

---

## **Greater Cincinnati Convention and Visitors Bureau, Inc.**

Financial Statements  
And Additional Financial Information  
December 31, 2013 and 2012  
(with Independent Auditors' Report)





# Dave Yost • Auditor of State

Board of Directors  
Greater Cincinnati Convention and Visitors Bureau, Inc.  
525 Vine Street, Suite 1500  
Cincinnati, Ohio 45202

We have reviewed the *Independent Auditors' Report* of the Greater Cincinnati Convention and Visitors Bureau, Inc., Hamilton County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2013 through December 31, 2013. 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. 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 28, 2014

**This page intentionally left blank.**

## TABLE OF CONTENTS

Independent Auditors' Report .....	1-2
Financial Statements:	
Statements of Financial Position .....	3
Statements of Activities .....	4
Statements of Cash Flows .....	5
Notes to the Financial Statements .....	6-11
Accompanying Information:	
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> .....	12-13

## **INDEPENDENT AUDITORS' REPORT**

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

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

We have audited the accompanying financial statements of Greater Cincinnati Convention and Visitors Bureau, Inc., which comprise the statement of financial position as of December 31, 2013, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements. We have also 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 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 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 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

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

one east fourth street, ste. 1200  
cincinnati, oh 45202

www.cshco.com  
p. 513.241.3111  
f. 513.241.1212

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Greater Cincinnati Convention and Visitors Bureau, Inc. as of December 31, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Also, 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 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 Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2014 on our consideration of Greater Cincinnati Convention and Visitors Bureau, Inc.'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.'s internal control over financial reporting and compliance.

*Clark, Schaefer, Hackett & Co.*

Cincinnati, Ohio  
June 23, 2014

Greater Cincinnati Convention and Visitors Bureau, Inc.  
Statements of Financial Position  
December 31, 2013 and 2012

Assets	<u>2013</u>	<u>2012</u>
Cash and cash equivalents	\$ 1,131,864	819,612
County Hotel/Motel excise tax receivable	1,265,579	1,234,697
Contributions receivable	-	101,250
Program receivables	360	163,913
Membership receivables	35,560	53,570
General and suppliers' current and prior year subscriptions and sundry advances	<u>55,766</u>	<u>32,725</u>
Total receivables	1,357,265	1,586,155
Less allowance for doubtful accounts	<u>(38,943)</u>	<u>(75,668)</u>
	1,318,322	1,510,487
Prepaid expenses	<u>47,253</u>	<u>40,543</u>
 Total Current Assets	 2,497,439	 2,370,642
Equipment	646,067	644,755
Less accumulated depreciation	<u>(564,749)</u>	<u>(585,045)</u>
	<u>81,318</u>	<u>59,710</u>
 Total Assets	 \$ <u>2,578,757</u>	 <u>2,430,352</u>
 Liabilities and Net Assets		
Current liabilities:		
Lines of credit	\$ -	500,000
Current portion of capital lease	11,330	-
Accounts payable	234,458	254,062
Accrued payroll	464,130	427,319
Payroll taxes withholding	2,472	4,100
Deferred rent expense	60,553	79,907
Deferred membership income	25,436	46,368
Grants payable	<u>411,793</u>	<u>405,802</u>
Total Current Liabilities	1,210,172	1,717,558
 Long Term Obligations:		
Capital lease	<u>35,540</u>	<u>-</u>
Total Liabilities	<u>1,245,712</u>	<u>1,717,558</u>
 Net Assets:		
Unrestricted	607,383	401,478
Temporarily restricted	<u>725,662</u>	<u>311,316</u>
Total net assets	<u>1,333,045</u>	<u>712,794</u>
Total Liabilities and Net Assets	\$ <u>2,578,757</u>	<u>2,430,352</u>

See accompanying notes to the financial statements.

Greater Cincinnati Convention and Visitors Bureau, Inc.  
Statements of Activities  
Years Ended December 31, 2013 and 2012

