convention and Visitors Bureau, Inc. and World Choir Games 2012's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on financial statements, but not for the purpose of expressing an opinion on the effectiveness of Greater Cincinnati Convention and Visitors Bureau, Inc. and World Choir Games 2012's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Greater Cincinnati Convention and Visitors Bureau, Inc. and World Choir Games 2012's internal control over financial reporting.

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

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Greater Cincinnati Convention and Visitors Bureau, Inc. and World Choir Games 2012's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of

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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 Directors, others within the entity, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Clark, Schaefer, Hackett & Co.*

Cincinnati, Ohio  
June 15, 2011

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# Dave Yost • Auditor of State

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

**HAMILTON COUNTY**

## **CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
NOVEMBER 10, 2011**