	2013			2012		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenues:						
Gross County Hotel/Motel excise tax revenue	\$ 5,874,344	-	5,874,344	5,377,042	-	5,377,042
Government funding	-	1,237,034	1,237,034	-	1,236,347	1,236,347
Income from members' subscriptions	307,430	-	307,430	306,760	-	306,760
Registration services	2,679	-	2,679	3,007	-	3,007
Passkey	58,379	-	58,379	91,069	-	91,069
Corporate sponsorships	140,475	-	140,475	1,763,446	101,250	1,864,696
Interest income	1,299	-	1,299	1,780	-	1,780
Other income	2,635	-	2,635	115	-	115
In-kind	25,784	-	25,784	5,397,990	-	5,397,990
World Choir Games earned revenue	-	-	-	1,863,643	-	1,863,643
Net assets released from restrictions	<u>822,688</u>	<u>(822,688)</u>	<u>-</u>	<u>3,202,475</u>	<u>(3,202,475)</u>	<u>-</u>
Total revenues	<u>7,235,713</u>	<u>414,346</u>	<u>7,650,059</u>	<u>18,007,327</u>	<u>(1,864,878)</u>	<u>16,142,449</u>
Expenses:						
Convention related expenditures:						
Convention sales and destination services	2,389,223	-	2,389,223	2,169,641	-	2,169,641
Convention services	401,687	-	401,687	437,475	-	437,475
Public relations and marketing	<u>1,203,567</u>	<u>-</u>	<u>1,203,567</u>	<u>1,177,372</u>	<u>-</u>	<u>1,177,372</u>
	3,994,477	-	3,994,477	3,784,488	-	3,784,488
World Choir Games:						
Fundraising, marketing & advertising costs	-	-	-	2,110,338	-	2,110,338
Participant services	-	-	-	1,097,381	-	1,097,381
Production costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,902,580</u>	<u>-</u>	<u>1,902,580</u>
	-	-	-	5,110,299	-	5,110,299
General and administrative	928,532	-	928,532	1,315,229	-	1,315,229
In-kind	25,784	-	25,784	5,397,990	-	5,397,990
Initiatives:						
Grant to Greater Cincinnati Sports Corporation	132,600	-	132,600	128,750	-	128,750
Grant to Regional Tourism Network	<u>1,948,415</u>	<u>-</u>	<u>1,948,415</u>	<u>1,792,981</u>	<u>-</u>	<u>1,792,981</u>
	<u>2,081,015</u>	<u>-</u>	<u>2,081,015</u>	<u>1,921,731</u>	<u>-</u>	<u>1,921,731</u>
Total expenses	<u>7,029,808</u>	<u>-</u>	<u>7,029,808</u>	<u>17,529,737</u>	<u>-</u>	<u>17,529,737</u>
Change in Net Assets	205,905	414,346	620,251	477,590	(1,864,878)	(1,387,288)
Net Assets (Deficit) at Beginning of Year	<u>401,478</u>	<u>311,316</u>	<u>712,794</u>	<u>(76,112)</u>	<u>2,176,194</u>	<u>2,100,082</u>
Net Assets at End of Year	\$ <u>607,383</u>	<u>725,662</u>	<u>1,333,045</u>	<u>401,478</u>	<u>311,316</u>	<u>712,794</u>

See accompanying notes to the financial statements.

Greater Cincinnati Convention and Visitors Bureau, Inc.  
Statements of Cash Flows  
Years Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Change in net assets	\$ 620,251	(1,387,288)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	36,717	35,515
Amortization	-	948,113
Bad debt expense (recovery)	(36,725)	52,725
Changes in assets and liabilities:		
Accounts receivable and advances-net	228,890	727,502
Prepaid expenses	(6,710)	(7,875)
Accounts payable	(19,604)	(415,261)
Scholarship payable	-	(30,000)
Accrued payroll	36,811	45,369
Payroll taxes withholdings	(1,628)	(3,559)
Deferred rent expense	(19,354)	(15,777)
Deferred membership income	(20,932)	12,588
Grants payable	<u>5,991</u>	<u>41,060</u>
Net cash provided by operating activities	<u>823,707</u>	<u>3,112</u>
Cash flows from investing activities:		
Purchase of equipment	<u>(5,590)</u>	<u>(51,926)</u>
Cash flows from financing activities:		
Net change in lines of credit	(500,000)	(499,205)
Payments on capital lease obligation	<u>(5,865)</u>	<u>(4,442)</u>
Net cash used by financing activities	<u>(505,865)</u>	<u>(503,647)</u>
Net increase (decrease) in cash and cash equivalents	312,252	(552,461)
Cash and cash equivalents at beginning of year	<u>819,612</u>	<u>1,372,073</u>
Cash and cash equivalents at end of year	\$ <u>1,131,864</u>	<u>819,612</u>
Supplemental information:		
Purchase of equipment under capital lease obligation	\$ <u>52,735</u>	<u>-</u>
Interest paid	\$ <u>3,790</u>	<u>21,528</u>

See accompanying notes to the 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) conducted business as the Cincinnati Organizing Committee of the 2012 World Choir Games; its primary purpose was 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 was shut down as of December 31, 2012.

### Principles of combination

The 2012 financial statements were the result of the combination of the operations of Greater Cincinnati Convention and Visitors Bureau, Inc. and World Choir Games 2012. All intercompany transactions were 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 \$38,943 and \$75,668 at December 31, 2013 and 2012, 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 consisted 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 \$36,717 and \$35,515 in 2013 and 2012, 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 received its exemption from income taxes under Section 501(c)(3) of the IRC. WCG was not considered to be a private foundation. The WCG did not engage in any activity which would expose it to unrelated business income taxes. WCG filed its final form 990 for the year end December 31, 2012.

**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 2010–2012. WCG's open audit periods are 2010-2012. 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.

**Reclassification**

Certain items from 2012 have been reclassified to conform to current year presentation.

**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 23, 2014, the date on which the financial statements were available to be issued.

**2. CONTRIBUTIONS RECEIVABLE:**

Contributions receivable were \$101,250 at December 31, 2012. There was no outstanding contributions receivable at December 31, 2013. All contributions receivable were estimated to be fully collectible and were due within one year. There was no allowance for uncollectible contributions at December 31, 2012.

**3. REVENUE CONCENTRATION:**

The Bureau is dependent upon the Hotel/Motel excise tax revenue levy. Tax levy revenues were 77% and 50% of total revenue for the years ended December 31, 2013 and 2012, respectively. The receivables from the County were 96% and 95% for the years ended December 31, 2013 and 2012, respectively. A discontinuance of this tax levy would severely affect the operation of the Bureau.

**4. EMPLOYMENT AGREEMENT:**

The Bureau has signed an employment agreement with its CEO providing base and incentive compensation through December 31, 2014.

**5. OPERATING LEASES:**

The Bureau has operating leases for office space, furniture and office equipment which expire at various dates through 2018. The future minimum rental commitments as of December 31, 2013 for the noncancelable leases are as follows:

2014	\$ 198,056
2015	201,776
2016	154,909
2017	2,700
2018	<u>2,250</u>
	<u>\$ 559,691</u>

Total rental expense was \$167,589 and \$167,571 in 2013 and 2012, respectively.

**6. CAPITAL LEASES:**

During 2013 the Bureau acquired equipment under a new capital lease agreement. The lease expires in May 2017. Capital leased assets included in equipment have costs totaling \$52,735 and accumulated depreciation totaling \$8,789 at December 31, 2013.

Future minimum lease payments required under the lease are as follows:

2014	\$ 17,643
2015	17,643
2016	17,643
2017	<u>7,352</u>
Total minimum lease payments	60,281
Less: amount representing interest	<u>13,411</u>
	46,870
Less: current portion of lease obligations	<u>11,330</u>
Long-term portion of lease obligations	<u>\$ 35,540</u>

**7. REVOLVING LINES OF CREDIT:**

The Bureau had two lines of credit with a bank with a combined balance of \$500,000 at December 31, 2012. These lines of credit were paid off and closed during 2013.

During 2013, the Bureau entered into a \$250,000 line of credit agreement with a new bank that bears interest on a modified LIBOR plus 3.5% (3.67% at December 31, 2013), with principal due May 15, 2015. There was no outstanding balance at December 31, 2013. The line is secured by all the assets of the Organization.

**8. 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 2013 and 2012 were \$86,605 and \$99,274, respectively.

**9. FUNCTIONAL EXPENSES:**

The Bureau promotes the Greater Cincinnati area economy through its sales and marketing efforts. The results for 2012 include the operations of the World Choir Games 2012 which were not repeated in 2013. Expenses related to providing these program services and supporting functions for the year ended December 31 are as follows:

	<u>2013</u>	<u>2012</u>
Program services	\$ 6,101,276	16,214,508
General and administrative	<u>928,532</u>	<u>1,315,229</u>
	<u>\$ 7,029,808</u>	<u>17,529,737</u>

**10. 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, 2013 and 2012, the Bureau owed Spirit \$34,221 and \$47,000, respectively. At December 31, 2012, WCG had a receivable from Spirit of \$41,757.

**11. TEMPORARILY RESTRICTED NET ASSETS:**

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

	<u>2013</u>	<u>2012</u>
Program restrictions	\$ 725,662	210,066
Time restricted	<u>-</u>	<u>101,250</u>
Total	<u>\$ 725,662</u>	<u>311,316</u>

During 2013 and 2012, net assets released from restriction were \$822,688 and \$3,202,475, respectively.

**12. DONATED SERVICES AND IN-KIND DONATIONS:**

Contribution revenue recognized during 2013 and 2012 from donated services and in-kind donations consisted of the amounts noted below. The results for 2012 include the operations of the World Choir Games 2012 which were not repeated in 2013.

	<u>2013</u>	<u>2012</u>
Professional services, supplies, and material	\$ 4,508	5,376,714
In-kind rent	<u>21,276</u>	<u>21,276</u>
Total	\$ <u>25,784</u>	<u>5,397,990</u>

**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.:

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 financial statements of Greater Cincinnati Convention and Visitors Bureau, Inc., which comprise the statement of financial position as of December 31, 2013, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 23, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Greater Cincinnati Convention and Visitors Bureau, Inc.'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.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Greater Cincinnati Convention and Visitors Bureau, Inc.'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 deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

one east fourth street, ste. 1200  
cincinnati, oh 45202

www.cshco.com  
p. 513.241.3111  
f. 513.241.1212

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Greater Cincinnati Convention and Visitors Bureau, Inc.'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.'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 23, 2014



# Dave Yost • Auditor of State

**GREATER CINCINNATI CONVENTION AND VISITORS BUREAU, INC.**

**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 7, 2014**